

**Professional
Standards
Councils
Annual Report
2013–14**

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Our Core Purpose

To protect consumers by improving professional standards.

Our Vision

To lead the way in advancing the highest standards of professionalism.

Our Mission

To promote professional standards and consumer protection through thought leadership and education, and by granting, monitoring and enforcing approved Professional Standards Schemes.



Letter to Ministers

Dear Ministers,

As chair, I am pleased to present the Annual Report for the financial year ended 30 June 2014 of the Professional Standards Councils of the Australian Capital Territory, New South Wales, the Northern Territory, Queensland, South Australia, Tasmania, Victoria and Western Australia for the relevant Ministers in each state and territory.

This is a consolidated volume on the operations and performance, together with the financial statements for the period 1 July 2013 to 30 June 2014. This report has been prepared in accordance with the relevant professional standards legislation in each Australian state and territory – for Ministerial presentation in their respective parliaments.

During the period covered by this report, the Professional Standards Councils have worked with both new and existing occupational associations to improve professional standards for the professional community covered by professional standards legislation. Our advances in assessment and operational efficiency are delivering greater certainty in regulatory expectation, improving compliance with legislative requirements and increasing protection of Australian consumers, at the same time as improving the way we engage with the various professions.

Occupational associations continue to commit to the high expectations of professional regulation captured in their Professional Standards Scheme, as evidenced by the number of applications for a new scheme once the previous one has expired. The role performed by schemes is also reflected in the Commonwealth continuing to prescribe schemes so that they operate in relation to relevant federal legislation.

This report is a formal record of the compliance and achievement of the Professional Standards Councils over the past year. I commend this report to you.



Brian Rayment QC

Chairman | Professional
Standards Councils



Chairman's letter

As Chair, I am pleased to submit my ninth Annual Report on behalf of the Professional Standards Councils.

In 2013-2014, the Councils again received an outstanding level of support from the Office of the Professional Standards Councils (OPSC), located within and facilitated through the NSW Department of Justice.

In his second year as Chief Executive Officer, Dr. Deen Sanders has led the strategic review which forms part of the 2013-2017 Business Plan. I am confident the good work of the agency will lead to improved outcomes for consumers through improved professional standards and an enhanced professional regulatory model.

The past 12 months have also been an effective and significant year for the Councils, with the introduction of two new Professional Standards Schemes, the re-application and subsequent approval of another scheme, the actioning of our inaugural Research Grants awards and the introduction of a new

annual reporting template to enable occupational associations to deliver on their legislative requirements.

At this point of maturity in the legislation and a growing community need for better consumer protection in all spheres of professional life, there is an opportunity for review of the statutory framework for professional standards legislation. In the coming year we intend to consider and raise reform opportunities focused on obtaining an even better model of unique regulation that can be applied across an expanded community of professions.

A handwritten signature in black ink that reads "Brian Rayment".

Brian Rayment QC
Chairman | Professional
Standards Councils

The Strategic Review will form the 2013–17 Business Plan, help the councils better understand their key stakeholders and help us be proactive in looking after consumer certainty and protection.



Executive Officer's report

It is with pleasure that I present my second Annual Report as Chief Executive Officer for the Office of the Professional Standards Councils.

The past year has seen us launch a range of new initiatives and projects for the agency, including new regulatory assurance initiatives and research grant models. This, together with the expansion and review of operations, has established the roadmap for the next phase of growth and change. We are particularly excited about the transformation journey going forward into 2015 that is intended to result in a re-tailoring of our agency arrangements and resource model designed to support Australia's professional standards legislative regime and our strategy for regulatory assurance and thought leadership with operational integrity.

The opportunity for Australia's unique professional standards legislation to expand and improve professional communities and consumer protection is only at the beginning of its journey. The strategic and operational efficiency reviews we undertook in 2013–14 identified opportunities to improve

the legislative and operational framework, and our regulatory and research functions to deliver the social, economic and regulatory benefits through improved professional communities.

Some of these benefits have been captured in this financial year with significant investment in process improvement. Careful planning has delivered us some quick wins in the areas of regulatory quality, financial controls and process mapping, as well as communications and branding, such as are evident in this report and on our new website.

During the next reporting period we aim to realise further benefits by working towards:

- › The expansion of professional communities covered by professional standards legislation
- › Expanding the education and development functions, including new research programs and resources to support and improve professional standards systems.

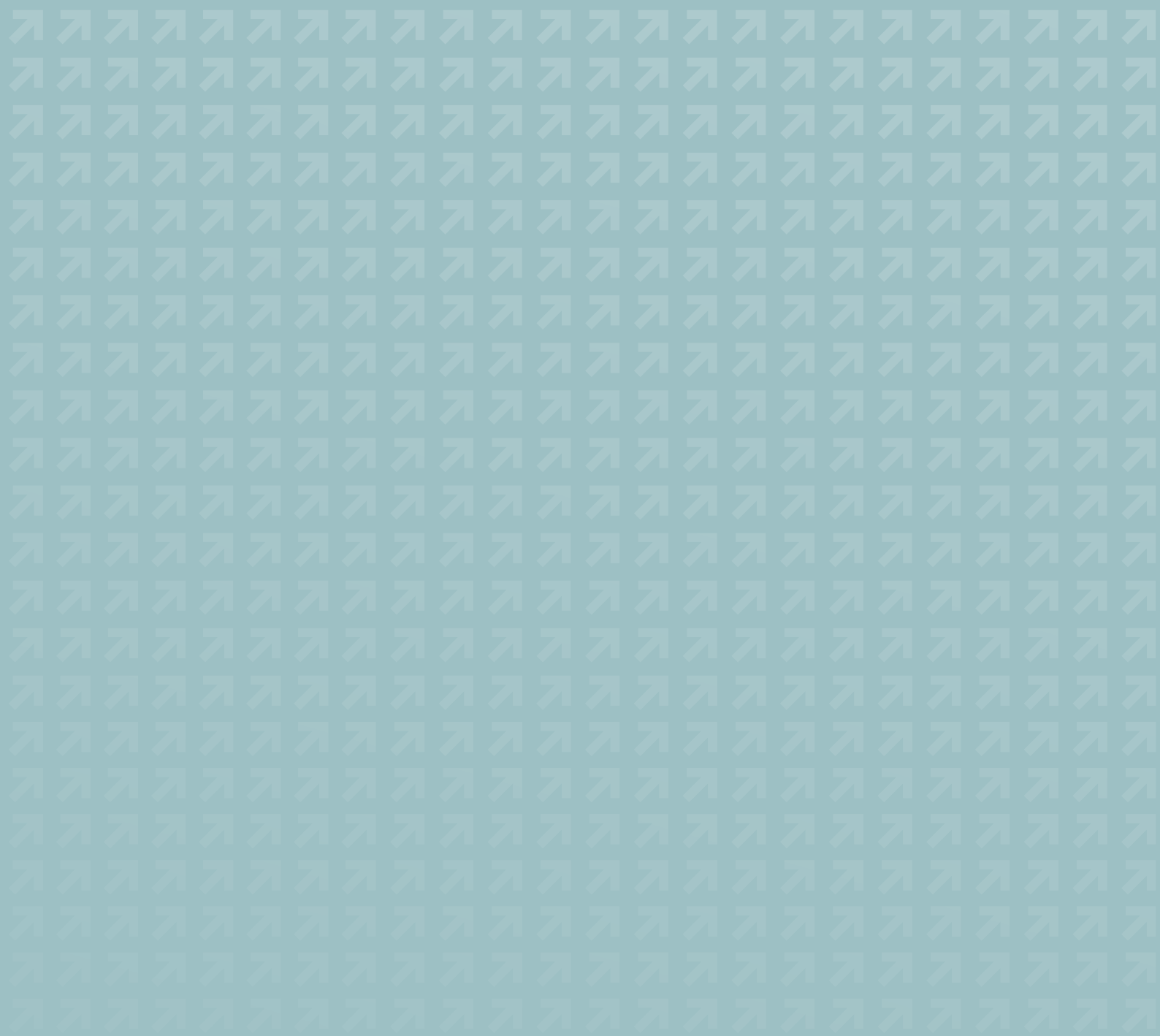
To that end, our business priorities for the 2014-2015 financial year will be focused on key projects in the areas of structural change, operational integrity and stakeholder support and services.

These changes are underpinned by our core purpose of protecting consumers by raising professional standards.

It's been an exciting year and looks like it will be an impressive 2014-15.

Dr. Deen Sanders
Chief Executive Officer
Office of the Professional
Standards Councils

Overview, objectives and highlights



Why we're here



Protect consumers

The Professional Standards Councils' goal is to protect consumers by demanding high levels of professional standards and practices from those who participate in Professional Standards Schemes.

Associations and members who participate in Professional Standards Schemes are recognised as pursuing improvement in professional standards and acting ethically.



Improve professional standards

In Australia, a growing number of occupational associations and their members are making significant efforts to improve their professional standards.

The Professional Standards Councils take a collaborative approach when working with associations to develop self-regulatory initiatives and help with improving their professional standards by implementing risk management strategies and professional integrity systems.

The Councils conduct research, develop policies and guidelines, and organise events to promote debate and change in the areas of professional standards, codes of ethics and conduct, and risk management in order to protect consumers.



Help associations

The role of the Professional Standards Councils is to strengthen and improve professionalism within occupational associations and promote self-regulation across association groups while protecting consumers.

The Councils decide whether to approve applications for Professional Standards Schemes under professional standards legislation, and monitor and enforce associations' administration of schemes. Schemes allow limit(s) to be placed on the civil liability of professionals who are members of an association covered by a scheme.

Highlights

Financial performance

The Office of the PSC and the Councils remain financially secure with third party revenue (scheme fees) sufficient to financially support both the funding of the annual general operating expenditure requirements, and key business improvement projects and planned initiatives.

For more detailed information, see page 44.

Transformed

The strategic and operational efficiency reviews that were undertaken in 2013–14 identified opportunities to improve the legislative and operational framework. The focus on regulatory quality, financial controls and process mapping delivered quick wins. Additionally, the Professional Standards Councils (PSC) adopted a new brand tailored communications were developed and produced for scheme associations.

For more detailed information, see page 9.

Grew

The number of Professional Standards Schemes continued to grow. 19 schemes in total were approved by the Councils during the year with a total of 26 schemes in force as at 30 June 2014. Over 60,000 professionals are now covered by a Professional Standard Scheme, up from 55,000 last year.

For more detailed information, see page 18.

Completed

The Office of the PSC completed its first white paper about professionalism in the Financial Services Sector examining the benefits that might arise from improved professionalism and the introduction of formal professional standards in this sector.

For more detailed information, see page 31.

Granted

The Councils distributed \$128,383 in Professional Standards Grants to five occupational associations, enabling them to develop tools and resources to improve their professional standards.

For more detailed information, see page 30.

Initiated

The inaugural OPSC Research Grants were awarded to three separate research groups. A total of \$138,575 was awarded through the research grants program which seeks to encourage and reward innovative research that develops the community's confidence and trust in professional services in Australia.

For more detailed information, see page 29.

Implemented

The Councils implemented an improved annual compliance reporting template for associations with schemes, and provided resources and information to help them meet their annual legislated obligations.

For further detail please see Compliance Monitoring and Reporting on page 24.

Transformation of the Office of the Professional Standards Council

During the reporting period, the strategic review of the office was progressed further, leading to a transformation plan that is intended to enhance the OPSC's ability to support the Councils' exercise of responsibilities under Australia's professional standards legislative regime and an ever-increasing stakeholder community.

Specifically, the review was aligned with the mandated elements in the key areas of:

1. Operational Integrity
2. Regulatory Assurance
3. Thought Leadership

Following the review, fourteen separate opportunities were identified to assess the legislative framework, improve the operational framework and the regulatory and research functions to deliver social, economic and regulatory benefits through improved professional communities.

Some of those benefits have been captured during this financial year with significant investment in process improvement. A substantial investment was made with evidence of benefits flowing through to:

- › Regulatory quality
- › Financial controls
- › Process mapping
- › Branding and communications.

Towards a future model

To deliver on its core purpose of supporting the Councils, and to ensure its ability to deliver improved consumer protection and professional standards, consideration will be given to new arrangements for the OPSC in 2015–16.

This is intended to enhance provision of:

- › Clear and professional advice to the Councils with regards to Professional Standards Scheme applications
- › Services that reflect the integrity of Government and support the independence of the Councils
- › Professional, consumer oriented advice on risks impacting the community and consumers of professional services

- › Guidance and regulatory services and activities to improve quality of professional conduct in the regulated communities
- › Effective education, support and supervision
- › Thought leadership and research strategies
- › Effective assurance of consumer protection commitments through improving oversight of associations scheme compliance and enforcement.

The envisaged new arrangements are under consideration, but, if change eventuates, we anticipate an increase in resources, process and technology to fulfil the strategic program and provide better support to professional communities and the Councils, leading to better outcomes for Australian consumers.

About the Professional Standards Councils

Formation of the Councils and legislation

Following economic unrest towards the end of the last century, the NSW Government recognised a need to raise the standards in professions within the community and as a result, protect the consumer. This resulted in a statutory regime intended to promote self-regulation by occupational associations, with a Professional Standards Council established to assist and encourage the associations, and oversee the operation of Professional Standards Schemes.

In 1995, following the passing of the Professional Standards Act, the Professional Standards Council of NSW was formed. Over the next 10 years, Professional Standards Councils were established in each Australian state and territory.

The Councils are independent statutory bodies with powers to assess and approve applications from occupational associations for a Professional Standards Scheme.

One way in which a scheme is significant is in placing a ceiling on the amount of civil liability that a member of an association participating in a scheme may be exposed to. This is in recognition of a range of factors, including professional indemnity insurance policy standards, and effective risk management strategies that associations must evidence in applying for a scheme, and that the Councils consider in deciding whether to approve it.

Legislation

Following the collapse of insurance giant HIH over a decade ago, the reach of the professional standards legislation was extended. This significant event – affecting thousands of people – highlighted the importance of maintaining stringent corporate governance and liability practices to protect consumers.

Subsequently, the Commonwealth Government passed legislation that permitted the civil liability of occupational associations to be limited under the *Trade Practices Act 1974* (now the *Competition and Consumer Act 2010*), the *Corporations Act 2001*, and the *Australian Securities and Investments Commission Act 2001*.

Professional standards legislation seeks to strike a balance between:

- › Ensuring sufficient compensation is available to consumers for the vast majority of claims where liability results in an award of damages
- › Requiring rigorous standards of professional conduct, so that claims for negligence are reduced.

Role of the Councils

The Councils play a key role in promoting the objectives of the professional standards legislation. These objectives are:

- › Facilitate the improvement of professional standards
- › Protect consumers that use the services provided by professionals
- › Enable the creation of schemes that limit the civil liability of professionals.

Improving professional standards

In Australia, a growing number of associations and their members are making significant efforts to improve their professional standards. Under Professional Standards Legislation, associations can apply to the Professional Standards Councils to be covered by a Professional Standards Scheme.

A Professional Standards Scheme (formerly known as a *Cover of Excellence*[®] scheme) requires an occupational association to improve the professional standards of their members by implementing robust professional integrity systems and risk management strategies. A scheme also requires those who are covered by one to hold sufficient professional indemnity insurance cover and/ or business assets to protect consumers.

Uniquely Australian

Unique to the Australian professional community, Professional Standards Schemes limit the civil liability of association members who have an insurance policy and business assets commensurate with the liability amount. Each association has a minimum insurance standard to which its members must comply.

