

Professional Standards Council  
of Western Australia

# Financial Statements

For the year ended 30 June 2023

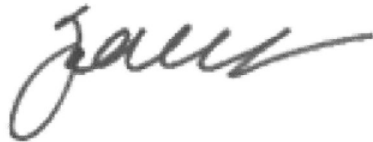
Protecting consumers by  
improving professional standards

## KEY PERFORMANCE INDICATORS

Certification of Key Performance Indicators for the Year Ended 30 June 2023

### Statement of Certification

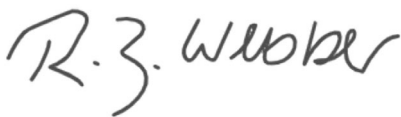
We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Professional Standards Council of Western Australia's performance, and fairly represent the performance of the Professional Standards Council of Western Australia for the financial year ended 30 June 2023.



**Mr John Vines OAM**

Chair of the Professional Standards Council of WA

7 November 2023



**Ms Rachel Webber**

Council Member

7 November 2023

## KEY PERFORMANCE INDICATORS

The Professional Standards Council of Western Australia (the Council) is responsible for approving Professional Standards Schemes (Schemes). The Schemes become effective on a day specified in the gazetted Scheme or two months after gazettal by the Minister.

The Schemes aim to increase consumer protection, by improving the standards of professionals who belong to occupational associations that are approved by the Professional Standards Council to administer such Schemes. Members of such occupational associations are required to comply with required codes of ethics and practice, and to engage in risk management and continuing occupational education. Awareness and an active response to these issues can lower the incidence of civil liability claims against participating members, thereby achieving the objectives associated with the Schemes.

As a further measure of consumer protection, members of occupational associations that participate in Schemes are also required to hold significant business assets and/or professional indemnity insurance.

The Schemes operating in Western Australia during 2022-2023 were:

- The Law Society of Western Australia Scheme, which commenced on 1 July 2019 (*Gazette* 7 May 2019, No. 62); and
- The Western Australian Bar Association Professional Standards Scheme which commenced on 1 July 2020 (*Gazette* 24 April 2020, No. 63).

- **Key Output/Service**

|                |  |
|----------------|--|
| <b>Outcome</b> | <b>Professional Standards Schemes limiting the civil liability of the members of occupational associations</b> |
|----------------|--|

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|               |  |
|---------------|--|
| <b>Output</b> | Professional Standards Schemes limiting the liability of the members of an occupational association together with compulsory professional indemnity insurance, risk management strategies and appropriate provisions for complaints and disciplinary matters, for the protection of consumers of the services provided by the association's members. |
|---------------|--|

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|                    |   |
|--------------------|---|
| <b>Description</b> | Professional Standards Schemes limit the civil liability of members of the occupational association. Once approved, Schemes may continue for a period of up to five years. Annual fees calculated by reference to the number of members are payable by the occupational association to the Council. |
|--------------------|---|

Consumers are protected by a requirement that persons under a Scheme have professional indemnity insurance or assets to the approved level; that members engage in appropriate risk management strategies; and by an approved complaints and disciplinary process.

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## **BACKGROUND**

In June 2022, the national Professional Standards Councils launched a strategic plan (Strategy 2025) that sets out their strategic intent on their plan and priorities for the next three years. The Professional Standards Council of Western Australia have not updated their key performance indicators to measure their performance against the updated strategic initiatives. The Council's current four survey based key effectiveness indicators are derived from the objectives of the *Professional Standards Act 1997* (WA). The Council has written to the Under Treasurer seeking an exemption to report key performance indicators under the *Financial Management Act 2006* section 61(1)(b). The Under Treasurer will consider the request for an exemption for future years post the Mid-Year Review process and respond at that time. The Council has and continues to contribute to the goals and measures contained in the combined Councils' Strategy 2025. Progress against the performance measures for Strategy 2025 are reported in the combined Councils' Annual Report based on the collective effort of all Councils across Australia.

## **EFFECTIVENESS**

The two associations with Schemes were invited by the Council to respond to a survey that sought their comments on the Council's effectiveness indicators as at 30 June 2023. The Law Society of Western Australia Professional Standards Scheme and the Western Australian Bar Association Scheme had a combined membership totalling approximately 2,652 professionals during the reporting period.

