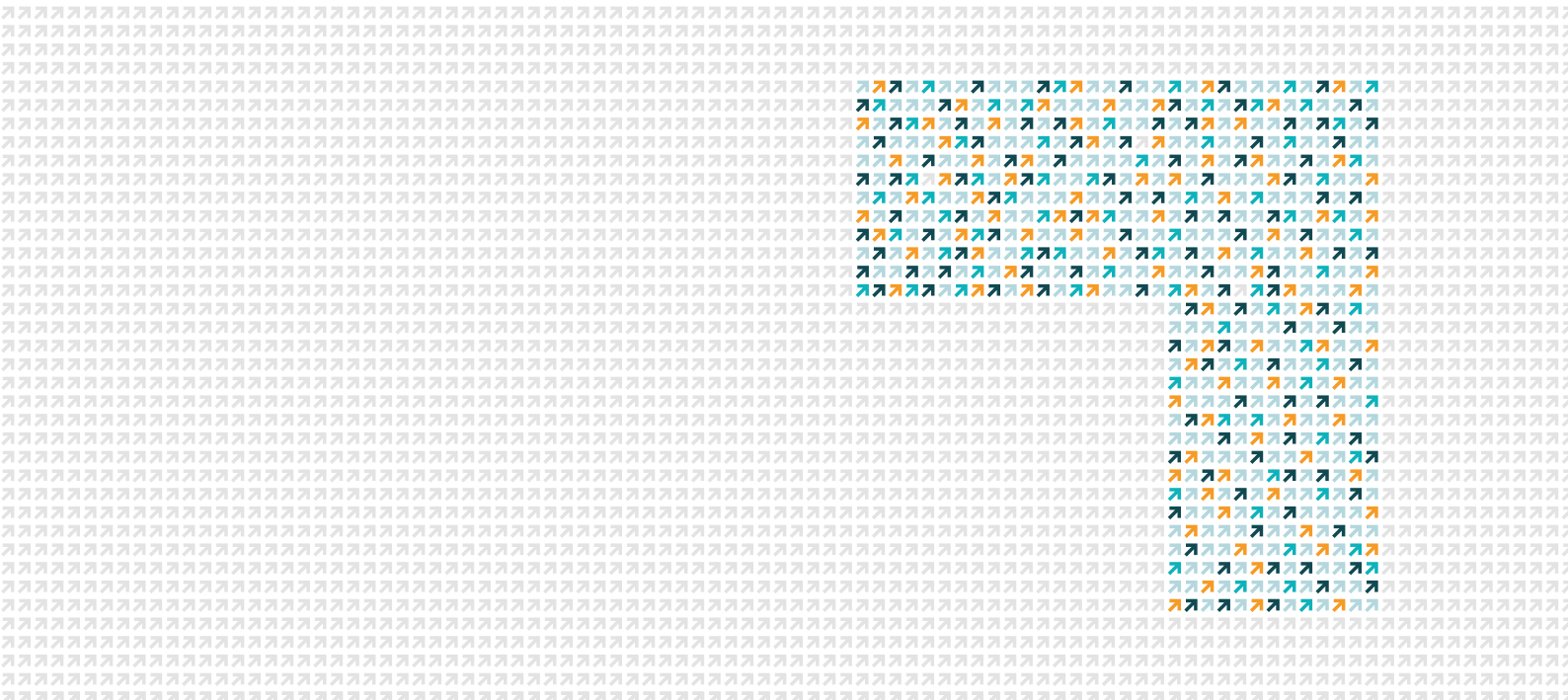


PROFESSIONAL  
STANDARDS  
COUNCILS  
ANNUAL REPORT  
2014–15

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# Letter to Ministers

Dear Ministers,

I am pleased to submit the 2014–2015 Annual Report of the Professional Standards Councils of the Australian Capital Territory, New South Wales, the Northern Territory, Queensland, South Australia, Tasmania, Victoria and Western Australia to the relevant Ministers in each state and territory.

This is a consolidated volume on the Councils' operations and performance, and includes financial statements for the period 1 July 2014 to 30 June 2015. This report has been prepared in accordance with the relevant Professional Standards Legislation in each Australian state and territory – for Ministerial presentation in your 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 communities covered by Professional Standards Legislation.