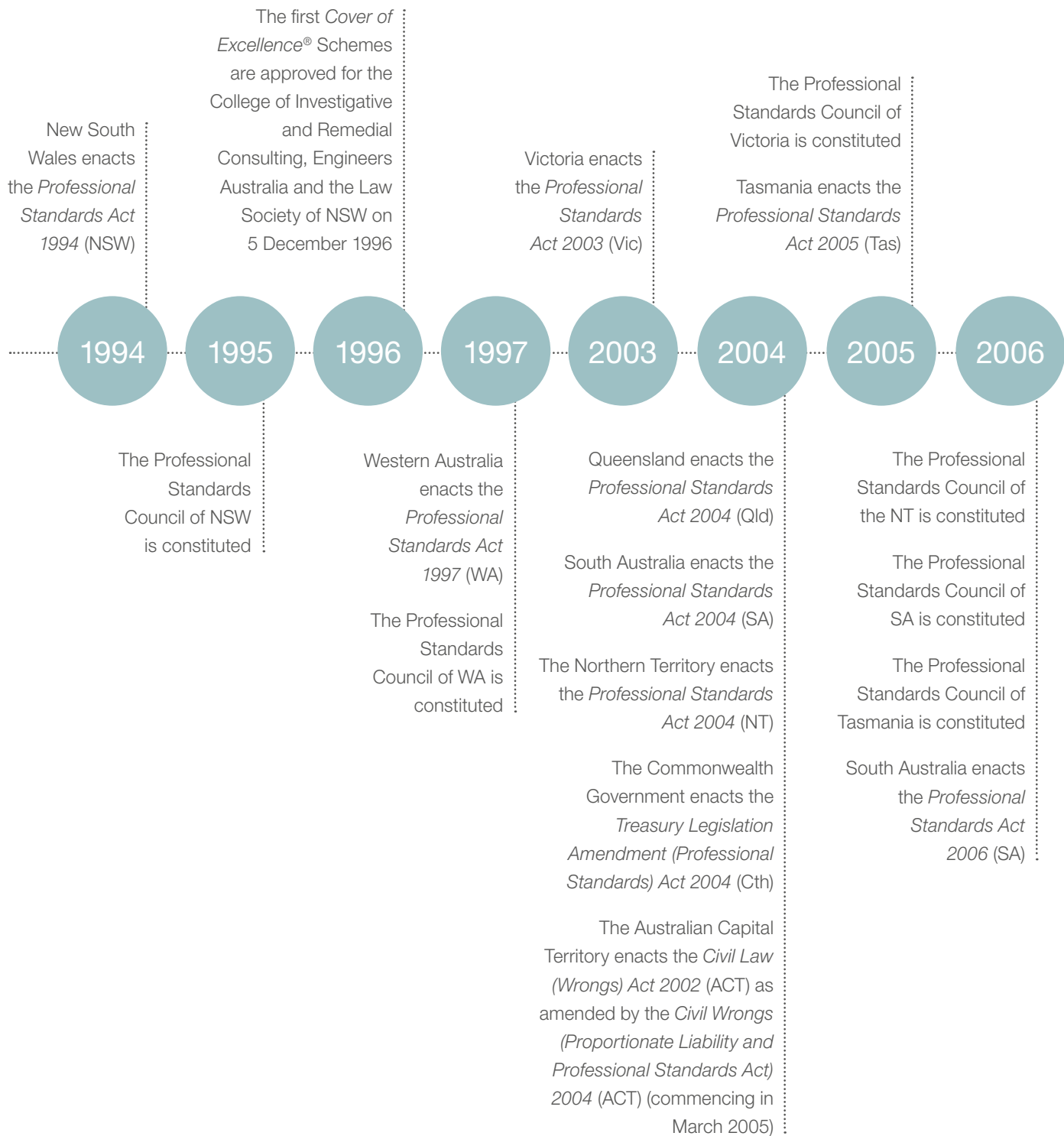
Each scheme has a maximum duration of five years. The Minister may choose to extend a scheme once for up to 12 months on submission of an application by the association. After the scheme expires, the association must submit an application for an entirely new scheme. This facilitates regular PSC and public consideration and scrutiny of schemes and liability limits, and what is needed to meet advancing professional standards and protect consumers.

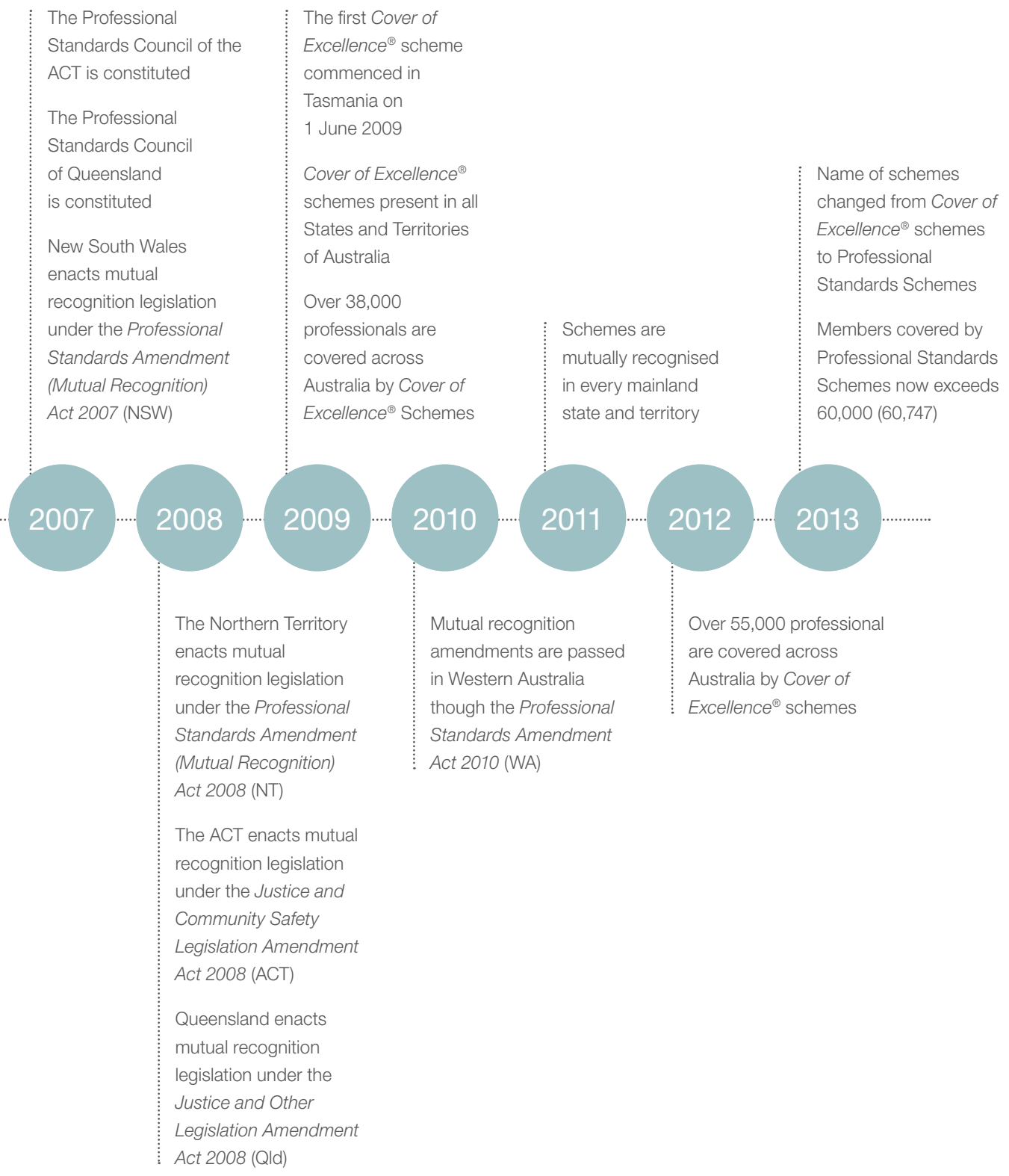
As members of occupational associations may work across multiple states and territories, the professional standards legislation includes mechanisms for professional standards schemes to be recognised across multiple Australian state and territory jurisdictions.

The last year has been a time of review as the **Councils consider how best to support the regulated professional communities and impart their importance to government, industry and consumer stakeholders. A key outcome has been an organisation-wide re-branding, including a refreshed look that reflects the goals of the Councils. As part of this, the term ‘Cover of Excellence’[®] was retired in February 2014 and replaced with the terminology ‘Professional Standards Scheme’.**

Schemes approved prior to February 2014 will still be referred to *Cover of Excellence*[®] schemes until they expire.

The evolution of the Professional Standards Councils





About Professional Standards Schemes

The Professional Standards Councils play a fundamental role in regulating those occupational associations within Australia who have Professional Standards Schemes. Under the professional standards legislation, the Councils approve and monitor Professional Standards Schemes.

A Professional Standards Scheme is a legal instrument created under the professional standards legislation. A scheme aims to improve the professional standards of occupational associations and ensure that adequate insurance cover is maintained in the event of litigation resulting in a damages being awarded by a Court.

If an association can show that its members maintain high professional standards, including implementing effective risk management practices and consumer complaints systems, then they may be eligible to apply for a Professional Standards Scheme. If successful, the scheme limits the civil liability of members.

Aligned with an organisation-wide re-branding, the name 'Cover of Excellence® Schemes' was changed in February 2014 to Professional Standards Schemes. The re-branding reflects the new focus areas of thought leadership and regulatory assurance and places the Councils in a better position to deliver on its mission of protecting the consumer.



Protecting consumers

A unique approach to protecting the Australian consumer

The combined Australian governments have taken a unique and globally innovative approach to protecting the Australian consumer through the introduction of professional standards legislation.

The Professional Standards Councils protect consumers in three ways:

1. Overseeing how associations with a Professional Standards Scheme regulate the professional standards of their members
2. By promoting self-regulation across occupational groups
3. By providing consumer confidence that, if a claim against a professional participating in a Professional Standards Scheme is upheld, there will be insurance or business assets necessary to pay an award of damages up to the limited liability cap amount. Consumers can be reassured that a professional from an association covered by a Professional Standards Scheme must observe professional standards, as they are bound by a specific set of requirements.

Consumers can be reassured that a professional from associations covered by a Professional Standards Scheme will observe higher levels of practice as they are bound by a specific set of requirements.

These include:

- › Codes of ethics and conduct
- › A complaints handling and disciplinary system
- › Risk management strategies
- › Continuing professional education
- › Minimum levels of insurance cover.

Ensuring high standards are set – and met

During the application process for a Professional Standards Scheme, associations must demonstrate they are a genuine professional community and can protect consumers and manage risk by proving they have the self-regulatory capacity to protect their consumers.

When deciding whether to approve a scheme, the Councils consider the position of consumers who may be affected by limiting the liability of the association's members. They also examine the association's stated ability to protect consumers by studying their risk management strategies, as well as other matters such as the nature and level of claims against the association, and the standards, cost and availability of insurance. They will review – on

an annual basis – the association's reporting of implementation and monitoring of its risk management strategies.

Once an association's scheme has been approved, they must meet ongoing compliance and professional standards improvement requirements. This includes the submission of detailed reports to the Councils each year, which are reviewed and incorporated into the Councils' annual reporting.

Limited liability

Limited liability is only available to professionals that participate in an association's Professional Standards Scheme, and caps the amount of damages that a court can award to a client if they succeed in certain claims against a professional. The Professional Standards Councils assess the proposed liability caps that will apply to an association's members before they approve a Professional Standards Scheme, having regard to these caps not only benefiting professionals, but also adequately protecting the consumers that may be affected.

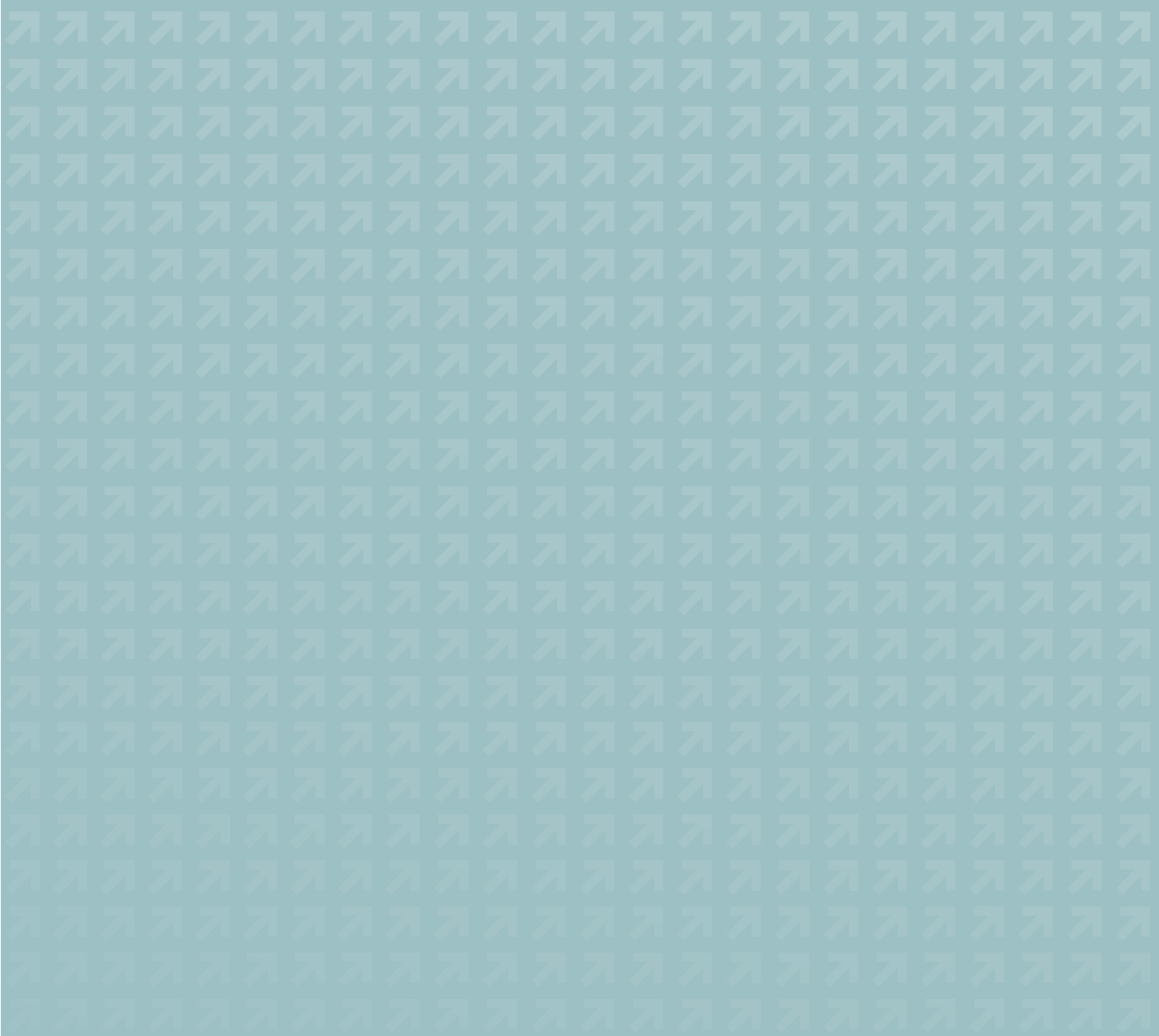
The process of assessing proposed liability caps involves a combination of actuarial, legal and professional expertise, and careful consideration is given to their impacts on consumers, associations, and the wider community. As part of this process, the information every association that applies for a Professional Standards Scheme must provide the Councils with includes:

- › Historical insurance claims data
- › The existing risk management procedures and professional integrity systems (e.g. complaints handling and codes of ethics and conduct) already in place
- › Information about the impact of limiting the liability of members as proposed.

Having regard to the need to protect consumers, the Councils assess whether the proposed caps are set high enough to cover all consumer claims and most corporate claims for economic loss. The Councils recognise that by eliminating the risk of catastrophic claims professional indemnity insurance remains readily available and affordable.



Review of operations and activities



Professional Standards Schemes

Lifecycle and management of schemes

Many associations – such as the College of Investigative and Remedial Engineers, Association of Consulting Engineers Australia, the NSW Law Society and the Professional Surveyors Occupations Association – have had a cycle of schemes since 1998.