To assist in determining the extent to which the objectives of the Schemes are being achieved, the associations were asked to comment on the following:

1. The impact of the Schemes based on the number of civil liability claims and cases brought against members;
2. The effectiveness of the Schemes on the association's perceptions of cost and availability of insurance for scheme members, taking into account:
  - Cost of insurance (decreasing premium or increasing at a slower than market rate);
  - Better value insurance for the same premium prices; and
  - Availability of liability insurance.

## Effectiveness Indicators <sup>(1)</sup> <sup>(2)</sup> <sup>(3)</sup>

| Indicator  | 2019-20 Actual  | 2020-21 Actual                                    | 2021-22 Actual   | 2022-23 Target <sup>(4)</sup>  | 2022-23 Actual <sup>(3)</sup>  |
|--|---|---|--|--|--|
| Schemes have lowered the incidence of civil liability claims.                      | Two associations disagreed; One association agreed          | One association disagreed; one association agreed | One association disagreed; one association agreed          | Lower incidence of civil liability claims as a result of the Schemes | Two associations agreed <sup>(5)(6)</sup>  |
| Cost of insurance (decreasing premium or increasing at a slower than market rate). | One association disagreed; two associations noted no change | Two associations noted no change                  | One association disagreed; one association noted no change | Decreasing cost of insurance   | One association noted a decrease; one association noted no change <sup>(7)</sup> |
| Better value insurance for same premium prices.                                    | Three associations disagreed                                | Two associations disagreed                        | Two associations disagreed                                 | Better value insurance   | Two associations disagreed <sup>(8)</sup>  |
| Availability of insurance.   | Two associations disagreed; one association agreed          | Two associations disagreed                        | Two associations disagreed                                 | Better availability of insurance                                     | Two associations disagreed <sup>(9)</sup>  |

1. Associations have not been individually identified to protect the confidentiality of the information supplied.
2. The CAANZ scheme expired on 7 October 2019, and was replaced by a NSW based scheme.
3. Data is reported for the 2022-23 financial year but uses data collected by each association in the previous calendar year, using existing data collection methodologies.
4. Targets are derived from the stated objectives of the *Professional Standards Act 1997 (WA)*.
5. One association noted a decrease in claims but was not able to identify reasons for the decrease.
6. One association noted a decrease in claims but was unable to provide statistical information as to the cause in the reduction. Anecdotally, the reduction could be considered in part a result of the association's risk management initiatives and training.
7. One association does not capture data on average cost of insurance but noted anecdotal evidence supported no change in the cost of insurance. One association noted that premiums have been decreasing in line with the claim numbers.
8. Two associations reported that their members were getting the same value for money. This is consistent with the responses from the prior year.
9. Two associations reported no difference in the availability of insurance. This is consistent with the responses from the prior year.

## EFFICIENCY

| <b>Indicator</b>               | <b>2019-20<br/>Actual</b> | <b>2020-21<br/>Actual</b> | <b>2021-22<br/>Actual</b> | <b>2022-23<br/>Target <sup>(2)(4)</sup></b> | <b>2022-23<br/>Actual <sup>(3)</sup></b> |
|--------------------------------|---------------------------|---------------------------|---------------------------|---|--|
| Cost per Scheme <sup>(1)</sup> | \$95,554                  | \$105,557                 | \$111,130                 | \$115,661                                   | \$112,428                                |

1. The Cost per Scheme incorporates the charges from the New South Wales, Department of Customer Service, as Service Provider, and Resources Received Free of Charge.
2. The target was derived from the approved budget figure for the charges from the New South Wales, Department of Customer Service, as Service Provider, plus Resources Received Free of Charge.
3. The increase of \$1,298 between the prior year and the current year relates to travel and stakeholder engagement. These costs were curtailed in July to December 2021, as a response to COVID-19. The FY2022-23 was a full year of normal operations.
4. The variance between target and actual of \$3,233 is mainly due to the slight underspend of Council's approved strategic initiatives expenditure.



# Auditor General

## INDEPENDENT AUDITOR'S REPORT

2023

### Professional Standards Council of Western Australia

To the Parliament of Western Australia

## Report on the audit of the financial statements

### Opinion

I have audited the financial statements of the Professional Standards Council of Western Australia (Council) which comprise:

- the Statement of Financial Position at 30 June 2023, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are:

- based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Professional Standards Council of Western Australia for the year ended 30 June 2023 and the financial position at the end of that period
- in accordance with Australian Accounting Standards (applicable to Tier 2 Entities), the *Financial Management Act 2006* and the Treasurer's Instructions.