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 these 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 achievements 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 tenth Annual Report on behalf of the Professional Standards Councils.

This year marks 21 years since the first Professional Standards Act was established in NSW and much has changed in the world of professions since then, not least of which is the change in community expectations about the behaviour and expertise of the professionals from whom they derive their services. Professions and professionals continue to play an important role in the environment of consumer protection and the role of Professional Standards Legislation in every state and territory is to provide confidence to consumers that professions responding to this legislation commit to providing confidence and protection to consumers.

Professional Standards Legislation is unique to the Australian professional community, and something to pride ourselves on as a unique legislative and regulatory system designed to improve consumer protection in all spheres of professional life and strengthen professional standards.

I am ably assisted by a Council of committed individuals appointed by the Attorneys General of each state and territory and I would like to acknowledge my fellow Council Members for their dedication.

In addition to the reappointment of most members by their respective Attorneys General, this year also saw the conclusion of service by Mr Ron Farrell (Vic) who provided wise counsel and dedicated



professionalism over nine years, after joining the Professional Standards Councils in 2006. Our thanks are due to him.

The past 12 months have been another effective and significant year. The Councils monitored and oversaw Professional Standards Schemes nationally for 19 occupational associations, with 27 schemes covering a total of 69,167 members. In addition Councils approved a total of eight schemes, three extensions and one Commonwealth prescription. This represents substantial growth in the regime and reflects positively on Australia's professional communities and their willingness to embrace professional regulation.

In 2014–2015, the Councils continued to receive outstanding support from the Office of the Professional Standards Council (OPSC), located within and facilitated through the NSW Department of Justice. This year concludes this service from the NSW Department of Justice, as the

OPSC transitions over to the NSW Department of Finance, Services and Innovation from 1 July 2015.

Along with a team of experts, the Chief Executive Officer, Dr. Deen Sanders continues to roll out the 2013–2017 business plan. I am confident the good work of the OPSC will continue to lead to improved outcomes for consumers through improved professional standards and an enhanced professional regulatory model.

A handwritten signature in black ink that reads "Brian Rayment". The signature is written in a cursive, flowing style.

**Brian Rayment QC**  
Chairman  
Professional Standards Councils

## Chief Executive Officer's report

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

This year we celebrate 21 years of the *Professional Standards Act 1994* (NSW), the instrument that initiated the role of professional standards in consumer protection in Australia. Today, Professional Standards Legislation is in place in each Australian state and territory, and operates cooperatively as a national professional standards regime. No other country has a similar scheme, providing a unique opportunity for Australia to expand and improve professional communities and consumer protection in Australia, and to influence similar advancements around the world.

We continue our commitment to best practice service delivery, with significant investment in process improvement in the areas of regulatory quality, operational integrity, and financial controls and systems. We have solidified our commitment to the evolution of professionalism with the creation of a unit fully engaged to build education and development tools for occupational associations interested in improving their professional standards.

Our business priorities for the 2014–2015 financial year focused on key projects in the areas of structural change, operational integrity, and stakeholder support and services.



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

- › Engaging more professional communities in the national professional standards regime
- › Expanding education and development deliverables, including new research programs and resources to support and improve professional standards systems
- › Developing effective IT solutions to facilitate inter-jurisdictional processes
- › Ensuring robust governance that both recognises the NSW public sector and acknowledges the unique regulatory position in which we operate
- › Streamlining our operational environment and processes for the direct benefit of our customers.

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

In addition to exciting progress at the OPSC level, we have been moved to the Department of Finance, Services and Innovation cluster under the Minister for Innovation and Better Regulation, The Hon. Victor Dominello MP, after 15 years within the Department of Justice reporting to the Attorney General in NSW.

I, and an extraordinary team of expert, dedicated staff, continue to be excited and energised by the fast pace of positive change. We look forward to an even more dynamic 2015–16.

A handwritten signature in dark ink, appearing to read 'Deen', written in a cursive, flowing style.

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





## **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.



## 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 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 help them develop self-regulatory initiatives and to improve 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 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.