Every scheme approved by the Professional Standards Councils may have a lifespan of up to five years. The Minister may choose to extend a scheme once for up to 12 months on submission of an application by the association.

The Office of the Professional Standards Councils (OPSC) works with associations to:

- › Support them in their self-regulatory goals
- › Help them to understand their legislative obligations
- › Help them monitor and enforce the professional standards of their members
- › Increase consumer protection by improving professional standards.

To maintain a Professional Standards Scheme, associations must participate in ongoing compliance and professional standards improvement programs, and submit detailed annual reports on these programs.

During the lifespan of a scheme, the Councils review it annually to ensure all legislative requirements are met. If an association doesn't meet its obligations under professional standards legislation, the Professional Standards Councils can issue warnings, seek fines through the courts, or consider revoking the association's Professional Standards Scheme.

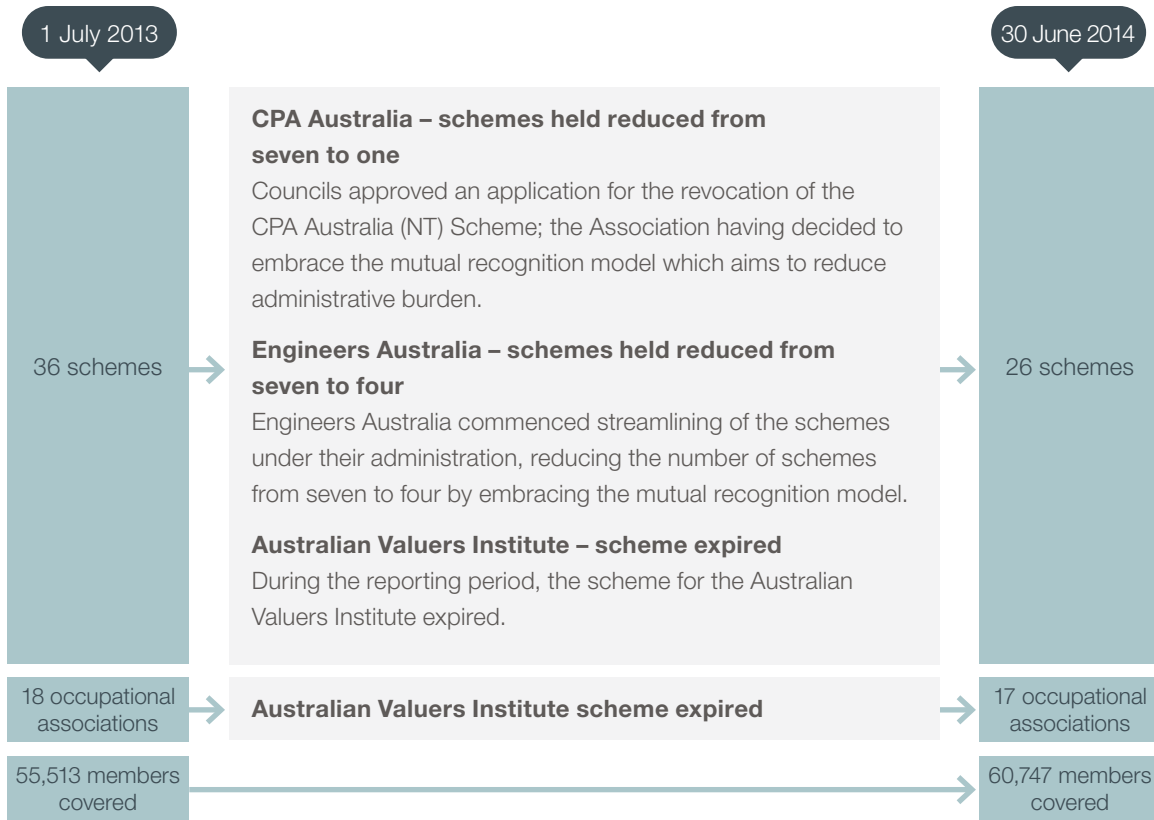
Scheme administration

During the 2013–14 reporting period, the Professional Standards Councils monitored and oversaw Professional Standards Schemes nationally for 18 occupational associations. The majority of the schemes administered operate in multiple jurisdictions under mutual recognition. At 30 June 2014 there were 26 schemes covering a total of 60,747 members.

Although the number of schemes went down in this reporting year from 36 to 26 the number of members covered increased from 55,513 to 60,747. The reduction in schemes is a reflection of associations' efforts to consolidate the number of schemes they needed to administer by taking advantage of mutual recognition.



SCHEME CHANGES 1 JULY 2013 TO 30 JUNE 2014



In 2013–14, the Councils approved a total of 19 schemes (for seven associations) as shown below including associations who operate across multiple states and territories.

SCHEMES APPROVED BY COUNCILS 1 JULY 2013 TO 30 JUNE 2014

20 September 2013	The Institute of Chartered Accountants Australia: 7 interim schemes approved for the ACT, NSW, the NT, Qld, SA, Vic and WA.
20 September 2013	CPA Australia: Scheme approved in NSW and applying under mutual recognition in the ACT, the NT, Qld, SA, Vic and WA
18 October 2013	Professional Surveyors Occupational Association: Scheme approved in NSW and applying under mutual recognition in the ACT, the NT, Qld and Vic.
21 February 2014	The Law Society of Western Australia: Scheme approved in WA and applying under mutual recognition in the ACT, NSW, the NT, Qld, SA and Vic.
21 February 2014	The Western Australian Bar Association: Scheme approved in WA and applying under mutual recognition in the ACT, NSW, the NT, Qld, SA and Vic.
21 February 2014	The Victorian Bar Inc: Scheme approved in Vic and applying under mutual recognition in the ACT, NSW, the NT, Qld, SA and WA.
30 May 2014	The Institute of Chartered Accountants Australia: 7 new schemes approved for the ACT, NSW, the NT, Qld, SA, Vic and WA.

Throughout 2013–14, the Commonwealth prescribed the following schemes under the *Corporations Act 2001*, the *Australian Securities and Investments Commission Act 2001* and the *Competition and Consumer Act 2010*.

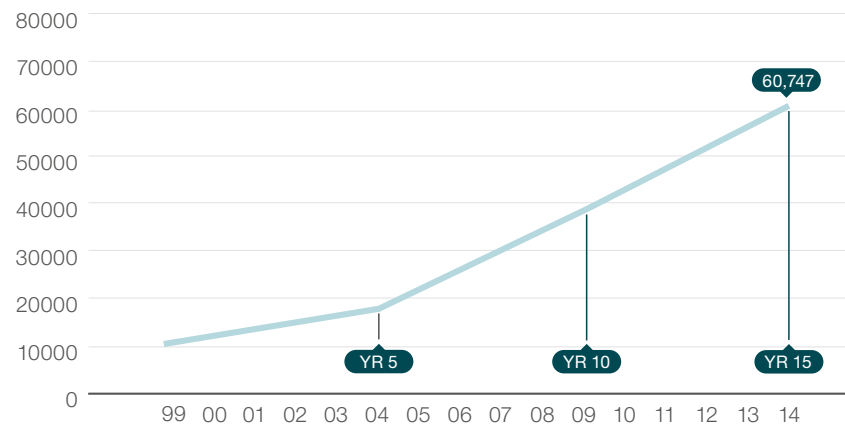
- › Institute of Chartered Accountants Australia
- › CPA Australia
- › Queensland Bar Association
- › Professional Surveyors Occupational Association
- › NSW Law Society
- › The Law Institute of Victoria
- › Engineers Australia Northern Territory
- › College of Investigative and Remedial Consulting Engineers of Australia.

Following the organisation-wide review in 2013, a renewed focus was placed on scheme management and the regulatory relationship with the occupational associations.

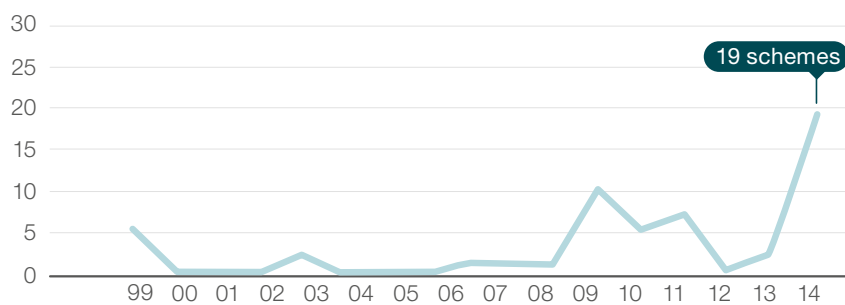
The OPSC reviewed the material available to associations and developed an information kit containing guidelines, information and other resources designed to assist associations when completing their annual reporting requirements.

The information pack aimed to address questions and concerns that had been received from the associations. The pack was used to reinforce the ‘partnership approach’ taken with regards to scheme monitoring and management.

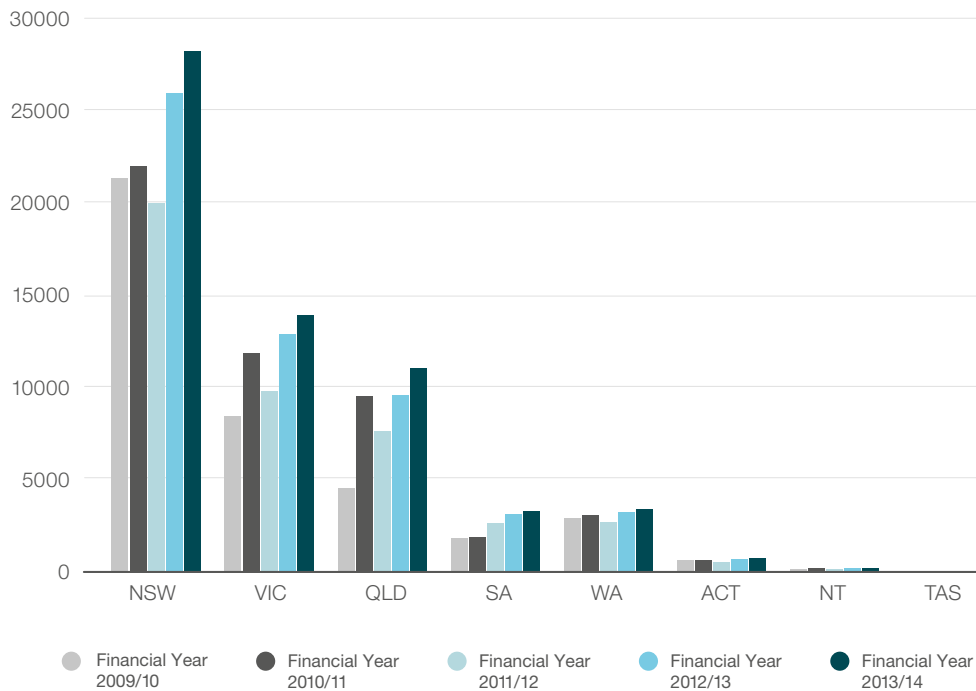
NUMBER OF PROFESSIONALS COVERED BY PROFESSIONAL STANDARDS SCHEMES OVER THE LAST 15 YEARS



SCHEMES APPROVED BY THE PSC PER YEAR



NUMBER OF PROFESSIONALS COVERED BY PROFESSIONAL STANDARDS SCHEMES (PER STATE) OVER THE LAST 5 YEARS



PROFESSIONAL STANDARDS SCHEMES

Association	Profession	Members	Liability (\$)	Start Date	End Date
ACT					
CPA	Accountants	88	\$1m to \$75m	01/02/08	31/01/14
ICAA	Accountants	649	\$1m to \$75m	09/10/13	08/10/14
EA	Engineers	Mutual recognition in ACT	\$1.5m to \$20m	01/01/09	31/12/13
Mutual recognition	NSW – ACS, CPA, NSW BA, CIRCEA, PSOA, APIV				
	NT – EA				
	QLD – QLD BA				
	SA – SA BA, Law Society of SA				
	VIC – ATMA, LIV, VicBar				
NSW					
CPA	Accountants	1,897	\$1m to \$75m	08/10/07	07/10/13
			\$2m to \$75m	08/10/13	07/10/16
ICAA	Accountants	10,117	\$1m to \$75m	08/10/07	07/10/13
			\$1m to \$75m	08/10/13	07/10/14
IPA	Accountants	1,339	\$1m to \$20m	30/01/04	31/12/17
NSW BA	Barristers	2,138	\$1.5m	19/01/05	30/06/15

Association	Profession	Members	Liability (\$)	Start Date	End Date
CIRCEA	Engineers	28	\$1m, \$5m or \$10m	22/02/13	21/02/18
EA	Engineers	Mutual recognition in NSW	\$1.5m to \$20m	22/01/07	23/02/13
ACS	IT	9	\$1.5m	01/01/10	31/12/14
LAW SOCIETY of NSW	Lawyers	9,122	\$1.5m to \$10m	22/11/12	21/11/17
PSOA	Surveyors	38	\$1m, \$2m or \$5m	12/11/07	11/11/13
APIV	Valuers	3,533	\$1m to \$20m	01/09/10	31/08/15
AVI	Valuers	Scheme expired 25/7/13	\$0.5m to \$10m	26/07/01	25/07/13
Mutual recognition	QLD – QLD BA SA – SA BA, Law Society of SA VIC – ATMA, EA, LIV, VicBar				
NT					
CPA	Accountants	33	\$1m to \$75m	27/12/10	26/12/15
ICAA	Accountants	127	\$1m to \$75m	27/12/10	26/12/15
EA	Engineers	0	\$1.5m to \$20m	27/12/10	26/12/15
Mutual recognition	NSW – ACS, CPA, NSW BA, CIRCEA, PSOA, APIV QLD – QLD BA SA – SA BA, Law Society of SA VIC – ATMA, LIV, VicBar				
QLD					
CPA	Accountants	1,235	\$1m to \$75m	25/03/08	
ICAA	Accountants	4,163	\$1m to \$75m	01/02/08	
			\$1m to \$75m	08/10/13	
QLD BA	Barristers	939	\$1.5m	01/07/13	
EA	Engineers	Mutual recognition in QLD	\$1.5m to \$20m	01/01/09	
QLD LAW SOCIETY	Lawyers	4,706	\$1.5m or \$10m	01/07/10	
Mutual recognition	NSW – ACS, CPA, NSW BA, CIRCEA, PSOA, APIV NT – EA SA – SA BA, Law Society of SA VIC – ATMA, LIV, VicBar				
SA					
CPA	Accountants	286	\$1m to \$75m	14/04/08	13/04/14
ICAA	Accountants	1,800	\$1m to \$75m	20/02/08	31/07/13
			\$1m to \$75m	08/12/13	07/12/14
SA BA	Barristers	234	\$1.5m	01/01/12	31/12/16
EA	Engineers	0	\$1.5m to \$20m	01/09/09	31/08/14
LAW SOCIETY of SA	Lawyers	971	\$1.5m or \$10m	01/01/12	31/12/16

Association	Profession	Members	Liability (\$)	Start Date	End Date
Mutual recognition	NSW – ACS, CPA, NSW BA, CIRCEA, APIV				
	NT – EA				
	QLD – QLD BA				
	VIC – ATMA, LIV, VicBar				
TAS					
CPA	Accountants	No scheme	\$1m to \$75m	Pending	
ICAA	Accountants	No scheme	\$1m to \$75m	Pending	
EA	Engineers	0	\$1.5m to \$20m	01/06/09	
Mutual recognition	No provision in the legislation				
VIC					
ATMA	Accountants	515	\$1m to \$100m	01/01/13	31/12/17
CPA	Accountants	2,404	\$1m to \$75m	21/04/08	20/04/14
ICAA	Accountants	6,881	\$1m to \$75m	03/03/08	02/09/13
			\$1m to \$75m	08/12/13	07/10/14
VIC BAR	Barristers	880	\$2m	01/07/08	30/06/14
EA	Engineers	6	\$1.5m to \$20m	19/01/10	18/01/15
LIV	Lawyers	3,211	\$1.5m or \$10m	01/07/10	30/06/15
Mutual recognition	NSW – ACS, CPA, NSW BA, CIRCEA, PSOA, APIV				
	QLD – QLD BA				
	SA – SA BA, Law Society of SA				
WA					
CPA	Accountants	794	\$1m to \$75m	01/04/08	31/03/14
ICAA	Accountants	2,604	\$1m to \$75m	08/10/07	07/10/13
			\$1m to \$75m	08/10/13	07/10/14
EA	Engineers	Mutual recognition in WA	\$1.5m to \$20m	01/01/09	31/12/13
LAW SOCIETY of WA	Lawyers	Scheme commenced 1/7/14	\$1.5m or \$10m	01/07/14	30/06/19
WA BA	Barristers	Scheme commenced 1/7/14	\$2m	01/07/14	30/06/19
Mutual recognition	NSW – ACS, CPA, NSW BA, CIRCEA, APIV				
	NT – EA				
	QLD – QLD BA				
	SA – SA BA, Law Society of SA				
	VIC – ATMA, LIV, VicBar				

Compliance monitoring and reporting

Our compliance approach is one of partnership.

