

POLICY STATEMENT
ON THE
COMPREHENSIVE RESEARCH STRATEGY

DISCLOSURE OF RESEARCH



**PROFESSIONAL
STANDARDS
COUNCILS**

POLICY STATEMENT ON THE COMPREHENSIVE RESEARCH STRATEGY: DISCLOSURE OF REPORTS

The following Policy Statement was approved by the New South Wales, Queensland, South Australian, Western Australian, Northern Territory, Tasmanian and Victorian Professional Standards Councils (“the Councils”) on 5 August 2011.

BACKGROUND

Following the enactment of professional standards legislation (“PSL”) across the Australian States and Territories over the period 1994 to 2006, an increasing number of occupational associations now have *Cover of Excellence*[®] schemes. These schemes oblige participating members of the association to commit to specified professional indemnity insurance cover and to implement risk management strategies. In return, the scheme limits the occupational liability of the members.

Initially spearheaded by the legal profession, *Cover of Excellence*[®] schemes have been taken up by associations representing, for example, accountants, engineers, IT professionals, surveyors and valuers.

The Professional Standards Councils are responsible for assessing, approving and monitoring *Cover of Excellence*[®] schemes.

The Comprehensive Research Strategy

In early 2010 the Councils’ identified the need, in a complex and changing economic, insurance and legislative environment, to identify and assess the impact of the professional standards legislation.

The Councils subsequently approved the commencement of the “Comprehensive Research Strategy: Assessment of the Impacts of Professional Standards Legislation”. This in-depth project is expected to be carried out over a three year period.

The aim of the Research Strategy is to assess the impact of PSL on:

- the professional standards of members of the *Cover of Excellence*[®] schemes; and
- the consumer protection of members of the *Cover of Excellence*[®] schemes.

The carrying out of the Research Strategy, and the reporting of the results, is consistent with the Councils’ advisory, assistance and publishing functions under the PSL, as well as its responsibility for assessing, approving and monitoring schemes.

Intended audience for the Research Strategy

The Research Strategy is being carried out primarily for the Councils, to assist them to:

- assess and analyse applications for *Cover of Excellence*[®] schemes, including limitation of liability under schemes;
- monitor schemes, including annual compliance reports;
- advise Attorney-Generals in relation to the gazettal of schemes, the operation of the PSL and any other matter relating to the occupational liability of members of occupational associations;
- encourage occupational associations to improve the quality of data obtained in relation to professional standards; and

- promote understanding and debate regarding the effect of the economic, insurance and legislative environment on professional standards legislation.

Occupational associations with schemes in place, and, in particular, the association's scheme administrators, may also derive assistance from the Research Strategy. Amongst other things, it may help these associations to:

- identify and assess the impact of *Cover of Excellence*[®] schemes on their claims and complaints data;
- improve the quality of their claims and complaints data; and
- communicate the effect of the professional standards legislation and *Cover of Excellence*[®] schemes to their members.

The findings of the Research Strategy may also have relevance for Ministers administering the professional standards legislation (generally the Attorney-General in each State and Territory).

Finally, it is envisaged there may be stakeholder and public interest in the outcomes of the Research Strategy, and that publishing the outcomes may:

- Promote awareness of the professional standards legislation and *Cover of Excellence*[®] schemes;
- Encourage other associations to express interest in applying for a scheme; and
- Assist consumers' awareness and understanding of the professional standards legislation, and its effect on consumers.

Information used for the Research Strategy

The methodology for the Research Strategy incorporates:

- studies of the internal and external environments;
- longitudinal studies of claims profiles;
- studies of complaints and discipline;
- surveys of and interviews with stakeholders; and
- analysis of risk management strategies.

To undertake this methodology, the Councils may use information obtained in the exercise of the Council's statutory functions. Further information and clarification may also be sought from associations and other third parties such as the Australian Prudential Regulation Authority ("APRA").

As part of the Research Strategy, voluntary surveys, interviews and feedback will also be obtained, for example, from *Cover of Excellence*[®] scheme administrators or members of occupational associations participating in schemes

Analysis of this information will ultimately enable findings to be made regarding the overall impact of the PSL, although it is anticipated these will be qualified by some significant limitations. How the results of the Research Strategy are to be reported and communicated is outlined below.

Disclosure of information in Research Strategy Report(s)

Much of the analysis relies on using information the Councils have or will obtain through their role assessing, approving and monitoring *Cover of Excellence*[®] schemes. The Councils generally have discretion to disclose such information in the exercise of their statutory functions.

Taking the above Background, and, in particular, the intended audience for the Research Strategy into account, the Councils have determined the following policy statement:

POLICY STATEMENT

The Councils' intention is to disclose the final report of the Research Strategy as follows:

- Full access to the report, including all findings and the data and analysis upon which the findings are based, will be granted to the Councils;
- Attorney Generals will be given access to the report in accordance with and pursuant to the professional standards legislation they are responsible for administering;
- Member associations will be given full access to data and analysis relating solely to their association;
- A summary of the results of the Research Strategy will be distributed to stakeholders and made available to the public.

Any interim reports of the Research Strategy will be considered to have been prepared for the Councils' consideration only.

The Councils reserve discretion to disclose further information included in the final or interim reports, after addressing any relevant confidentiality or privacy considerations, as the Councils see fit.

This Policy Statement may be modified or expanded in light of changes to the Research Strategy, or in response to new developments or issues that may arise from time to time.

Further information

If you would like more information about the Councils' Research Strategy, or if you would like to comment on this Policy Statement, please e-mail the Office of the Professional Standards Councils at pscinfo@psc.gov.au