### Basis for opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Responsibilities of the Council for the financial statements

The Council is responsible for:

- keeping proper accounts
- preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (applicable to Tier 2 Entities), the *Financial Management Act 2006* and the Treasurer's Instructions
- such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, the Council is responsible for:

- assessing the entity's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Council.

### **Auditor's responsibilities for the audit of the financial statements**

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at

[https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf).

## **Report on the audit of controls**

### **Opinion**

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Professional Standards Council of Western Australia. The controls exercised by the Council are those policies and procedures established to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with the State's financial reporting framework (the overall control objectives).

In my opinion, in all material respects, the controls exercised by the Professional Standards Council of Western Australia are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and in the incurring of liabilities have been in accordance with the State's financial reporting framework during the year ended 30 June 2023.

### **The Council's responsibilities**

The Council is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

## **Auditor General's responsibilities**

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagement ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and were implemented as designed.

An assurance engagement involves performing procedures to obtain evidence about the suitability of the controls design to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including an assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## **Limitations of controls**

Because of the inherent limitations of any internal control structure, it is possible that, even if the controls are suitably designed and implemented as designed, once in operation, the overall control objectives may not be achieved so that fraud, error or non-compliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

## **Report on the audit of the key performance indicators**

### **Opinion**

I have undertaken a reasonable assurance engagement on the key performance indicators of the Professional Standards Council of Western Australia for the year ended 30 June 2023. The key performance indicators are the Under Treasurer-approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Professional Standards Council of Western Australia are relevant and appropriate to assist users to assess the Council's performance and fairly represent indicated performance for the year ended 30 June 2023.

## **Matter of Significance – Key Performance Indicators**

In June 2022, the national Professional Standards Councils launched a strategic plan (Strategy 2025) that sets out their strategic intent on their plan and priorities for the next three years. The Professional Standards Council of Western Australia have not updated their key performance indicators to measure their performance against the updated strategic initiatives. However, the Council's current four survey based key effectiveness indicators are derived from the objectives of the Professional Standards Act 1997 (WA). Progress against the performance measure for Strategy 2025 are reported separately in the combined Councils' Annual Report based on the collective effort of all Councils across Australia. My opinion is not modified in respect of this matter.

## **The Council's responsibilities for the key performance indicators**

The Council is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal controls as the Council determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Council is responsible for identifying key performance indicators that are relevant and appropriate, having regard to their purpose in accordance with Treasurer's Instructions 904 *Key Performance Indicators*.

## **Auditor General's responsibilities**

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the entity's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments, I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## **My independence and quality management relating to the report on financial statements, controls and key performance indicators**

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, the Office of the Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## **Other information**

The Council is responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2023, but not the financial statements, key performance indicators and my auditor's report.

My opinion on the financial statements, controls and key performance indicators do not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, controls and key performance indicators my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and key performance indicators or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to those charged with governance and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

## **Matters relating to the electronic publication of the audited financial statements and key performance indicators**

The auditor's report relates to the financial statements and key performance indicators of the Professional Standards Council of Western Australia for the year ended 30 June 2023 included in the annual report on the Council's website. The Council's management is responsible for the integrity of the Council's website. This audit does not provide assurance on the integrity of the Council's website. The auditor's report refers only to the financial statements, controls and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to contact the entity to confirm the information contained in the website version.

*Mark Ambrose*

Mark Ambrose  
Senior Director Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
13 November 2023

## Financial statements

The Professional Standards Council has pleasure in presenting its audited general purpose financial statements for the reporting period ended 30 June 2023 which provides users with the information about the Council's stewardship of resources entrusted to it. The financial information is presented in the following structure:

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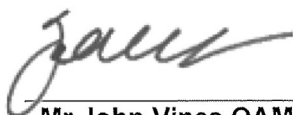
## Disclosures and legal compliance

### Certification of financial statements

For the reporting period ended 30 June 2023

The accompanying financial statements of the Professional Standards Council of Western Australia have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the reporting period ending 30 June 2023 and the financial position as at 30 June 2023.