Monitoring and ensuring compliance with professional standards legislation is key to improving professional standards within the Australian business community and vital to protecting consumers.

Our compliance approach is one of partnership, in that the annual compliance reports (Annual Risk Management Reports – ARMRs) required from professional associations subject to the legislation are derived in part from the commitments each association makes to improve professional standards in their community so as to deliver consumer protection.

These commitments are made in the original application for a Professional Standards Scheme, and combined with the statutory and professional obligations of individual scheme members and the importation of various corporate governance and risk management principles, policies and Australian Standards, enhance professional standards within the respective scheme occupations.

Annual Risk Management Reports 2013-2014

As a result of a five-year compliance review of all associations' ARMRs conducted in 2013, the Office of the Professional Standards Councils (OPSC) undertook a redevelopment of the ARMR template to specifically direct Associations' attention and resources to managing member compliance and risk management reporting in a number of key areas. Those areas were identified as:

- › Establishing associations' clear delineation of reporting and monitoring on member professional standards legislation compliance, as distinct from a narrow focus on those risk areas identified and controlled in the five-year Risk Management Plan.
- › Increasing associations' focus on improving member professional standards legislation compliance, remedying non-compliance and reviewing the methods of monitoring compliance.
- › Improving Associations' risk analysis processes by requesting Associations to report on the effectiveness of self-identified risk management controls in five-year Risk Management Plans.
- › Encouraging associations to expand their consideration and response to risks by encouraging risk management reviews that incorporate new information as well as analysis of current effectiveness.

- › Enhancing associations' utilisation of complaints and claims data by requesting them to conduct complaints/claims analysis, report on risk management strategies implemented/proposed; report on any specific claims that may potentially be in breach of scheme liability caps and encourage reviews of complaints handling system processes.
- › Re-engaging associations' boards and executive management in the compliance process by requesting broad Association Compliance Plans (over and above five-year Risk Management Plans); changes in any relevant corporate governance and membership details; Annual Fee Audit Certificates (as part of the ARMR to verify membership details); and evidence of board approval of the ARMR.

Whilst implementing this enhanced compliance framework, the OPSC has been careful to minimise additional compliance cost by encouraging associations to better analyse their existing data and apply their existing risk management resources. The OPSC sees this new ARMR process as one of simplification and demystification of the "ARMR cycle of improvement" that captures the aspirational purpose of the legislation.

New ARMR template uptake

The new ARMR template was distributed in January 2014 with associations required to submit their ARMR by 31 March each year. Generally, the new template generated a positive response by most of the associations in terms of processing of information, member compliance, risk analysis and strategies implemented/proposed, and improved the clarity of reporting for regulatory purposes.

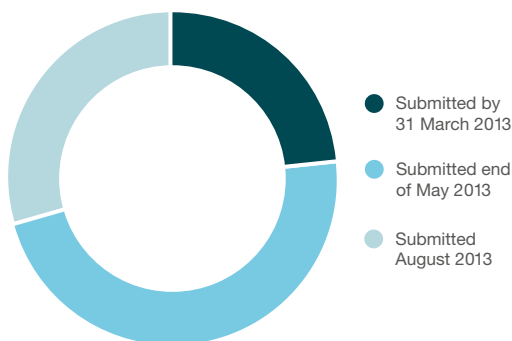
Some general outcomes of this year's process include:

- 16 of the 18 scheme associations submitted their ARMR in the new template form. Of the 2 associations not using the new template, 1 had already prepared their ARMR ahead of the release date and submitted it early in February, the other association had its scheme expire in 2013 and was in the process of submitting a new application.

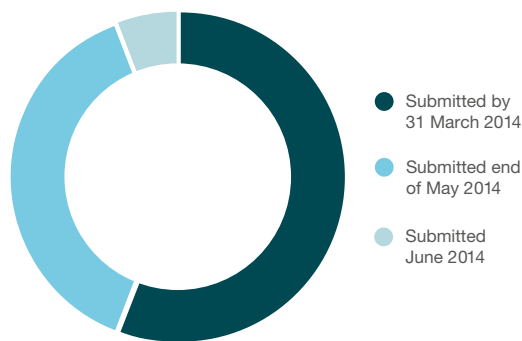
- There was a significant improvement in ARMR submission times. This year 56% of the associations had submitted their ARMR within 24 hours of the 31 March deadline and nearly all (94.4%) had submitted by the end of May. Compared to 2012-2013, only 23.5% had submitted within 24 hours of the 31 March deadline and a further 70.6% by the end of May. This year all associations had submitted their ARMR by the end of June, whereas in 2012-2013, all were not received until the end of August. (see graph below)
- Associations were assessed across 10 ARMR elements on new ratings scheme out of 100. The new rating scheme has 10 compliance elements – Scheme Data; Risk Analysis; Scheme Monitoring; Scheme Monitoring Review; Risk Management Review; and Complaints Handling System Review, Complaints and Discipline Data; Claims Data; Insurance Standards; and Certification, Declaration and Signatures.
- Of the 18 associations, 60% scored satisfactory or above in terms of compliance satisfaction. As the Professional Standards Improvement Program is one of continuous improvement, all of the associations have opportunities for improvement that the OPSC will work on in a targeted strategy with each association.
- This year's analysis showed there is substantial work to do in the areas of Scheme Monitoring; Scheme Monitoring Review; Risk Management Review; and Complaints Handling System Review. Of note, these review elements were introduced for the first time in 2013-2014. See graph on page 28 for breakdown of industry sectors.

ARMR SUBMISSION TIMES – COMPARISON 2012-2013 AND 2013-2014

2012–2013 ARMR Submission Times



2013–2014 ARMR Submission Times



Common deficiencies identified

Although the general response was positive, the OPSC has identified a number of deficiencies arising from the analysis of the 2013-2014 ARMRS. The deficiencies will form the targeted areas of improvement specific to each association, which the OPSC will be working with associations to improve throughout the next ARMR cycle of improvement.

These are most significantly identified as follows:

- › Under Scheme Data, most scheme associations re-submitted existing five-year Risk Management Plans. The OPSC will be seeking broader Association Compliance Plans in the next ARMR, consistent with *Australian Standard AS 3806:2006 Compliance Programs*.
- › Scheme Monitoring comprises 5 elements – Membership Entry, Continuing Professional Development, Insurance Standards (including Business Assets if required), Disclosure and Trademark compliance. Scheme associations must ensure their members comply with all of these elements and demonstrate adequate follow-up and monitoring of this compliance (including auditing compliance where possible). On average Insurance Standards and Membership Entry (including renewal) require improvement in member supervision of these elements.

The OPSC will be working on developing better member renewal and survey processes, in particular, consideration of offence and bankruptcy disclosures, and seeking improved compliance and audit monitoring data for all Scheme Monitoring sub-elements.

- › Risk Analysis was generally satisfactory across the scheme associations, however there were instances of risk management strategies being proposed or implemented where either the correlation of the strategy with the analysis was unclear, or the remediation strategy itself was insufficient. The OPSC will be requesting further detail from scheme associations to strengthen these processes.
 - › There was limited evidence of substantive Review of Scheme Monitoring, Risk Management and Complaints Handling Systems taking place in many of the associations. Although not formally requested as mandatory elements, they can provide significant insight into the effectiveness of current systems and are indicated in best practice risk management. The OPSC will be encouraging scheme associations to fully engage in these process reviews and to report on outcomes and risk management strategies that arise.
- › Collection, analysis and reporting of claims data continues to be a weak area of compliance for many associations, providing either inadequate Claims Data and Insurance Standards detail or relying on aggregate insurance data rather than specifying individual claims that may be in breach of liability caps. Similarly, more work could be done to specify and clarify the costs and issues of professional indemnity insurance. The OPSC will be in further contact with these associations to improve data processes and comparative analysis.
 - › Only six (including two awaiting approval) of the scheme associations (33%) provided the necessary board and governance approvals of the submitted compliance report. As this was a recently introduced requirement, transition time was expected, however as this is a strong indicator of board commitment and awareness to professional standards legislation obligations, the OPSC will be working with scheme associations to improve this result in the next ARMR.

Examples of improved risk management

There were many examples of exemplary and improved risk management strategies being implemented by some scheme associations, particularly in respect of Risk Analysis and Complaints Handling System processes.

Some of the more noteworthy include:

- › CPA – implemented specific risk management strategies as a result of risk analysis and Complaints Handling Review processes (2012/2013) including internal sanctioning (reprimands) for minor breaches, improved Customer Requirements Management database capture for risk profiling, updating professional conduct staff ongoing training programs and the CPA website, development of new case studies for CPA & public practice programs and support for APESB, new standard APES 230 Financial Planning Services, updating Public Practice Residential Program, proposed scheme monitoring review, and review of By-Law 9.8 (PII) to improve clarity on member obligations.
- › ICAA initiated risk management strategies including collaboration with AUASB survey (over 3 years) on implementation of “Clarity Auditing Standards”, thought leadership papers published including *Walk the line: Discussions and insights with leading audit committee members* and *Governance Risk and Compliance* (series of audit committee guides), national Accounting and SMSF Conference featuring technical sessions, Monthly Tax Update Series 2013

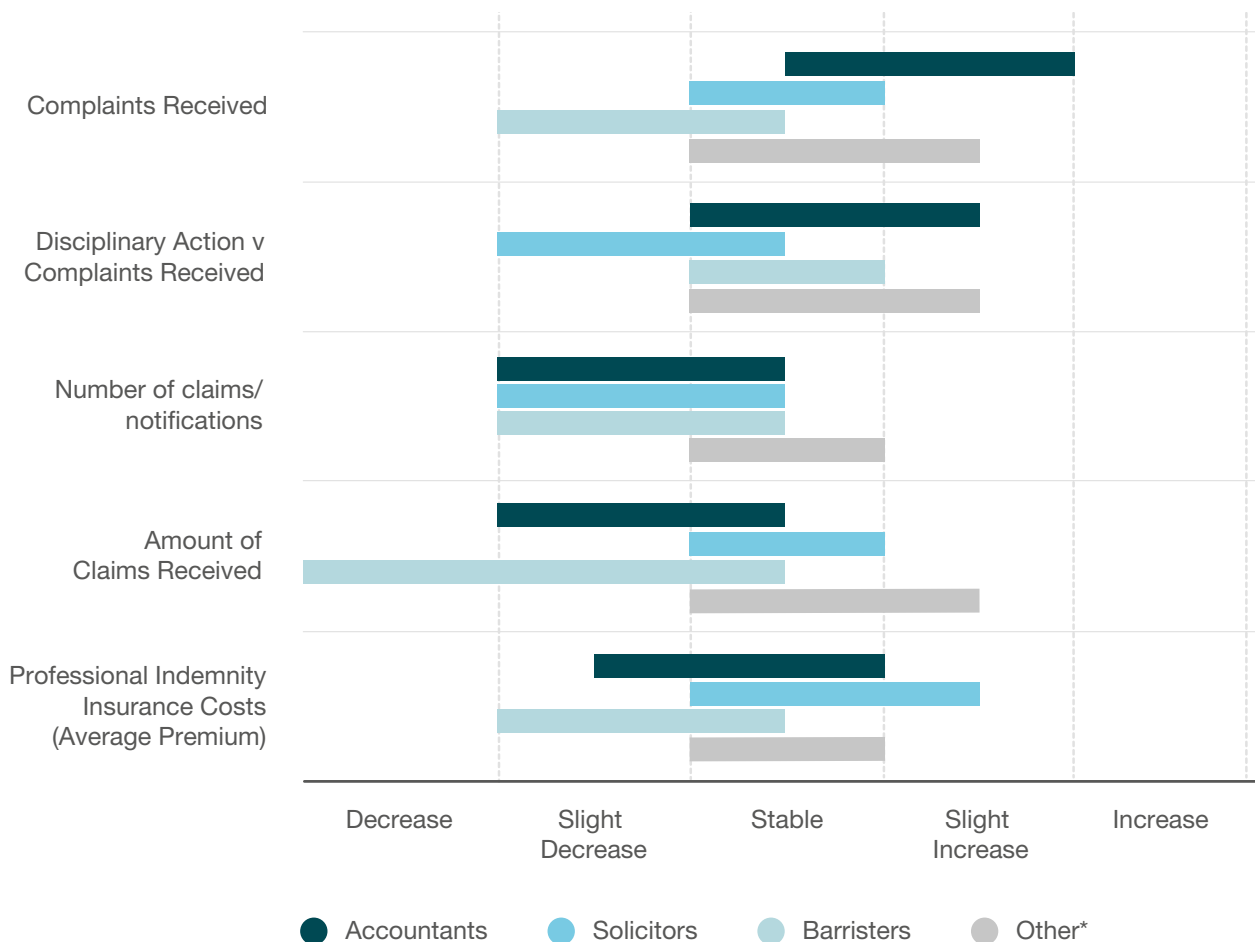
face to face (NSW & Vic), on-line specialised tax topics (2,358 members attended), and T&D specialised training in the areas of tax, audit, accounting, SMSFs, superannuation and financial advisory services.

- › NSWLS initiated risk management strategies in particular: upgrading ethical protocol and guidelines, provision of Practice Guidance material on-line and bi-monthly e-newsletters for different solicitor groups including *Smalltalk* (small firms), *The Big Picture* (large firms), *Momentum* (mid-sized firms), and *In the House* (corporate), development of the Professional Support Unit and the Compliance Analysis Review (CAR) program and moved into phase 2 with the launch of the Compliance Review Toolkit.
- › QLS implemented additional risk management controls arising from risk analysis, in particular. QLS launched the *Practice Health Check* project supported by a Professional Standards Councils Star Grant (now referred to as Professional Standards Grant) featuring a dedicated website portal checklist of best practice arrangements, developed specific “client engagement” advice/guidance on the small practice portal, risk management sessions, Practice Management Course workshops and during QLS Symposiums “legal issues” were regularly updated in Proctor and QLS news emails, “oversights including supervision” covered in the “QLS Guide to Effective Supervision”, “ethical issues” addressed in 39 CLE sessions and LSC Symposiums, and “costs” advice updated in the “Costs Guide”.

- › APIV conducted risk analysis and implementation of risk management strategies, including development of a Complaints Module, CRM complaints system and CPD events database, undertaking of annual reviews and random compliance audits; and introduced new CPD modules including *Volume Residential for Mortgage Purposes, Commercial and Premium Residential for Mortgage Purposes, Private Clients, Financial Reporting, Rental Determinations and Expert Valuation Work, Government Acquisitions and Rating Valuations, Valuers and Financial Institutions – Advanced Workshop and Plant & Machinery.*

Industry sector comparison on compliance elements

ARMR INDICATORS



*Other includes valuers, surveyors, engineers and computer professionals.

Received Complaints

Number of complaints against members received by scheme associations and/or relevant regulators.

Number of Claims/ Notifications

Number of claims and notifications made against members of scheme associations.