# 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 1994* (NSW), 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 to:

- › 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 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 consideration and scrutiny of schemes and liability limits by the Councils and the public, 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.



**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.**

# Highlights

## ➤ Celebration

2015 marks 21 years of the *Professional Standards Act 1994* (NSW), which launched the role that professional standards play in consumer protection in Australia.

## ➤ Financial performance

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

**For more detailed information, see page 40.**

## ➤ Growth

The number of professionals covered by a Professional Standards Scheme continues to grow. Over 69,167 professionals are now covered, up 14 percent from 60,747 last year. The Councils approved eight schemes during the year, and a total of 27 schemes were in force as at 30 June 2015.

**For more detailed information, see page 14.**

## ➤ Grants

Two Research Grants were awarded – one to a research group and the other to an association. A total of \$136,700 was awarded through the Research Grants program, which encourages and rewards innovative research that develops the community's confidence and trust in professional services in Australia.

The Councils awarded \$57,000 in Professional Standards Grants to an association for a specific program to raise the professional standards of a target group of practitioners.

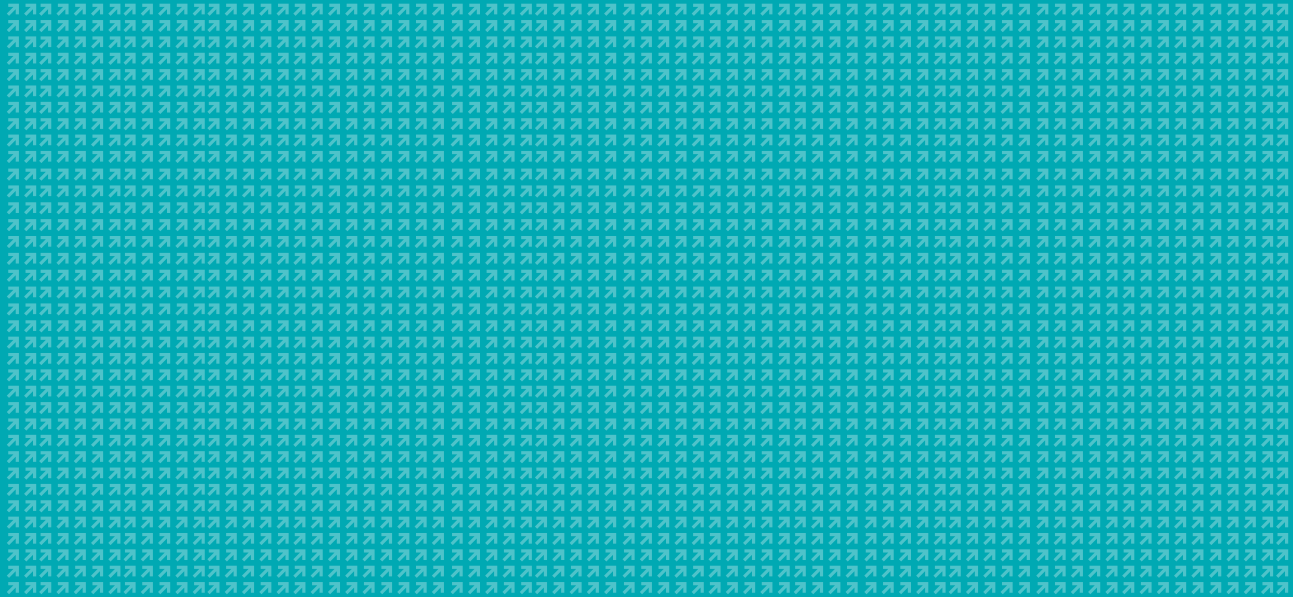
**For more detailed information, see page 25.**