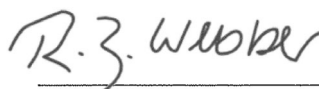
At the date of signing we are not aware of any circumstances which would render the particulars included within the financial statements misleading or inaccurate.



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**Mr John Vines OAM**  
Chair of the Professional Standards Council WA

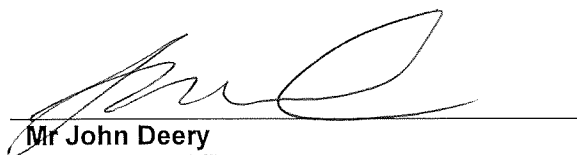
22 September 2023



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**Ms Rachel Webber**  
Council Member

22 September 2023



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**Mr John Deery**  
Chief Finance Officer

22 September 2023

# Professional Standards Council of Western Australia

## Primary financial statements

### Statement of comprehensive income

For the year ended 30 June 2023

|   | Notes | 2023<br>\$     | 2022<br>\$     |
|---|-------|----------------|----------------|
| <b>Cost of services</b>                                 |       |                |                |
| <b>Expenses</b>   |       |                |                |
| Supplies and services                                   | 2.1   | 224,855        | 222,261        |
| <b>Total cost of services</b>                           |       | <b>224,855</b> | <b>222,261</b> |
| <b>Income</b>   |       |                |                |
| Scheme fees   | 3.2   | 132,600        | 122,650        |
| <b>Total income</b>                                     |       | <b>132,600</b> | <b>122,650</b> |
| <b>Net cost of services</b>                             |       | <b>92,255</b>  | <b>99,611</b>  |
| <b>Income from State Government</b>                     |       |                |                |
| Resources received                                      | 3.1   | 97,452         | 97,452         |
| <b>Total income from State Government</b>               |       | <b>97,452</b>  | <b>97,452</b>  |
| <b>Surplus (Deficit) for the period</b>                 |       | <b>5,197</b>   | <b>(2,159)</b> |
| <b>Total comprehensive income (loss) for the period</b> |       | <b>5,197</b>   | <b>(2,159)</b> |

The Statement of comprehensive income should be read in conjunction with the accompanying notes.

# Professional Standards Council of Western Australia

## Primary financial statements

### Statement of financial position

As at 30 June 2023

|                                  | Notes | 2023<br>\$     | 2022<br>\$     |
|----------------------------------|-------|----------------|----------------|
| <b>Assets</b>                    |       |                |                |
| <b>Current assets</b>            |       |                |                |
| Cash and cash equivalents        | 5.1   | 315,451        | 308,161        |
| Receivables                      | 4.1   | 12,176         | 9,715          |
| <b>Total current assets</b>      |       | <b>327,627</b> | <b>317,876</b> |
| <b>Total assets</b>              |       | <b>327,627</b> | <b>317,876</b> |
| <b>Liabilities</b>               |       |                |                |
| <b>Current liabilities</b>       |       |                |                |
| Payables                         | 4.2   | 47,112         | 42,558         |
| <b>Total current liabilities</b> |       | <b>47,112</b>  | <b>42,558</b>  |
| <b>Total liabilities</b>         |       | <b>47,112</b>  | <b>42,558</b>  |
| <b>Net assets</b>                |       | <b>280,515</b> | <b>275,318</b> |
| <b>Equity</b>                    |       |                |                |
| Accumulated surplus              |       | 280,515        | 275,318        |
| <b>Total equity</b>              |       | <b>280,515</b> | <b>275,318</b> |

The Statement of financial position should be read in conjunction with the accompanying notes.



# Professional Standards Council of Western Australia

## Primary financial statements

### Statement of changes in equity

For the year ended 30 June 2023

|   | Accumulated<br>surplus/(deficit) | Total equity   |
|---|----------------------------------|----------------|
|   | \$                               | \$             |
| Balance at 1 July 2021                    | 277,477                          | 277,477        |
| Total comprehensive loss for the period   | (2,159)                          | (2,159)        |
| <b>Total</b>                              | <b>275,318</b>                   | <b>275,318</b> |
| Balance at 30 June 2022                   | 275,318                          | 275,318        |
| Balance at 1 July 2022                    | 275,318                          | 275,318        |
| Total comprehensive income for the period | 5,197                            | 5,197          |
| <b>Total</b>                              | <b>280,515</b>                   | <b>280,515</b> |
| <b>Balance at 30 June 2023</b>            | <b>280,515</b>                   | <b>280,515</b> |

The Statement of changes in equity should be read in conjunction with the accompanying notes.