Professional Indemnity insurance costs (average premiums)

Average cost of PI insurance as a proportion of gross fees/income.

Disciplinary Action v Complaints Received (%)

Proportion of complaints received actually resulting in some form of disciplinary action by scheme association and/or relevant regulators.

Amount of Claims Paid

Aggregate known settlement amounts paid against claims made against members of scheme associations.

Note: These indicators are sourced from a comparison of current 2013-2014 ARMR data against previous five-year 2008-2012 ARMR data for each scheme association (where available) and represent median values within the professional groups.

Grants Program

There is enormous opportunity and a growing need for more debate and research into professional standards, the effective regulation of professions and other issues relevant to the role of professions in community protection.

The Professional Standards Councils' thought leadership strategy encourages this debate in both the academic and professional environment through the Councils' Grants Program.

The Councils' Grants Program is an initiative that provides funding to a variety of projects that aim to understand, demonstrate and promote the improvement of professional standards across Australia.

During 2013-2014 the grants program continued to grow, with the Councils providing two types of funding streams: Research Grants and Professional Standards Grants. These grants are designed to foster the improvement of professional standards, encourage research into professional standards, and promote links between academic research and practical implementation.

Research Grants

Professional Standards Research Grants were awarded for the first time during the reporting period. This marks the expansion of the Councils' Grant Program into the field of research. It is the Councils' intention to encourage and reward innovative research that develops the community's confidence and trust in professional services in Australia.

A total of \$138,575 was awarded through the research grants program which seeks to encourage the improvement of professional standards, enhance understanding of the unique regulatory regime created by professional standards legislation, and generate research and debate in these areas. Research interests span from academic debates about areas such as regulatory design and ethics, through to research concerning professional integrity systems and regulation of professional communities, and supporting practical projects such as conduct review tools, Continuing Professional Development, and

development of best practice services, which are of direct practical benefit to professional associations and individual professionals.

Three Research Grants were awarded for the first time during the financial year to:

- › The Australian Centre for Justice Innovation (Monash University) and the Society of Consumer Affairs Professionals Australia (SOCAP)
- › Creative Consequences
- › The Tax Institute.

SUMMARY OF PROFESSIONAL STANDARDS RESEARCH FUNDS AWARDED IN 2013-2014

Grant Recipient	Project	Amount Awarded
Australian Centre for Justice Innovation (Monash University) & SOCAP	Professional Standards for Complaints Managers and Handlers	\$55,000
Creative Consequences Pty. Ltd.	Assessing Australia's approach to professions – a creative solution to a persistent problem	\$40,000
The Tax Institute	Creation of a set of professional standards and a Code of Professional Conduct for the tax profession	\$43,575

Professional Standards Grants

Professional Standards Grants (formerly known as Star Grants) are open only to professional associations recognised under professional standards legislation, and their members. The grants provide support for projects that enhance the standards and practice of professional associations and their members.

In 2013–14, the Council's provided further funds for ongoing projects awarded in previous grant rounds two and three. Applications for round four of the program closed in March 2014.

SUMMARY OF PROFESSIONAL STANDARDS GRANT FUNDS SETTLED IN 2013-2014

Grant Round	Association	Project	Amount Awarded	Funding Distributed in 2013-14	Project Status
2	PSOA	Online Training for non-professional field assistants	\$25,000	\$10,000	Complete
2	QLD Law Society	Practice Health Check	\$31,000	\$18,000	Ongoing
2	ICAA	Risk Management Tool for Small to Medium accounting practices	\$80,000	\$20,000	Complete
2	IPA	IPA PPQA Upgrade	\$70,000	\$23,333	Complete
3	QLD Law Society	Practice Resilience and Wellbeing	\$20,000	\$8,000	Ongoing
3	SA Law Society	Practice Review for Small Law Firms	\$61,800	\$42,800	Ongoing
3	ICAA	Interactive Quality Assurance Review questions for small to medium accountancy practices	\$50,000	\$6,250	Ongoing

Research and thought leadership

The Professional Standards Councils' thought leadership strategy is designed to more fully expand the academic and community environment of professional standards legislation and to specifically deliver opportunities and benefits for professions and their members. The strategy intends to foster interest and generate debate in eight key areas of research interest:

- › Professions and society
- › Professions and government
- › Legislation and regulation
- › Liability and obligation
 - corporate, personal, professional and community
- › Professional integrity systems
- › Regulation of Professional Communities
- › Associations and Governance
- › Professional standards legislation application and legitimacy.

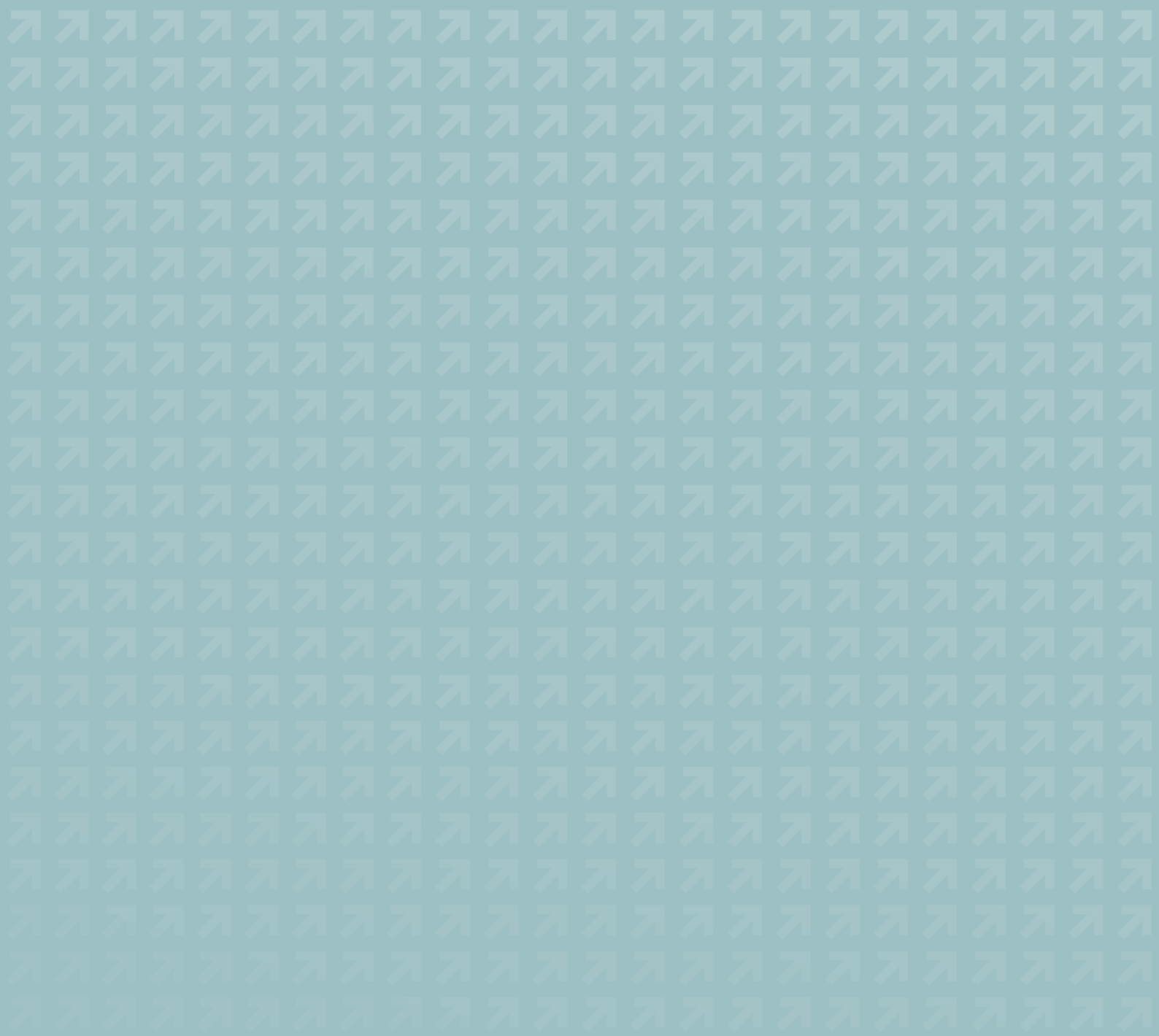
Throughout 2013–14 a number of projects and activities were initiated to progress the Councils' thought leadership strategy and deliver on key goals.

Since launch of the new strategy, significant successes have been achieved in the last twelve months with:

- › The launch and approval of a new suite of grants (Research Grants) dedicated to professions level engagement
- › The initiation of a white paper series on professionalisation of Australia's services economy
- › The publication of the article 'Reinventing regulation' in the *Law and Financial Markets Review*
- › The development of a research partnership with University of New South Wales and other academic institutions globally. This research team has been awarded an Australian Research Council (ARC) Linkage Grant for a three year project to commence in September 2014
- › In line with the strategy, the 2014-2015 plan intends to leverage the benefit of the expanding debate and further increase the profile of professional standards legislation, both as a globally relevant regulatory model but also as a benefit to more professional communities in Australia. The ARC Linkage project will be a key means of pursuing this goal

The Councils will continue work on the white paper series. The first white paper to be released considers the financial services sector. Future white papers will focus on the built environment, education, and other occupations in the services economy. The research is structured so that comparison across industries within the services sector will be possible once several white papers have been finalised. The white paper series will generate an overview of professionalisation across the entire services sector.

Organisational structure



Councils structure

The eight Councils work closely with the Office of the Professional Standards Councils to review Professional Standards Scheme applications.

There are eight Professional Standards Councils – one in each state and territory in Australia. The Attorneys General appoint members in their respective state or territory to the Councils under the relevant legislation in each jurisdiction.

Under the Professional Standards Agreement 2011, NSW and Victoria can nominate two members each, while every other state and territory together with the Commonwealth are able to nominate one member each. The Councils are comprised of a total of 11 representatives.

All states and territories have agreed to appoint the same members to each Council.

The eight Councils work closely with the Office of the Professional Standards Councils (OPSC) to review Professional Standards Scheme applications. Once a Council approves a scheme application, it informs the relevant minister who subsequently authorises the public notification of the approved scheme.

To ensure consistency, the Councils cooperate with the Commonwealth Treasury during the assessment stage if an association is seeking to have its scheme prescribed under one of the following Commonwealth Acts:

- › *Commonwealth Competition and Consumer Act 2010*
- › *Corporations Act 2001*
- › *Australian Securities and Investments Commission Act 2001.*

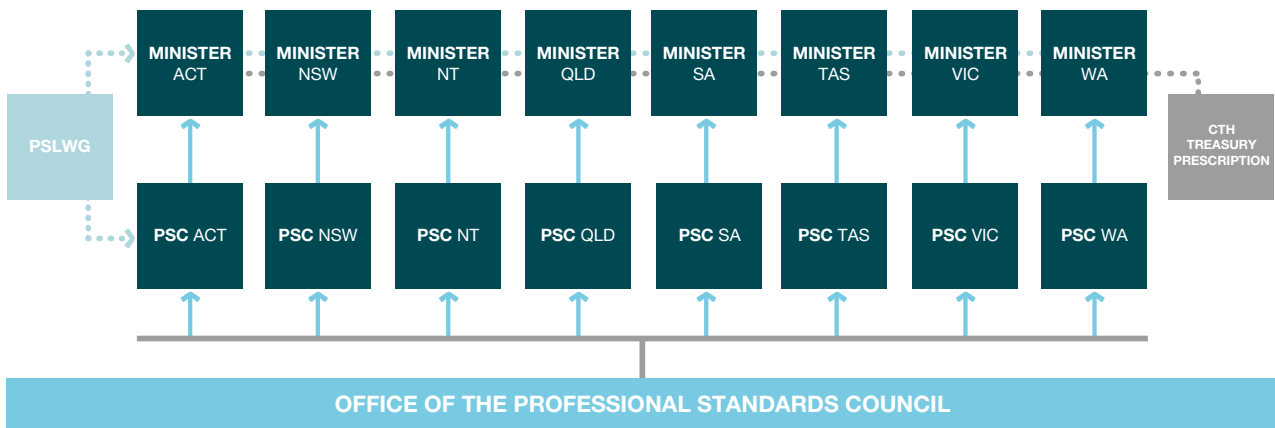
Each Council consists of a chairperson, deputy chairperson and councillors. The Councils can establish committees and advisory groups to meet as required over the year. Each of these committees

and advisory groups can make recommendations to all eight Councils. Committee members may include Council members or external appointees, and are appointed on an annual basis and eligible to be reappointed at the end of their term.

The Professional Standards Legislation Working Group (PSLWG) was set up to ensure the professional standards legislation is consistently applied across the country.

The PSLWG comprises policy officers from the Department of Attorneys General in each state and territory where a Professional Standards Council is constituted. The working group convene when issues arise that require consideration at a national level and communicate with relevant ministers about professional standards reform, review and scheme issues.

ORGANISATIONAL STRUCTURE AND REPORTING LINES ON A NATIONAL LEVEL (AS AT JUNE 2014)



National framework of legislation

The success of Australia's professional standards legislation regime relies on the positive and effective partnership of all Attorneys General and their respective departments.

Professional standards legislation is a shining example of cross-jurisdictional cooperation. The administration, oversight and enforcement of 36 different gazetted instruments across Australia's eight parliaments reflect the dedication of all of our state and territory colleagues.

On behalf of the OPSC, the Professional Standards Councils thanks the contact officers in each state and territory and the Commonwealth:

- › Carole Ruthchild – New South Wales
- › Susan Coleman – Victoria
- › Claire Morgan – South Australia
- › Emma Gunn – Tasmania
- › Catherine Vickers – Tasmania
- › Pam Jenkins – Australia Capital Territory
- › Rosslyn Chanoweth – Northern Territory
- › Julie Casewell – Northern Territory
- › Jean Doherty – Northern Territory
- › Robert Bradshaw – Northern Territory
- › Irene Kempa – Western Australia
- › Mark Hainsworth – Western Australia
- › Imelda Bradley – Queensland
- › Sally McCone – Queensland
- › Jerome Davidson – Commonwealth
- › Andrew Fragomeli – Commonwealth.



Council members

The current members have experience across a diverse range of industries and specialities including law, accounting, insurance, dispute resolution, property management, auditing and company directorship.

Council members are selected for their qualifications, experience and ability to contribute to the Professional Standards Councils' work. The current members have experience across a diverse range of industries and specialities including law, accounting, insurance, dispute resolution, property management, auditing and company directorship.

A significant number of members have served at least three terms. Council members work effectively as a team to achieve results for associations. The Chair and Deputy Chair are nominated on an alternating basis by New South Wales and Victoria, under the Professional Standards Agreement 2011.



Brian Rayment QC
Chairman, BA, LLB

Brian Rayment was admitted to the NSW Bar Association in 1970 and practises throughout Australia, specialising in insurance, transport law and general commercial law. From 1972 to 1974, he was a part-time law lecturer at the University of Sydney. Brian has also served as a member and Honorary Treasurer of the NSW Bar Council, Chairman of the Legal Aid Commission of NSW and a member of the NSW Legal Services Tribunal.



Esther Alter
Deputy Chairperson, BEc, LLB, MBA, MAICD

Esther Alter brings a wide range of experience in consumer law and dispute resolution to the Councils. As a Member of the Victorian Civil and Administrative Tribunal (VCAT), she was involved in conciliating and adjudicating on consumer law matters.

Esther has worked in consumer, legal and management roles in the Victorian and Commonwealth Governments. Her professional interests are in the areas of governance, management, service evaluation and organisational development. Esther is a member of the Chiropractor Registration Board of Victoria and the Pharmacy Board of Victoria.