## ➤ Thought leadership

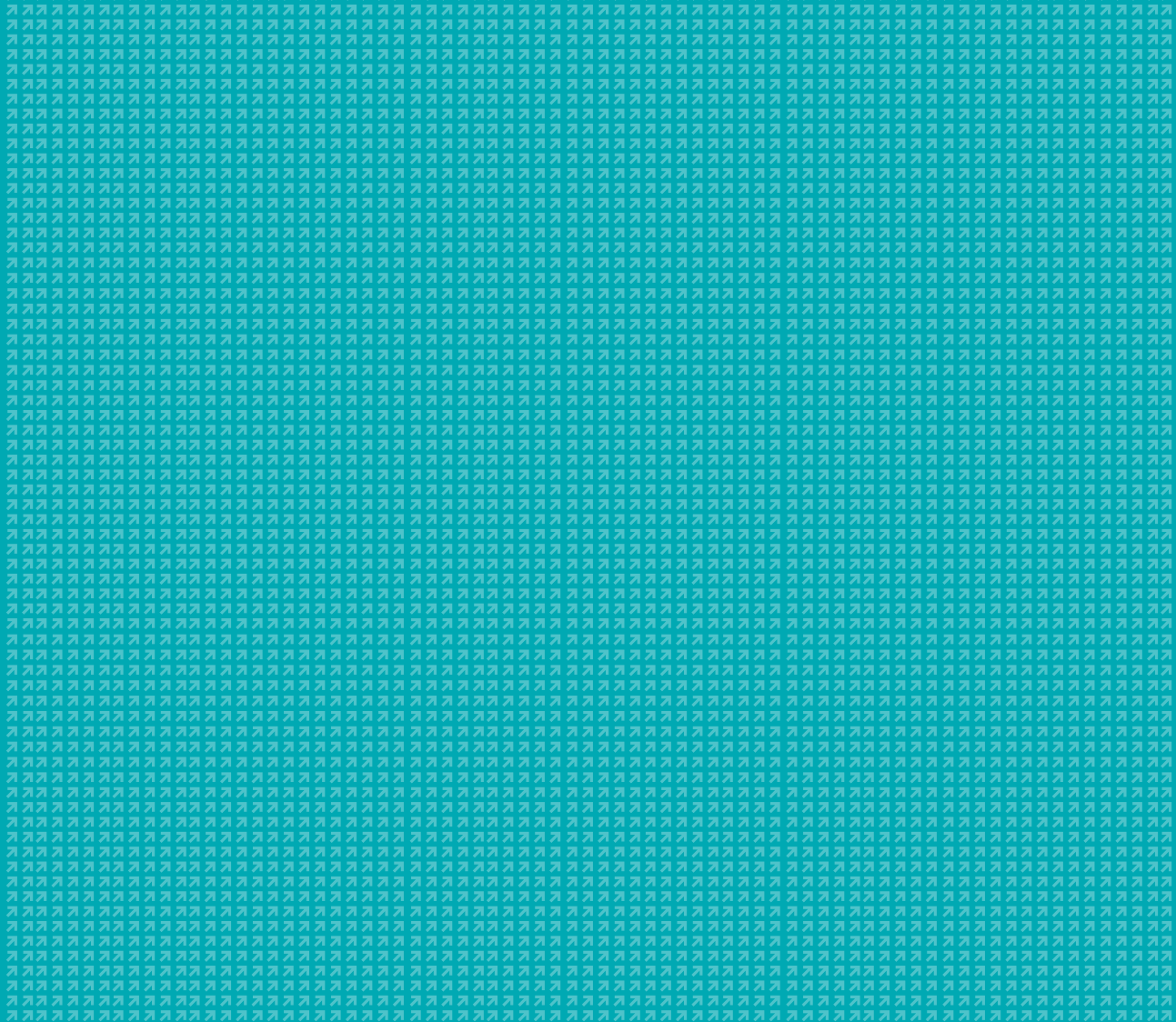
The OPSC began working on its second white paper on Australia's services economy. This paper looks at the built environment sector, and background research on the professions, associations, regulations and sector risks has now been completed.

The Councils also started working as a major partner with nine universities and three industry partners from around the world on a three-year Australian Research Council Linkage project on professionalism in the 21st Century. This University of New South Wales led project will investigate changes in the professions, professional entry requirements, models for professional practice and the role of professional indemnity insurance.

**For more detailed information, see page 26.**



# REVIEW OF OPERATIONS AND ACTIVITIES



# Professional Standards Schemes

## Lifecycle and management of schemes

Each Professional Standards Scheme approved by the Professional Standards Councils has a lifespan of up to five years. The Minister also has the option to extend a scheme once for up to 12 months if an association applies for an extension.