# Professional Standards Council of Western Australia

## Primary financial statements

### Statement of cash flows

For the year ended 30 June 2023

|  | Notes | 2023<br>\$     | 2022<br>\$     |
|--|-------|----------------|----------------|
| <b>Cash flows from operating activities</b>                |       |                |                |
| <b>Payments</b>  |       |                |                |
| Supplies and services                                      |       | (123,263)      | (127,101)      |
| GST payments on purchases                                  |       | (12,326)       | (12,710)       |
| <b>Receipts</b>  |       |                |                |
| Scheme fees  |       | 130,350        | 121,450        |
| GST receipts from taxation authority                       |       | 12,529         | 12,934         |
| <b>Net cash provided by/(used in) operating activities</b> |       | <b>7,290</b>   | <b>(5,427)</b> |
| Net increase/(decrease) in cash and cash equivalents       |       | 7,290          | (5,427)        |
| Cash and cash equivalents at the beginning of the period   |       | 308,161        | 313,588        |
| <b>Cash and cash equivalents at the end of the period</b>  | 5.1   | <b>315,451</b> | <b>308,161</b> |

The Statement of cash flows should be read in conjunction with the accompanying notes.

## Notes to the financial statements

### 1. Basis of preparation

The Professional Standards Council (the Council) is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. The Council is a not-for-profit entity (as profit is not its principal objective). A description of the nature of its operations and its principal activities have been included in the 'Overview' which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Accountable Authority of the Council on 22 September 2023.

#### Statement of compliance

These general purpose financial statements have been prepared in accordance with:

- 1) the *Financial Management Act 2006 (FMA)*
- 2) Treasurer's instructions (TIs)
- 3) Australian Accounting Standards (AASs) – Simplified Disclosures
- 4) where appropriate, those AAS paragraphs applicable for not-for-profit entities have been applied.

The FMA and TIs take precedence over AASs. Several AASs are modified by the TIs to vary application, disclosure format and wording. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

#### Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note. All values are rounded to the nearest dollar.

#### Accounting for Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of goods and services tax (GST), except that the:

- a) amount of GST incurred by the Council as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of an asset's cost of acquisition or as part of an item of expense; and
- b) receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of cash flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

#### Contributed equity

AASB Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated as contributions by owners (at the time of, or prior to, transfer) before such transfers can be recognised as equity contributions. Capital appropriations have been designated as contributions by owners by TI 955 *Contributions by Owners made to Wholly Owned Public Sector Entities* and have been credited directly to Contributed Equity.

#### Comparative information

Except when an AAS permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements.

#### Judgements and estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

# Professional Standards Council of Western Australia

## Notes to the financial statements

### 2. Use of our funding

#### Expenses incurred in the delivery of services

This section provides additional information about how the Council's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the Council in achieving its objectives and the relevant notes are:

|                       | Notes |
|-----------------------|-------|
| Supplies and Services | 2.1   |

#### 2.1 Supplies and Services

|   | 2023           | 2022           |
|---|----------------|----------------|
|   | \$             | \$             |
| <b>Supplies and services</b>                |                |                |
| Agency and support services <sup>(a)</sup>  | 127,403        | 124,809        |
| Services received free of charge (Note 3.1) | 97,452         | 97,452         |
| <b>Total supplies and services expenses</b> | <b>224,855</b> | <b>222,261</b> |

(a) This expenditure is incurred by the New South Wales Department of Customer Service and is recharged to the Council pursuant to the Inter-Departmental Service Agreement and includes the Office of the Auditor General audit fee.

Supplies and services are recognised as an expense in the reporting period in which they are incurred.