Julie Cameron

B Comm, LLB (Hons), LLM

Julie Cameron is a partner at Corrs Chambers Westgarth in Brisbane and practises predominantly in the areas of insurance and personal injuries, medical malpractice, public liability and CTP claims. She also advises and represents clients in investigations by the Health Quality and Complaints Commission and professional registration boards. An accredited personal injuries specialist of the Queensland Law Society since 2002, Julie is a member of the committee responsible for assessing applicants for personal injuries specialist accreditation. Julie is a member of the Australian Insurance Law Association and the Medico-Legal Society of Queensland.



Robert Beaton

LLB, BArch (Hons), BSc (Arch)

Robert Beaton has more than 35 years' experience in all facets of professional risk insurance. Until June 2010, he was the National Product and Underwriting Manager, Professional Risk Insurance at CGU Insurance. Robert is currently a consultant on issues relating to professional risk insurance. He was Chairman of the Professional Indemnity Standing Committee of the Insurance Council of Australia between 2003 and 2010, and a member of the Australian Prudential Regulation Authority National Claims and Policies Database Steering Group Committee.



Ronald Farrell

Council Member

Ronald Farrell is a member of the Committee of Management at MAV Insurance, which includes Civic Mutual Plus, and is appointed as a Responsible Officer.

In 2008, he retired after 14 years as a foundation non-executive director of the Victorian Managed Insurance Authority. Prior board appointments have included the Metropolitan Fire and Emergency Services Board, GROIt Pty Ltd, Utilities Insurance Company Ltd and connect.com.au Pty Ltd. Ronald had a successful career in the insurance industry as General Manager of Australian Eagle Insurance Company Ltd and as an Executive Director of certain subsidiaries. His memberships include the Australian and New Zealand Institute of Insurance and Finance, as well as a not-for-profit advisory body.



Tom Karp

BA Hons (Actuarial Studies)

Tom Karp is a Fellow of the Institute of Actuaries of Australia, and has been a member of the Professional Standards Committee of the Institute of Actuaries of Australia since 2008. He held the position of Executive General Manager at the Australian Prudential Regulation Authority until his retirement in June 2008. Tom is also a board member of the Australian Reinsurance Pool Corporation, and represents the Institute of Actuaries of Australia at the International Actuarial Association.



Joanne Metcalfe

BLArch (Hons), MBA

Joanne Metcalfe has served on the Professional Standards Councils since 2005. She is a member of the Councils' Finance and Risk Management Committee and Star Grants Committee. She works for professional services company GHD in Canberra as a Business Group Manager, responsible for the Australian Capital Territory and southern New South Wales. Joanne has been an active member of the property industry for the past 15 years, a Division Councillor for the Property Council of Australia since 2004, and has been Vice-President, member of the Executive Committee and Chair of the Planning Committee.

Joanne is currently the Chair of the Property Council of Australia's Economic Development and Infrastructure Committee. Joanne formerly worked in landscape architecture and communications; as State Manager, Australian Institute of Architects ACT; and in professional service management as Managing Principal of Peckvohartel Architects.



Iain Summers

B Comm, LLB (Hons), Grad Dip Management Psychology, FCA FCPA FAICD FAIM

Iain Summers provides governance and management advice, assistance and training to community services and public sector entities, and business advice to small- and medium-sized commercial enterprises. From 1995 to 2002, he was the Northern Territory Auditor-General. He is a Company Director of commercial and community sector entities, and Chair of a number of audit committees for private and public sector organisations.



Rachel Webber

LLB, BJuris

Rachel Webber's primary areas of expertise include corporate and commercial law, with an emphasis on ASX and Corporations Act 2001 compliance, financial services regulation, fundraising, managed investments and credit regulation. Rachel lectures at the College of Law and is a regular guest lecturer at the University of Western Australia's Law School. Rachel is a Special Counsel in Jackson McDonald's corporate transactions division.



Tiina – Liisa Sexton

BComm, FCA, FTIA, FAICD

Tiina-Liisa Sexton is a chartered accountant with a background in risk and financial management, governance and ethics. She has worked in the private, public, academic and not-for-profit sectors, and was the national Professional Standards Adviser in ethic and corporate governance at CPA Australia for 14 years until 2011. Tiina-Liisa is Company Secretary of Woodlands Wines Pty Ltd, Director of Housing Choices Australia, and Chair of Housing Choices Tasmania. She is a former director of Aurora Energy Pty Ltd, Hobart Water and Connect Credit Union. She is also a board member of Designed Objects Tasmania, Australia's longest running design collective.



Terry Evans

LLM, FAICD

Terry Evans is engaged as Special Counsel with Minter Ellison in Adelaide. Prior to that he was the Deputy Chief Executive of the South Australian Justice Department and Attorney General's Department from 2004 to March 2006. He was the Chief Commercial Counsel for the Crown Solicitor's Office from 1996 to 2004. Before that Terry was a partner with Minter Ellison. Terry holds a number of board positions in the corporate, government, education and not-for-profit sectors.

Corporate governance

The Professional Standards Councils are constituted under state and territory professional standards legislation. There are eight Councils – one in each state and territory. Each Council consists of a chairperson, deputy chairperson and councillors, and members are appointed by the Attorneys General of each state and territory.

Council members are appointed for a term not exceeding three years and are eligible to be reappointed when their term expires.

To ensure transparency and probity in relation to Councils' decisions, councillors must declare any conflicts of interest at the beginning of each Council meeting.

The Councils update and review their five-year strategic plan and internal risk management plan every six months, based on Risk Management Standard AS/NZS ISO 31000:2009. This ensures any changes in the wider strategic and risk landscapes are considered.

Internal risk management is overseen by the Councils' Financial Audit and Risk Management Committee (FARMC). In 2011, the Councils' established an Internal Risk Management Program (IRMP) which was monitored during the reporting period by FARMC. FARMC's monitoring included the scheme administration remediation project which was developed from a previous internal audit recommendation.

The tables below shows the remuneration of the Councils' members for the 2013–14 reporting period.

The Chair is paid an additional retainer of \$2,640 per annum for out-of-session work and other Councils-related activities.

The average sitting time of the Councils' members during 2013–14 was four hours per meeting.

The remuneration of committees and advisory groups is consistent with the Councils' remuneration arrangements.

Role	Standard Remuneration	Number of Meetings held
Chairperson	\$608.00	8
Council Member	\$370.00	8

Name	Role	State Representation	PSC Meetings Attended	Committee meetings attended	Remuneration	Tenure
Brian Rayment QC	Chairperson	NSW	7	1	\$11,280.00	2005
Esther Alter	Council Member	VIC	7	4	\$5,640.00	2005
Robert Beaton	Council Member	NSW	7		\$5,163.00	2005
Julie Cameron	Council Member	QLD	3		\$1,634.00	2010
Terry Evans	Council Member	SA	6	7	\$5,995.00	2006
Ronald Farrell	Council Member	VIC	6	3	\$4,053.00	2006
Tom Karp	Council Member	CTH	5	2	\$3,514.00	2010
Joanne Metcalfe	Council Member	ACT	6	7	\$5,717.00	2006
Rachel Webber	Council Member	WA	6	1	\$3,797.10	2013
Tiina-Liisa Sexton	Council Member	TAS	7	1	\$3,961.00	2012
Iain Summers	Council Member	NT	7	3	\$4,885.00	2006
Madeleine Ogilvie*	Grants Committee			2	\$601.00	2006
Total					\$56,240.10	

Note 1:

- Standard remuneration rates are based on meetings of up to four hours
- Chairperson is paid \$128 per hour thereafter and council members \$77 per hour thereafter
- Remuneration values are shown inclusive of additional hours

Note 2:

- The Chairman receives a retainer of \$2,640.00 a year

***Note 3:**

- Attended additional meetings with Executive Officer and staff member

Committees

The Professional Standards Councils delegate work to a number of committees, including the:

- › Finance, Audit and Risk Management Committee
- › Operations Committee
- › PSC Grants Committee
- › Legal Issues and Advisory Committee.

Finance, Audit and Risk Management Committee

This committee oversees risk management, particularly financial, budget management and internal controls.

The members are:

- › Iain Summers (Chair)
- › Esther Alter
- › Ronald Farrell
- › Joanne Metcalfe.

Operations Committee

This committee advises the Councils on strategic resourcing and what activities to prioritise in the Councils' business plan.

The members are:

- › Terry Evans (Chair)
- › Joanne Metcalfe
- › Tom Karp.

Legal Issues Advisory Group

This committee provides input on legal enquiries and issues.

The members are:

- › Brian Rayment QC (Chair)
- › Terry Evans
- › Rachel Webber.

Grants Committee

This committee oversees two grants funding streams that Councils offer, including Professional Standards Grants and Research Grants.

The members are:

- › Madeleine Ogilvie (Chair until 31 March)
- › Esther Alter (Chair from 1 April)
- › Terry Evans
- › Joanne Metcalfe
- › Tiina-Liisa Sexton (from May 2014)
- › Robert Beaton (from May 2014).

On 31 March 2014, Madeline Ogilvie, the inaugural Chair of the Grants Committee, resigned and Esther Alter was appointed the new Chair. Additionally, Joanne Metcalfe resigned from the committee in May 2014. The two vacancies were filled by Tiina-Liisa Sexton and Robert Beaton.

Note: The PSC Executive Officer (Dr. Deen Sanders) is the secretary of each committee and advisory group.

Office of the Professional Standards Councils

The Office of the Professional Standards Councils (OPSC) provides agency services for the Professional Standards Councils located within the NSW Department of Justice. It provides services to all state and territory governments and their relevant Councils pursuant to intergovernmental agreements.

The OPSC supports the Councils in promoting professional standards and consumer protection through thought leadership and education. The organisation also helps the eight Councils consider applications for Professional Standards Schemes, and administer and monitor schemes in their jurisdictions.

The organisation delivers a variety of services to a large and diverse range of stakeholders. Over the 2013–14 year, it administered 26 schemes across Australia covering accountants, valuers, computer professionals, engineers, lawyers and barristers.

The OPSC's core business functions are regulatory assurance and scheme management. It also provides services, information and advice to occupational associations and consumers about Professional Standards Schemes on behalf of the eight Councils.

The OPSC's regulatory assurance activities include:

- › Monitoring compliance, including reporting and analysis
- › Assisting associations to improve professional standards by supporting their improvement in integrity systems and risk management
- › Supporting the administration of professional standards schemes by reviewing the application of those integrity systems
- › When issues arise, liaising with associations and other stakeholders regarding remediation.

The OPSC's scheme management activities include:

- › Administering schemes
- › Supporting schemes by encouraging associations to develop their own professional standards
- › Developing scheme policies
- › Analysing schemes, including actuarial and integrity system analytics functions.

Inter-governmental agreements and the OPSC

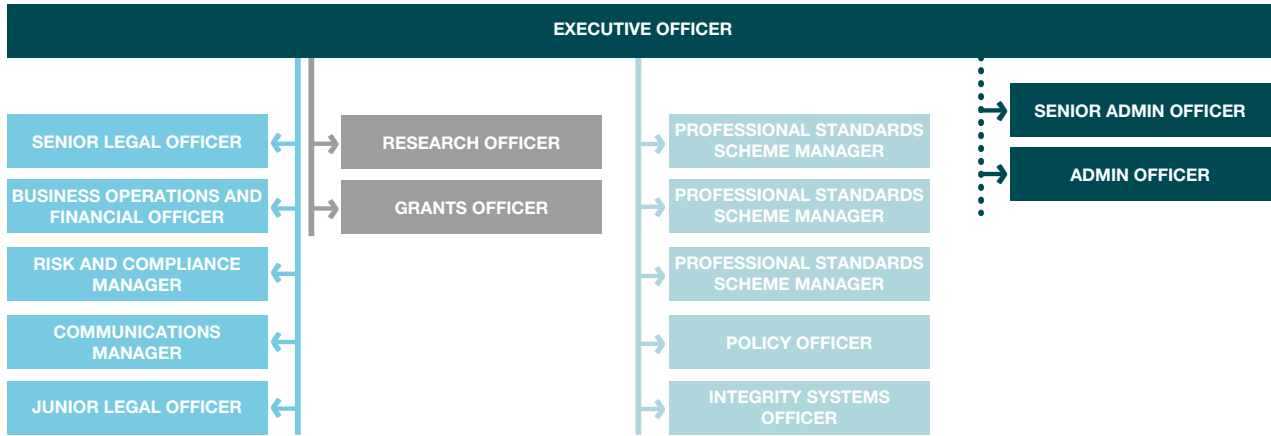
In 2005, ministers in all states and territories signed the Professional Standards Agreement to provide a national system of professional standards regulation. A review of this agreement occurred in 2011, and all jurisdictions subsequently entered into the Professional Standards Agreement 2011.

This agreement allows common membership of all state and territory Councils, and establishes that common services and support are provided to the Councils through the NSW Department of Justice.

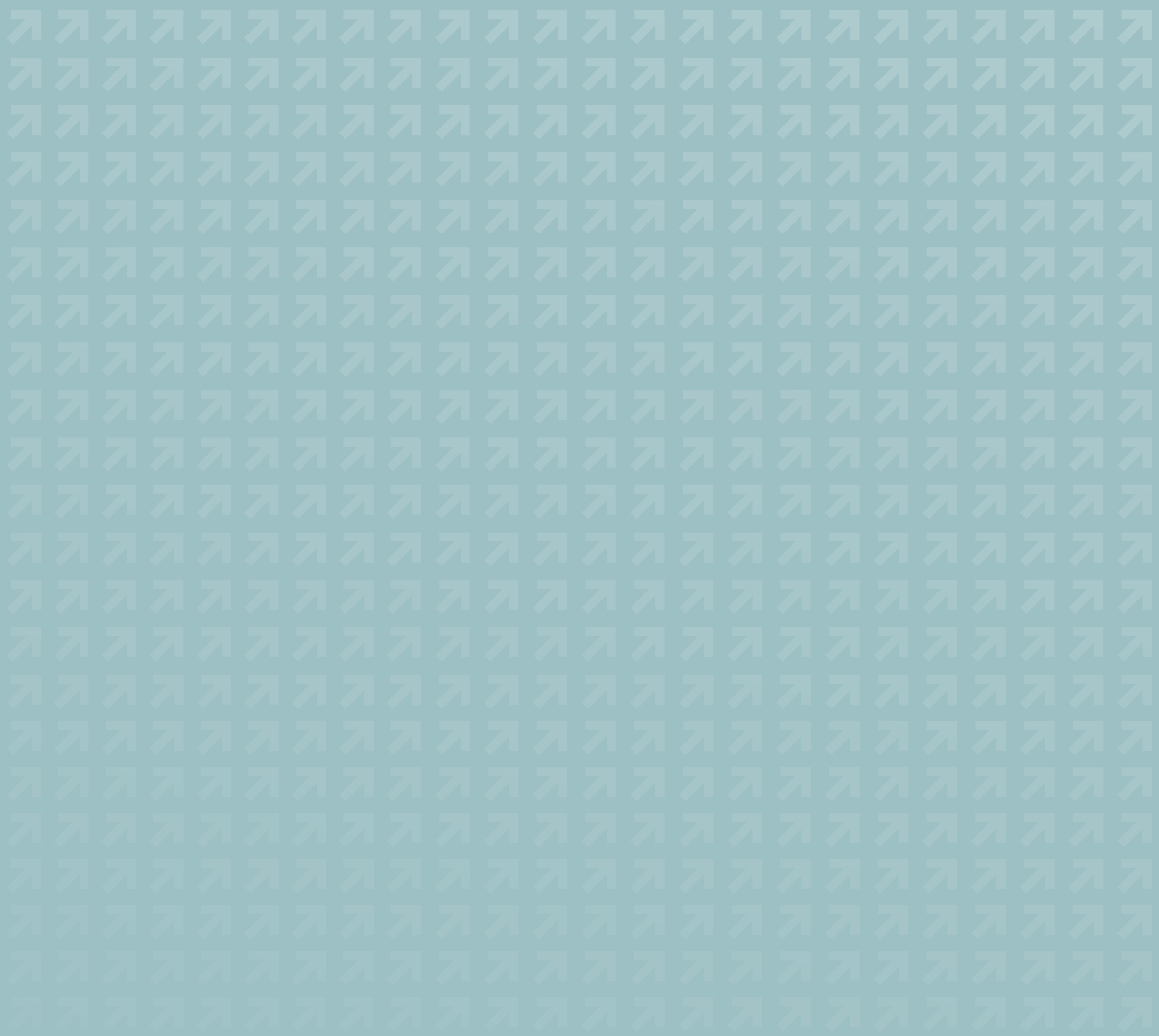
Two further agreements (the Professional Standards Council Interdepartmental Service Agreement, and the Professional Standards Councils and Departmental Procurement of Services Agreement) formalise how the OPSC, within the NSW Department, provides advice and services to all the Councils, and how the departments procure these services using fees and other revenue received by the Councils under professional standards legislation.