The Office of the Professional Standards Councils (OPSC) works with associations that hold a Professional Standards Scheme to help them:

- › Achieve their self-regulatory goals
- › Understand their legislative obligations

- › Monitor and enforce the professional standards of their members
- › Increase consumer protection by improving professional standards.

Associations with an active Professional Standards Scheme must maintain an ongoing Professional Standards Improvement Program (PSIP), and submit detailed annual reports on this program to the Councils.

The Councils review these annual reports to make sure associations are meeting all their obligations under Professional Standards Legislation. If an association doesn't meet its legislative requirements, the Councils can issue warnings, seek fines through the courts, or consider revoking the association's Professional Standards Scheme.

## Scheme administration

During the 2014–15 reporting period, the Professional Standards Councils monitored and enforced Professional Standards Schemes for 19 occupational associations. Most schemes operate in multiple jurisdictions under mutual recognition. As at 30 June 2015, there were 27 schemes covering a total of 69,167 members.

Figure 1 demonstrates the movement throughout the 2014–15 reporting period.

FIGURE 1. PROFESSIONAL STANDARDS SCHEME CHANGES 1 JULY 2014 TO 30 JUNE 2015





In 2014–15, the Councils approved a total of eight Professional Standards Schemes for two associations as shown in Table 1, including associations that operate across multiple states and territories.

**TABLE 1. PROFESSIONAL STANDARDS SCHEMES APPROVED BY COUNCILS 1 JULY 2014 TO 30 JUNE 2015**

5 February 2015	<b>NSW Bar Association</b> Replacement scheme approved in NSW, to commence 1 July 2015 and apply under mutual recognition in the ACT, the NT, Qld, SA, Vic and WA.
26 June 2015	<b>Chartered Accountants Australia and New Zealand (formerly The Institute of Chartered Accountants in Australia)</b> Amendment to seven schemes approved for the ACT, NSW, the NT, Qld, SA, Vic and WA.

The legislation in all jurisdictions allows the duration of a Professional Standards Scheme to be extended once for a maximum period of twelve months with Council’s approval. Table 2 shows the schemes to which this provision was applied over the current reporting period.

**TABLE 2. PROFESSIONAL STANDARDS SCHEMES EXTENDED DURING 2014–15**

Association	New expiration date
Australian Computer Society	31 December 2015
Law Institute of Victoria	30 June 2016
Queensland Law Society	30 June 2016

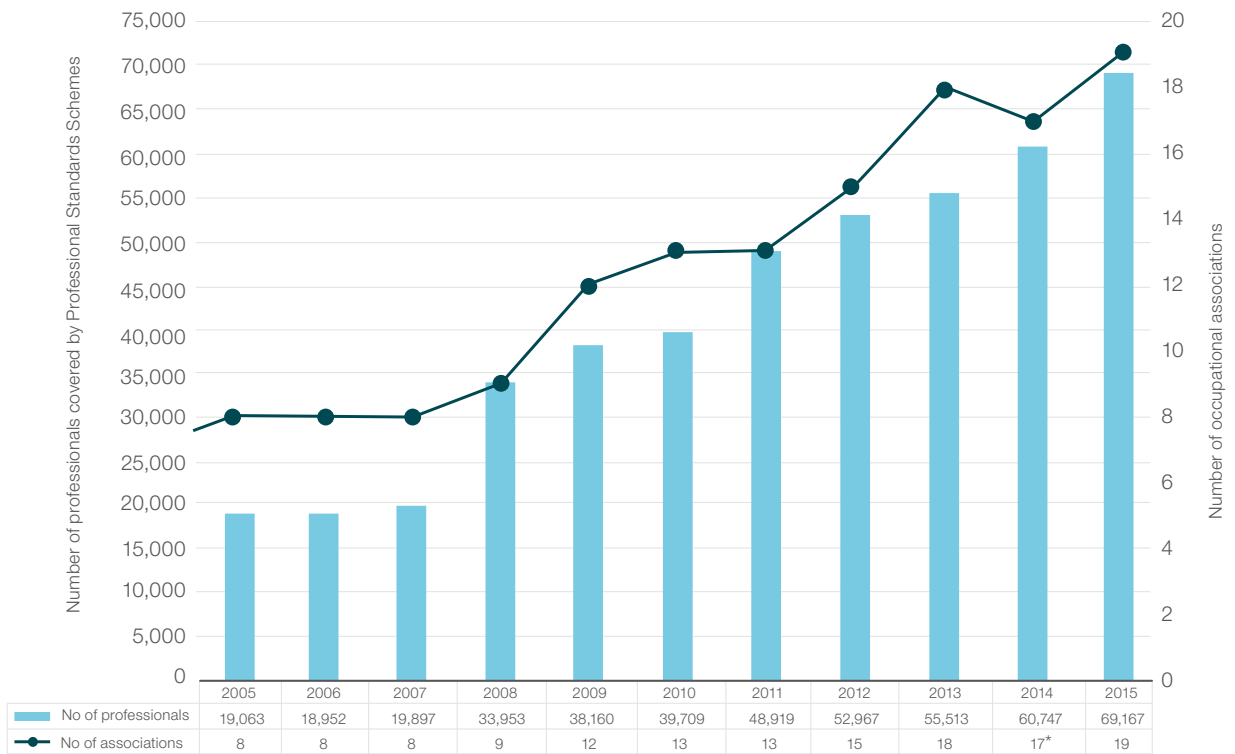
Throughout 2014–15, the Commonwealth prescribed the following schemes under the *Corporations Act 2001*, the *Australian Securities and Investments Commission Act 2001* and the *Competition and Consumer Act 2010*.