# Professional Standards Council of Western Australia

## Notes to the financial statements

### 3. Our funding sources

#### How we obtain our funding

This section provides additional information about how the Council obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by the Council and the relevant notes are:

|                              | Notes |
|------------------------------|-------|
| Income from State Government | 3.1   |
| Other Income                 | 3.2   |

#### 3.1 Income from State Government

|   | 2023          | 2022          |
|---|---------------|---------------|
|   | \$            | \$            |
| Resources received from other public sector entities during the period:                 |               |               |
| Services received free of charge from the Department of Justice<br>(Corporate Services) | 97,452        | 97,452        |
| <b>Total income from State Government</b>   | <b>97,452</b> | <b>97,452</b> |

Resources received from other public sector entities are recognised as income equivalent to the fair value of those services that can be reliably determined and which would have been purchased if not donated.

#### 3.2 Other Income

|                           | 2023           | 2022           |
|---------------------------|----------------|----------------|
|                           | \$             | \$             |
| Scheme Fees               | 132,600        | 122,650        |
| <b>Total Other Income</b> | <b>132,600</b> | <b>122,650</b> |

Scheme Fees are pursuant to Professional Standards Regulations 1998. Application fees are recognised on receipt and annual fees are recognised on a straight line basis over the annual scheme period, with accruals raised where regulated fees have not been received at 30 June. Where a scheme year is not equal to the fiscal year, a portion of the revenue is deferred until the next fiscal year. During the current year and the prior comparative year there were no schemes in operation that required revenue deferral consideration.

# Professional Standards Council of Western Australia

## Notes to the financial statements

### 4. Other assets and liabilities

This section sets out those assets and liabilities that arose from the Council's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

|             | Notes |
|-------------|-------|
| Receivables | 4.1   |
| Payables    | 4.2   |

#### 4.1 Receivables

|   | 2023          | 2022         |
|---|---------------|--------------|
|   | \$            | \$           |
| <b>Current</b>                                |               |              |
| Receivables                                   | 5,250         | 3,000        |
| GST receivable                                | 6,926         | 6,715        |
| <b>Total receivables at end of the period</b> | <b>12,176</b> | <b>9,715</b> |

Receivables are recognised to the value notification by associations for Regulated fees payable. The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

The Council would recognise an expected credit loss on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. However, the Council has had no historical credit loss experience, so no expected credit loss is recognised by the Council with respect to these receivables.

#### 4.2 Payables

|  | 2023          | 2022          |
|--|---------------|---------------|
|  | \$            | \$            |
| <b>Current</b>                         |               |               |
| Accrued expenses                       | 47,112        | 42,558        |
| <b>Total payables at end of period</b> | <b>47,112</b> | <b>42,558</b> |

**Payables** are recognised at the amounts payable when the Council becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value as settlement is generally within 20 days.

# Professional Standards Council of Western Australia

## Notes to the financial statements

### 5. Financing

This section sets out the material balances and disclosures associated with the financing and cash flows of the Council.

|                           | Notes |
|---------------------------|-------|
| Cash and cash equivalents | 5.1   |

#### 5.1 Cash and cash equivalents

|                                 | 2023           | 2022           |
|---------------------------------|----------------|----------------|
|                                 | \$             | \$             |
| Cash and cash equivalents       | 315,451        | 308,161        |
| <b>Balance at end of period</b> | <b>315,451</b> | <b>308,161</b> |

For the purpose of the statement of cash flows, cash and cash equivalent assets comprise cash at bank which is subject to insignificant risk of changes in value.

### 6. Financial instruments and contingencies

This note sets out the key risk management policies and measurement techniques of the Council.

|                                   | Notes |
|-----------------------------------|-------|
| Financial instruments             | 6.1   |
| Contingent assets and liabilities | 6.2   |

#### 6.1 Financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

|  | 2023           | 2022           |
|--|----------------|----------------|
|  | \$             | \$             |
| <b>Financial assets</b>                                |                |                |
| Cash and cash equivalents                              | 315,451        | 308,161        |
| Financial assets at amortised cost <sup>(a)</sup>      | 5,250          | 3,000          |
| <b>Total financial assets</b>                          | <b>320,701</b> | <b>311,161</b> |
| <b>Financial liabilities</b>                           |                |                |
| Financial liabilities at amortised cost <sup>(b)</sup> | 47,112         | 42,558         |
| <b>Total financial liability</b>                       | <b>47,112</b>  | <b>42,558</b>  |

(a) The amount of Financial assets at amortised cost excludes GST recoverable from the ATO (statutory receivable).

(b) The amount of Financial liabilities at amortised cost excludes GST payable to the ATO (statutory payable)

#### Measurement

All financial assets and liabilities are carried without subsequent remeasurement.