OPSC structure

The OPSC has a 15-member team of highly qualified and experienced professionals.



Financial statements



Financial statements

Consolidated financial performance statement 2013–14¹

FINANCIAL PERFORMANCE OF THE PROFESSIONAL STANDARDS COUNCILS

SUMMARY OF INCOME AND EXPENSES (FOR YEAR ENDING 30 JUNE 2014)

	ALL STATES (\$)	NSW	QLD	SA	VIC	WA	ACT	NT	TAS
Revenue									
Annual scheme fee ²	3,347,456	1,520,806	607,032	185,048	789,124	176,886	50,439	18,120	-
Interest on Invested Funds (net of bank charges)	203,342	132,249	30,148	-	40,952	(6)	-	-	-
Total Revenue	3,550,798	1,653,056	637,180	185,048	830,076	176,879	50,439	18,120	-
Expenditure									
Employment Costs ³	1,436,022	668,533	257,690	74,838	335,701	71,534	20,399	7,328	-
Other Expenses ⁴	2,015,624	938,363	361,698	105,043	471,196	100,406	28,632	10,286	-
Total Expenses	3,451,646	1,606,896	619,387	179,881	806,897	171,940	49,031	17,614	-
Expenses Chargeable to States/Territory (based on percentage of total revenue) ⁵	3,451,646	1,606,896	619,387	179,881	806,897	171,940	49,031	17,614	-
% cost share of Expenditure Recharge	100.0%	46.6%	17.9%	5.2%	23.4%	5.0%	1.4%	0.5%	0.0%

NOTES

Note 1: This unaudited statement is derived from the information provided by the New South Wales Department of Justice (NSW DJ) and records kept by the Office of the Professional Standards Councils (OPSC). NSW DJ provides financial reporting services to the Councils. All revenue and expenditure figures are prepared based on an accruals basis of accounting and are exclusive of Goods and Service Tax.

The annual financial statements for South Australia, Queensland, Western Australia and Victoria are required under their respective legislation and audited financial statements are provided separately to the Attorney General of those jurisdictions, for tabling in their respective parliaments.

Note 2: Revenue comprises of scheme application fees and annual scheme membership fees.

Note 3: Employment costs are for the OPSC and include temporary staff.

Note 4: Other expenses comprise operating expenses and grants administered, exclude depreciation and crown liabilities. For a detailed breakdown of other expenses, please refer to the detailed expenditure statement (page 45)

Note 5: Expenses chargeable to each State and Territory, are based on OPSC total expenses, for the financial year ending 30th June 2014. These expenses are derived from the financial records of NSW DJ and recharged to each state, as per the Professional Standards Interdepartmental Agreement (PSIA).

Under the PSIA (signed by each state and territory's Department of Attorney General), a proportion of OPSC's total expenditure, is recharged to each state and territory Council. The recharge amount to each state and territory Council, is based on that Council's share of

the total revenue generated by all Professional Standards Councils. The percentage allocation is reported for each state and territory.

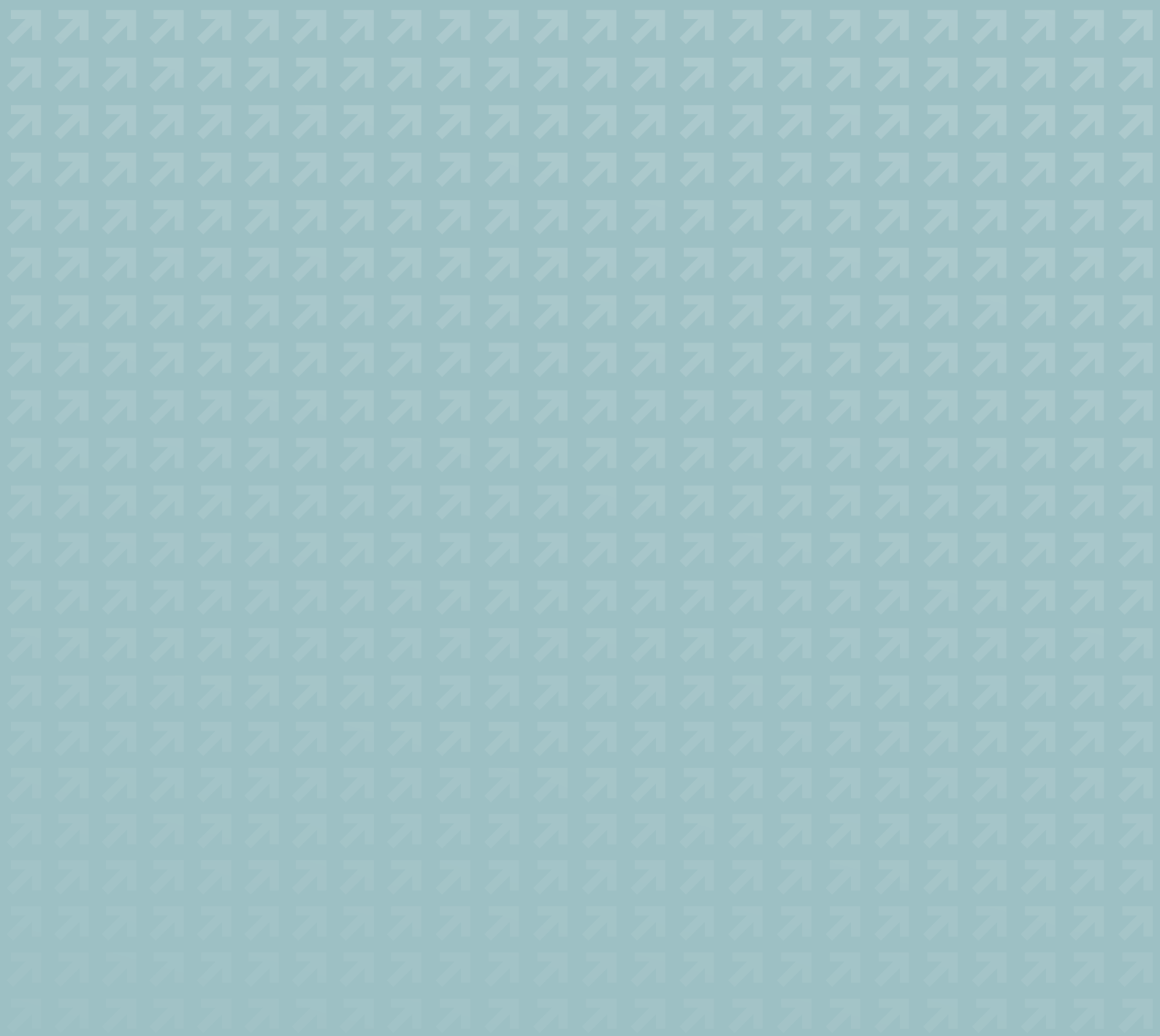
Note 6: Consultancy fees were for providing independent audit, actuarial, compliance, and legal advice relating to scheme regulation matters, as well as for investment into business improvement projects and research projects for thought leadership matters, relating to professional standards legislation.

Note 7: Allowances paid to Council members were at rates determined by the NSW Attorney General, in accordance with Clause 4, Schedule 2 of the *Professional Standards Act 1994* (NSW). These allowances are the same for all members with the exception of the Chair. For details of allowances paid, please refer to the table on page 39.

DETAILED EXPENDITURE

	TOTAL	NSW	QLD	SA	VIC	WA	ACT	NT	TAS
Salary related costs									
Salary related costs	1,436,022	668,533	257,690	74,838	335,701	71,534	20,399	7,328	-
Other operating expenses									
Communications and Marketing	666,992	310,485	119,658	34,752	155,945	33,216	9,501	3,431	-
External Audit and Annual Reporting	160,998	74,945	28,883	8,388	37,641	8,018	2,293	828	-
Consultancies and Contractors ⁶	668,639	311,251	119,954	34,837	156,329	33,299	9,525	3,442	-
Electricity and Gas	4,000	1,862	718	208	935	199	57	21	-
Fees (Legal, Board and Other) ⁷	51,999	24,208	9,329	2,709	12,157	2,590	741	268	-
Insurance	14,998	6,982	2,691	781	3,507	747	214	77	-
Printing and Postage	19,000	8,845	3,409	990	4,442	946	271	98	-
Occupancy Costs (Rent, Rates)	73,998	34,446	13,275	3,855	17,301	3,685	1,054	381	-
Staff Expenses	11,000	5,121	1,973	573	2,572	548	157	57	-
IT and Office Equipment/Supplies	32,992	15,358	5,919	1,719	7,714	1,643	470	170	-
Telephone	14,010	6,522	2,513	730	3,276	698	200	72	-
Travel	109,615	51,026	19,665	5,711	25,628	5,459	1,561	564	-
Office fixtures and fittings	25,000	11,638	4,485	1,303	5,845	1,245	356	129	-
NSW DJ Shared Service Recharges (IT/HR/Finance)	34,000	15,915	6,195	1,797	7,889	1,720	404	89	-
Total operating expenses	1,887,241	887,911	342,254	99,396	445,856	95,009	27,088	9,728	-
Grants and subsidies									
Grants and subsidies	128,383	59,762	23,032	6,689	30,016	6,393	1,829	660	-
Total other expenses	2,015,624	938,363	361,698	05,043	471,196	00,406	28,632	10,286	-
Total expenditure	3,451,646	1,606,896	619,387	179,881	806,897	171,940	49,031	17,614	-

State and territory Professional Standards Councils



Legislated reporting

ACT

Constitution of the Council

Members of the Professional Standards Council of the Australian Capital Territory (ACT) were entitled to attend eight meetings for the year. Please refer to page 39 for a summary of meeting attendance.

Major legislative changes

No major changes were made to the professional standards legislation (Schedule 4 to the *Civil Law (Wrongs) Act 2002* (ACT)).

Risk management and internal audit

Please refer to the Corporate Governance section on page 39.

Public interest disclosure

There were no public interest disclosures for the 2013–14 reporting period.

Freedom of information

Under the *Freedom of Information Act 1989* (ACT) (Section 7, 8 and 79), the Council must report on freedom of information requests received and handled during the reporting year. Section 7 of the Act requires the Council to publish a statement about the agency's particulars, functions and powers, as well as certain categories of documents held by each agency and the arrangements for public participation in formulating policy and operations. The following statements are correct as at 30 June 2014.

Organisation and function

Please refer to page 33 for the Council's organisational structure and function.

Category of documents

The Council holds several categories of documents that are available on the Professional Standards Councils website (psc.gov.au), including:

- › Annual report
- › Scheme application form
- › Scheme guidance
- › Policy papers
- › Application guidelines
- › Scheme documents.

Documents informing the making of decisions or recommendations

Section 8: The Council makes its decisions to approve Professional Standards Schemes by considering relevant legislative criteria. To do this the Councils consider a number of documents, including an association's application, advice and recommendations provided by the OPSC and independent actuarial advice. Associations must provide a large amount of information to the Council when they apply for the scheme. This includes insurance data about the highest claims, types of claims and level of claims. Associations must also include their risk management strategies, education and other qualification requirements, and code of ethics and conduct.

OPSC staff profile

Please refer to page 42 for information on the staff members who perform secretariat work for the Professional Standards Council of the ACT.

Territory records

Sound record-keeping practices underpin good governance. In accordance with the requirements of the *State Records Act 1998* (NSW), the Council's record keeping system (maintained by the OPSC within the NSW Department of Justice) ensures documents can be accurately captured, stored and retrieved.

Financial performance

The Professional Standards Council of the ACT is not required to compile financial statements. The OPSC is responsible for collecting revenue and operating within budget. Please refer to the Consolidated Financial Performance Statement on page 44 for the Professional Standards Council of the ACT's revenue and expenses for 2013–14.

Reporting on procurement and contracting activities

No contracts above \$25,000 (in a single engagement) were awarded to a consultant during the financial year.

Total spend on consultancy was \$9,525.

For further details on consultancy spend please refer to Note 6 of the detailed expenditure statement on page 45.

New South Wales

Constitution of the Council

Members of the Professional Standards Council of NSW were entitled to attend eight meetings for the year. Please refer to page 39 for a summary of meeting attendance.

Major legislative changes

No major changes were made to professional standards legislation during 2013–14.

Risk management and internal audit

Please refer to the Corporate Governance section on page 39.

Public interest disclosure

There were no public interest disclosures for the 2013–14 reporting period.

Government Information (Public Access) Act 2009 (NSW)

The *Government Information (Public Access) Act 2009* (NSW) (*GIPA Act*), requires all NSW Government agencies (including NSW Department of Justice business centres) to respond to requests for information, unless there is an overriding public interest against disclosing the information.

The NSW Department of Justice did not receive any requests under *GIPA Act* in relation to the Professional Standards Council of NSW during the reporting period.

Occupational health and safety disclosure

There were no work-related injuries, illnesses or prosecutions during the reporting period under the *Work Health and Safety Act 2011* (NSW). OPSC staff are governed by OHS practices of the NSW Department of Justice.

Funds granted to non-government community organisations

In 2013–14, three organisations were offered Research Grants and the opportunity to enter into funding agreements. The Council has approved the grants but the funds were not awarded during this reporting period. Please refer to the Research Grants section on page 29.

During the 2013–14 reporting year, five associations were granted funding for ongoing Professional Standards Grants projects totalling \$128,383. Please refer to the Professional Standards Grants section on page 30.

Consultants

No contracts above \$50,000 (in a single engagement) were awarded to a consultant during the financial year.

Total spend on consultancy was \$311,251 (derived from a total of 11 engagements) during the financial year.

For further details on consultancy spend please refer to Note 6 of the detailed expenditure statement on page 45.

Overseas travel

Council members did not undertake overseas travel in the reporting period. On 19 May 2014 OPSC CEO Dr Deen Sanders travelled

to Harvard Law School Ethics Centre in Boston, United States at a total expense of \$4,762.38 for the purpose of attending a conference and presentation at Harvard Law School Ethics Centre on Australia's Professional Standards Legislation (PSL) – regulatory design for better consumer protection through improved regulation of professions. This travel was approved in advance and funded by all the Professional Standards Councils.

Land disposal

The Professional Standards Council of NSW and the OPSC do not own properties, nor did they acquire or dispose of properties during the reporting period.

Publications and promotion

The Professional Standards Council of NSW produces a variety of publications to facilitate improvements in the professions and support consumer protection.

The Council produced the following publications in 2013–14:

- ▶ Professional Standards Councils: Combined Annual Report 2012–13

Risk management and insurance activities

The risk management and internal audit practices of the Council and the OPSC are described on page 39.

Ethnic affairs priorities statement

The Council is governed by NSW Department of Justice's Ethnic Affairs Priority Statement and the Culturally and Linguistically Diverse (CALD) Communities Access Plan.

The Council provides translators and interpreters to ensure its services are accessible to CALD communities.

Waste management

The OPSC staff are governed by the NSW Department of Justice Environment Policy, which demonstrates a commitment to reducing the effects of operations on the natural environment. NSW Department of Justice also has a Sustainability Policy in place.

The Council and the OPSC have continued to comply with these policies to limit the impact of their operations on the environment.

For example, Council meeting papers are printed on both sides using 50 percent recycled paper. In most cases, lengthy addenda are provided electronically to Councillors. A number of Councillors only receive electronic copies of their documents, reducing the use of paper and print processing.