**TABLE 3. PROFESSIONAL STANDARDS SCHEMES PRESCRIBED DURING 2014–15**

Scheme prescribed	Date of prescription
CPA Australia	17 June 2015



**FIGURE 2. NUMBER OF PROFESSIONALS AND OCCUPATIONAL ASSOCIATIONS OPERATING UNDER PROFESSIONAL STANDARDS SCHEMES OVER THE PAST TEN YEARS**



\*AVI scheme expired



FIGURE 3. NUMBER OF PROFESSIONALS PER STATE COVERED BY PROFESSIONAL STANDARDS SCHEMES OVER THE PAST FIVE YEARS

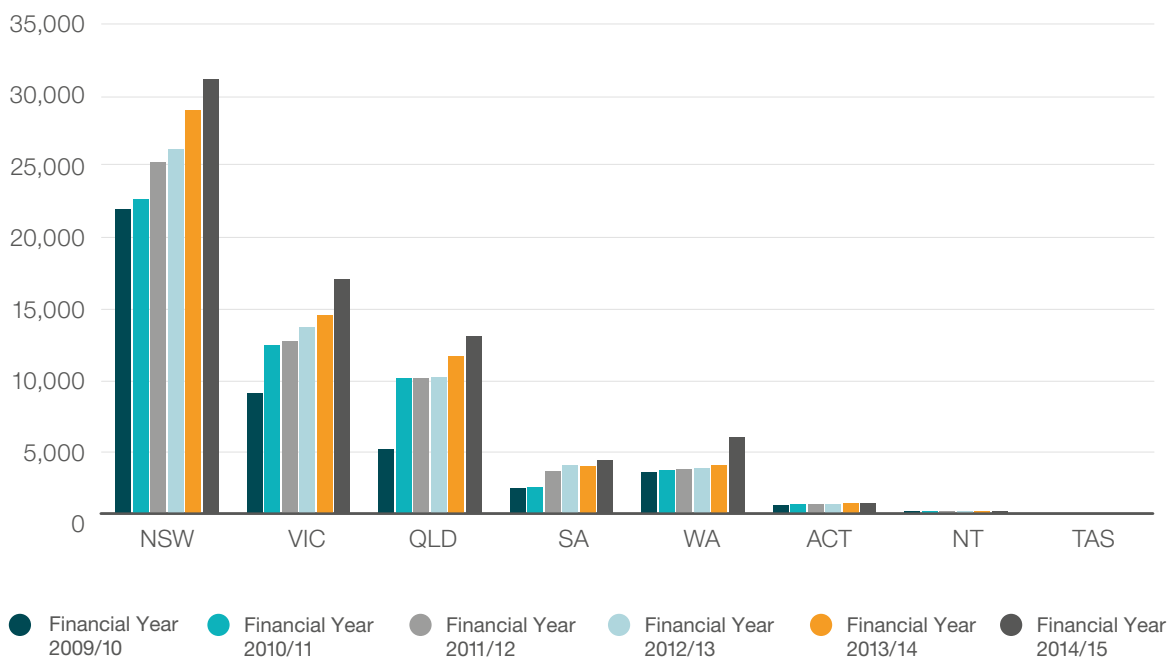


TABLE 4. PROFESSIONAL STANDARDS SCHEMES

ASSOCIATION	PROFESSION	MEMBERS	LIABILITY (\$)	START DATE	END DATE
<b>ACT</b>					
CAANZ	Accountants	565	\$1m to \$75m	09/10/13	08/10/14
			\$2m to \$75m	08/10/14	07/10/19
Mutual recognition	NSW – ACS, CPA, NSW Bar, CIRCEA, PSOA, APIV				
	NT – EA				
	QLD – BAQ				
	SA – SA BA, LSSA				
	VIC – ATMA, LIV, Vic Bar				
	WA – WA BA, LAW SOCIETY WA				
<b>NSW</b>					
CAANZ	Accountants	10,731	\$1m to \$75m	08/10/13	07/10/14
			\$2m to \$75m	08/10/14	07/10/19
CPA	Accountants	11,197*	\$2m to \$75m	08/10/13	07/10/16
IPA	Accountants	1,530	\$1m to \$20m	01/01/13	31/12/17
NSW Bar	Barristers	2,184	\$1.5m	01/07/10	30/06/15
CIRCEA	Engineers	24	\$1m, \$5m or \$10m	28/02/13	27/02/18
ACS	IT	11	\$1.5m	01/01/10	31/12/15
LSNSW	Lawyers	10,076	\$1.5m to \$10m	28/02/13	27/02/18