#### 6.2 Contingent assets and liabilities

There were no contingent assets and contingent liabilities as at 30 June 2023 (2022: nil).

# Professional Standards Council of Western Australia

## Notes to the financial statements

### 7. Other disclosures

This section includes additional material disclosures required by accounting standards or other pronouncements, for the understanding of this financial report.

|  | Notes |
|--|-------|
| Events occurring after the end of the reporting period | 7.1   |
| Key management personnel                               | 7.2   |
| Related party transactions                             | 7.3   |
| Related bodies   | 7.4   |
| Affiliated bodies                                      | 7.5   |
| Remuneration of auditors                               | 7.6   |
| Supplementary financial information                    | 7.7   |

#### 7.1 Events occurring after the end of the reporting period.

There were no events occurring after the end of the reporting period.

#### 7.2 Key management personnel

The Council has determined key management personnel to include Cabinet Ministers and members of the Council. The Council does not incur expenditures to compensate Ministers and those disclosures may be found in the *Annual Report on State Finances*.

The total fees, salaries, superannuation, non-monetary benefits and other benefits for members of the Council for the reporting period are presented within the following bands:

| Compensation band (\$)                       | 2023           | 2022           |
|--|----------------|----------------|
| 50,001 – 100,000                             | 1              | 1              |
| 0 – 50,000                                   | 9              | 10             |
|  | 2023           | 2022           |
|  | \$             | \$             |
| <b>Total compensation of senior officers</b> | <b>254,281</b> | <b>273,786</b> |

In accordance with the Professional Standards Agreement 2011, the remuneration for the Professional Standards Councils members is set by the New South Wales government in line with their guidelines. The New South Wales government manages payroll processing for the eight national Professional Standards Councils. The eight national Professional Standards Councils meet in unison. Total Councils compensation was \$257,841 (2022: \$273,786) including the superannuation expense. Per the Inter-Departmental Service Agreement, the Council is required to fund 2.67% (\$6,884) (2022: 2.55% (\$6,993)) of the eight jurisdictional Councils members' remuneration. On 04 May 2023, the relevant Queensland Minister, being the Attorney-General and Minister for Justice, Minister for Women and Minister for the Prevention of Domestic and Family Violence appointed Ms Elizabeth Shearer to the Queensland Professional Standards Council. Ms Elizabeth Shearer compensation was \$3,560, noting that Ms Shearer had not been appointed to the Western Australian Council by 30 June 2023 and is not shown as Western Australian Professional Standards Council's Key Management Personnel.

Following jurisdictional consultation of the remuneration of comparable bodies, in September 2018 the New South Wales Minister for Innovation and Better Regulation, in accordance with the Professional Standards Agreement 2011, set the rate of remuneration (Superannuation Guarantee exclusive) at \$20,000 per annum for Councils' members and \$50,000 per annum for the Councils' Chairperson.



# Professional Standards Council of Western Australia

## Notes to the financial statements

### 7.3 Related party transactions

The Council is a wholly owned public sector entity that is controlled by of the State of Western Australia.

Related parties of the Council include:

- all Cabinet ministers and their close family members, and their controlled or jointly controlled entities;
- all members and their close family members, and their controlled or jointly controlled entities;
- other departments and statutory authorities, including related bodies, that are included in the whole of government consolidated financial statements (i.e. wholly-owned public sector entities); and
- associates and joint ventures of a wholly-owned public sector entity.

#### Material transactions with related parties

Outside of normal citizen type transactions with the Council, there were no other related party transactions that involved key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

### 7.4 Related bodies

The Council had no related bodies during the financial year (2022: nil)

### 7.5 Affiliated bodies

The Council had no affiliated bodies during the financial year (2022: nil)

### 7.6 Remuneration of auditors

Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:

|   | 2023   | 2022   |
|---|--------|--------|
|   | \$     | \$     |
| Auditing the accounts, financial statements, controls, and key performance indicators | 12,750 | 11,400 |

### 7.7 Supplementary financial information

There were no losses of public moneys or other public property through theft or default during the financial year (2022: nil).

There were no write offs of public money or other public property during the financial year (2022: nil).

There were no gifts of public property during the financial year (2022: nil).



Government of **Western Australia**  
Department of **Justice**

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