Promotional material such as the annual report is produced on 55 percent recycled paper using stock that is Certified Carbon Neutral. The Council only prints the required number of annual reports and makes the report available online at psc.gov.au.

Financial performance

The Professional Standards Council of NSW is not required to compile financial statements. The OPSC is responsible for collecting revenue and operating within budget.

Please refer to the Consolidated Financial Performance Statement on page 44 for the Professional Standards Council of NSW's revenue and expenses for 2013–14.

Northern Territory

Constitution of the Council

Members of the Professional Standards Council of the Northern Territory were entitled to attend eight meetings for the year. Please refer to page 39 for a summary of meeting attendance.

Major legislative changes

No major changes were made to professional standards legislation during 2013–14.

Public interest disclosure

There were no public interest disclosures for the 2013–14 reporting period.

Information Act 2002 (NT)

The Council received no requests for information under the *Information Act 2002* (NT) during the reporting period. The OPSC may collect and handle personal information on the Council's behalf. Any inquiries about access to information, or access or correction of personal information should be directed to the OPSC.

Record keeping

Sound record keeping practices underpin good governance. In accordance with the requirements of the *State Records Act 1998* (NSW), the Council's record keeping system (maintained by the OPSC within the NSW Department of Justice) ensures documents can be accurately captured, stored and retrieved.

Financial performance

The Professional Standards Council of the NT is not required to compile financial statements. The OPSC is responsible for collecting revenue and operating within budget. During the reporting period, the OPSC undertook these tasks.

Please refer to the Consolidated Financial Performance Statement on page 44 for the Professional Standards Council of the NT's revenue and expenses for 2013–14.

Ministerial directives

No ministerial directives were received during the reporting period.

Queensland

Constitution of the Council

Members of the Professional Standards Council of Queensland were entitled to attend eight meetings for the year. Please refer to page 39 for a summary of meeting attendance.

Major legislative changes

No major changes were made to professional standards legislation during 2013–14.

Risk management and internal audit

Please refer to the Corporate Governance section on page 39.

Right to information reporting

The *Right to Information Act 2009* (Qld) grants the public the right to access information that the government possesses or controls, unless it is contrary to the public interest to do so. Information about the Council's role and operations – as well as annual reports, policy and discussion papers, application forms and guidelines for Professional Standards Schemes – are available online at psc.gov.au.

Consultation notices for new Professional Standards Schemes are also published on the website and in major newspapers. Once a scheme becomes operational in Queensland, the scheme document and summary is made available on the website for public access. The Professional Standards Council of Queensland received no requests under the *Right to Information Act 2009* (Qld) in the reporting period.

Protection of personal information

Section 40 of the *Information Privacy Act 2009* (Qld) provides that a person has a right to access documents that contain their personal information. No access or amendment applications were received.

Consultants

For details of spend on consultancy, please refer to Note 6 of the detailed expenditure statement on page 45.

Overseas travel

Council members did not undertake overseas travel in the reporting period. On 19 May 2014 OPSC CEO Dr Deen Sanders travelled to Harvard Law School Ethics Centre in Boston, United States at a total expense of \$4,762.38 for the purpose of attending a conference and presentation at Harvard Law School Ethics Centre on Australia's Professional Standards Legislation (PSL) – regulatory design for better consumer protection through improved regulation of professions. This travel was approved in advance and funded by all the Professional Standards Councils.

Record keeping

Sound record keeping practices underpin good governance. In accordance with the requirements of the *State Records Act 1998* (NSW), the Council's record keeping system (maintained by the OPSC within the NSW Department of Justice) ensures documents can be accurately captured, stored and retrieved.

Waste management

The Council is governed by the NSW Department of Justice's Environment Policy and Sustainability Policy. The Council and the OPSC have continued to comply with these policies to limit the impact of their operations on the environment. For example, Council meeting papers are printed on both sides using 50 percent recycled paper. In most cases, lengthy addenda are provided electronically to Councillors. A number of Councillors only receive electronic copies of their documents, reducing the use of paper and print processing.

Promotional material such as the annual report is produced on 55 percent recycled paper. The Council only prints the required number of annual reports and makes the report available online at psc.gov.au.

Financial performance

The audited financial statements of the Professional Standards Council of Queensland are attached as an addendum to this report. Please refer to the Consolidated Financial Performance Statement on page 44 for the Professional Standards Council of Queensland's revenue and expenses for 2013–14.

Ministerial directives

No ministerial directions were received during the reporting period.

South Australia

Constitution of the Council

Members of the Professional Standards Council of South Australia were entitled to attend eight meetings for the year. Please refer to page 39 for a summary of meeting attendance.

Major legislative changes

No major changes were made to professional standards legislation during 2013–14.

Fraud

There were no instances of fraud during the reporting period.

Freedom of information reporting

The Council is required to publish a statement about the particulars, functions and powers of that agency, as well as certain categories of documents held by each agency and the arrangements for public participation in formulating policy and operations. The following statement is correct as at 30 June 2014.

Organisation and functions

Please refer to page 33 for the Council's organisational structure and function.

Document categories

The Council holds several categories of documents, including those which are available on request and without charge. These can be found on the Professional Standards Councils website psc.gov.au. Specifically, these include:

- › Annual reports
- › Scheme application form
- › Policy papers
- › Application guidelines
- › Scheme documents.

Arrangements can be made to inspect documents available under the *Freedom of Information Act 1991* (SA) by contacting the OPSC between 9am and 5pm from Monday to Friday (except public holidays). The Council did not receive any applications to access documents (initial requests) during the reporting year. The Council did not receive any applications to internally review its decisions.

Record keeping

Sound record-keeping practices underpin good governance. In accordance with the requirements of the *State Records Act 1998* (NSW), the Council's record keeping system (maintained by the OPSC within the NSW Department of Justice) ensures documents can be accurately captured, stored and retrieved. This includes a computerised records management system and databases that record certain details of applications, submissions and correspondence.

Consultants

For details of spend on consultancy, please refer to Note 6 of the detailed expenditure statement on page 45.

Public interest disclosure

The Council is required to disclose the number of occasions where it – or a responsible officer of the Council – has received public interest information under the *Whistle-blowers Protection Act 1993* (SA). There were no such instances of disclosures during the reporting period.

Occupational health and safety disclosure

The OPSC staff is bound by the *Work Health and Safety Act 2011* (NSW) under the NSW Department of Justice. There were no work-related injuries, illnesses or prosecutions during the reporting period.

Financial performance

The audited financial statements of the Professional Standards Council of South Australia are attached as an addendum to this report. Please refer to the Consolidated Financial Performance Statement on page 44 for the Professional Standards Council of South Australia's revenue and expenses for 2013–14.

Tasmania

Constitution of the Council

Members of the Professional Standards Council of Tasmania were entitled to attend eight meetings for the year. Please refer to page 39 for a summary of meeting attendance.

Major legislative changes

No major changes were made to professional standards legislation during 2013–14.

Financial performance

The Professional Standards Council of Tasmania is not required to compile financial statements. The OPSC is responsible for collecting revenue and operating within budget. Please refer to the Consolidated Financial Performance Statement on page 44 for the Professional Standards Council of Tasmania's revenue and expenses for 2013–14.

Victoria

Constitution of the Council

Members of the Professional Standards Council of Victoria were entitled to attend eight meetings for the year. Please refer to page 39 for a summary of meeting attendance.

Major legislative changes

No major changes were made to professional standards legislation during 2013–14.

Ministerial directives

No Ministerial directions were received during the reporting period.

National Competition Policy

The Professional Standards Council of Victoria, to the extent applicable, complies with the requirements of the National Competition Policy.

Reporting of office-based environmental impacts

The Minister for Finance issued financial reporting directions that requires all entities defined as a 'department' under Section 3 of the *Financial Management Act 1994 (Vic)* to report on office-based environmental impacts. The Council does not fall within this definition.

The OPSC is governed by the NSW Department of Justice's Environment Policy and Sustainability Policy. The Council and the OPSC have continued to comply with these policies to limit the impact of their operations on the environment. For example, Council meeting papers are printed on both sides using 50 percent recycled paper. In most cases, lengthy addenda are

provided electronically to Councillors. A number of Councillors only receive electronic copies of their documents, reducing the use of paper and print processing.

Promotional material such as the annual report is produced on 55 percent recycled paper. The Council only prints the required number of annual reports and makes the report available online at psc.gov.au.

Victorian Industry Participation Policy

The Professional Standards Council of Victoria did not enter into or complete any contracts worth more than \$3 million in metropolitan Melbourne or \$1 million in regional Victoria, and is not required to report under the *Victorian Industry Participation Policy Act 2003*.

Freedom of information reporting

The *Freedom of Information Act 1982 (Vic)* gives members of the public the right to apply for access to information held by ministers, state government departments, local councils, public hospitals, most semi-government agencies and statutory authorities. The Professional Standards Council of Victoria received no requests under the *Freedom of Information Act 1982 (Vic)* during the reporting period.

Compliance with the *Building Act 1993 (Vic)*

The Professional Standards Council of Victoria does not own, control, or lease property or any government building and consequently is exempt from notifying its compliance with the building and maintenance provisions of the *Building Act 1993 (Vic)*.

Protected disclosures

The *Protected Disclosure Act 2012* (Vic) encourages and facilitates disclosures of improper conduct by public officers and public bodies. It repealed the *Whistle-blower Protection Act 2001* (Vic). In 2013–14, the Professional Standards Council of Victoria received no disclosures covered by either the *Whistle-blowers Protection Act 2001* (Vic) or the *Protected Disclosure Act 2012* (Vic).

OPSC staff profile

Please refer to page 42 for information on the staff members who perform secretariat work for the Professional Standards Council of Victoria.

Financial performance

The audited financial statements of the Professional Standards Council of Victoria are attached as an addendum to this report. Please refer to the Consolidated Financial Performance Statement on page 44 for the Professional Standards Council of Victoria's revenue and expenses for 2013–14.

Western Australia

Constitution of the Council

Members of the Professional Standards Council of WA were entitled to attend eight meetings for the year. Please refer to page 39 for a summary of meeting attendance.

Enabling legislation

The Professional Standards Council of WA was established under section 8 of the *Professional Standards Act 1997* (WA). The Council is listed as a statutory authority in Schedule 1 to the *Financial Management Act 2006* (WA) and is subject to the provisions of the *Public Sector Management Act 1994* (WA).

Administered legislation

The Professional Standards Council of WA assists the Minister in administering the *Professional Standards Act 1997* (WA). No major changes were made to professional standards legislation during 2013–14.

Responsible Minister

The responsible minister is Hon. Michael Mischin MLC Attorney General.

Shared responsibilities with other agencies

Please refer to section 'Inter-governmental agreements and the OPSC' on page 41.

Ministerial directives

No ministerial directives were received during the financial year

Capital works

The Council has no capital works projects.

Organisational structure

For information regarding Councils' members and their profiles, please refer to page 35.

OPSC staff profile

Please refer to page 42 for the organisational structure of the OPSC providing services and support to the Professional Standards Council of WA.

Staff development

The Council is committed to developing its employees. Our strategies are designed to build a highly skilled, professional and fair workforce with the ability to adapt to changing business technology and the environment.

Workers compensation

No workers compensation claims were recorded during 2013–14.

Governance disclosures

At the date of reporting, no senior officers or firms of which senior officers are members, or entities in which senior offices have substantive interests, has an interests in existing or proposed contracts with the Professional Standards Council of WA, other than normal contracts of service.

Advertising and marketing

The Professional Standards Council of WA did not incur any advertising or marketing expenditure under the *Electoral Act 1907* (WA) section 175ZE (advertising).

Record keeping

Sound record keeping practices underpin good governance. The Council has a system in place to ensure documents can be accurately captured, stored and retrieved, in accordance with the record keeping policy and procedures used by the Department of the Attorney General and pursuant to the *State Records Act 2000* (WA).

Occupational safety, health and injury management

The Council is committed to providing and maintaining a safe and healthy work environment, and acknowledges its responsibilities under the *Occupational Safety and Health Act 1984* and the *Workers Compensation and Injury Management Act 1981*. During the 2013–14 reporting period, no workers compensation claims were lodged nor was any time lost from work as a result of illness or injury.

Financial performance

The audited financial statements of the Professional Standards Council of WA are attached as an addendum to this report.

Please refer to page 44 for the Professional Standards Council of WA's revenue and expenses for 2013–14.

REPORT OF ANNUAL PERFORMANCE AGAINST TARGETS

Measure	Target 2013-2014	Actual 2013-2014
No. of fatalities	0	0
Lost time injury and/ or disease severity rate	0	0
Lost time injury severity rate	0	0
Percentage of injured workers returning to work within:	Greater than or equal to 80%	N/A
> 13 weeks		
> 26 weeks		
Percentage of managers trained in occupational safety, health and injury management responsibilities	Greater than or equal to 80%	100%

Acronyms, abbreviations and definitions

ACT	Australian Capital Territory
ACS	Australian Computer Society
APIV	Australian Property Institute Valuers Limited
APRA	Australian Prudential Regulation Authority
ARMA	Annual Risk Management Report
ASIC	Australian Securities and Investments Commission
ATMA	Association of Taxation & Management Accountants
AVI	Australian Valuers Institute (formerly Institute of Consulting Valuers)
BAQ	Bar Association of Queensland
CIRCEA	College of Investigative and Remedial Consulting Engineers of Australia
COAG	Council of Australian Governments
CoE	<i>Cover of Excellence</i> [®] is the term given to Schemes prior to February 2014. ' <i>Cover of Excellence</i> [®] ' has since then been retired and replaced with the terminology 'Professional Standards Scheme'. Schemes approved prior to February 2014 will still be referred to as <i>Cover of Excellence</i> [®] schemes until they expire.
COE	Continuing Occupational Education
CPA	CPA Australia Limited
CPD	Continuing Professional Development
DAGJ	Department of Attorney General and Justice
EA	Engineers Australia
FARMCS	Finance, Audit and Risk Management Committees
FOI	Freedom of Information legislation
GIPA	Government Information (Public Access) Act 2009
ICAA	Institute of Chartered Accountants in Australia
IFAC	International Federation of Accountants
IPA	Institute of Public Accountants
IRMP	Internal Risk Management Plan
LIAG	Legal Issues Advisory Group
LIV	Law Institute of Victoria
LRSR	Liability Reform Steering Group
LSNSW	Law Society of New South Wales
LSSA	Law Society of South Australia
NIA	National Institute of Accountants
NSW	New South Wales
NSW Bar	New South Wales Bar Association
NSW DJ	New South Wales Department of Justice

NT	Northern Territory
OPSC	Office of the Professional Standards Councils located within the NSW Department of Justice providing services and support to the Professional Standards Councils.
PII	Professional Indemnity Insurance
PSC	Professional Standards Council
PSL	Professional Standards Legislation
PSLWG	Professional Standards Legislation Working Group
PSOA	Professional Surveyors Occupational Association
Professional Association	The terms 'professional association' and 'occupational association' (or 'association') are used interchangeably in this document.
QLD	Queensland
QLS	Queensland Law Society
RICS	Royal Institution of Chartered Surveyors
RMP	Risk Management Plan
SA	South Australia
SABA	South Australian Bar Association
Schemes	Professional Standards Schemes approved and gazetted under professional standards legislation. Also encompasses <i>Cover of Excellence</i> [®] schemes approved prior to February 2014.
SCAG	Standing Committee of Attorneys General
SCLJ	Standing Councils on Law and Justice
Secretariat	The staff of the Office of the Professional Standards Councils, within the NSW Department of Justice.
TAS	Tasmania
The Councils	The Professional Standards Councils of the Australian Capital Territory, New South Wales, the Northern Territory, Queensland, South Australia, Tasmania, Victoria and Western Australia.
VIC	Victoria
Vic Bar	The Victoria Bar Inc
WA	Western Australia
WA BA	Western Australia Bar Association

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