PSOA	Surveyors	35	\$1m to \$30m	11/11/13	10/11/18
APIV	Valuers	4,000	\$1m to \$20m	01/09/10	31/08/15
Mutual recognition	QLD – BAQ				
	SA – SA BA, LSSA				
	VIC – ATMA, EA, LIV, Vic Bar				
	WA – WA BA, LAW SOCIETY WA				
<b>NT</b>					
CAANZ	Accountants	122	\$1m to \$75m	27/12/10	26/12/15
			\$1m to \$75m	08/10/13	07/10/14
			\$2m to \$75m	08/10/14	07/10/19
EA	Engineers	22	\$1.5m to \$20m	27/12/10	26/12/15
Mutual recognition	NSW – ACS, CPA, NSW Bar, CIRCEA, PSOA, APIV				
	QLD – BAQ				
	SA – SA BA, LSSA				
	VIC – ATMA, LIV, Vic Bar				
	WA – WA BA, LAW SOCIETY WA				
<b>QLD</b>					
CAANZ	Accountants	3,957	\$1m to \$75m	08/10/13	07/10/14
			\$2m to \$75m	08/10/14	07/10/19
QLD BA	Barristers	945	\$1.5m	01/07/13	30/06/18
QLD LAW SOCIETY	Lawyers	4,950	\$1.5m or \$10m	01/07/10	30/06/15

\* Total number under mutual recognised scheme represents 138 in ACT, 38 in NT, 2,591 in QLD, 604 in SA, 4,508 in VIC and 1,537 in WA. This Scheme commenced on 8 October 2013 in NSW, and in other jurisdictions on 1 February 2014.



ASSOCIATION	PROFESSION	MEMBERS	LIABILITY (\$)	START DATE	END DATE
Mutual recognition	NSW – ACS, CPA, NSW Bar, CIRCEA, PSOA, APIV				
	NT – EA				
	SA – SA BA, LSSA				
	VIC – ATMA, LIV, Vic Bar				
	WA – WA BA, LAW SOCIETY WA				
<b>SA</b>					
CAANZ	Accountants	1,795	\$1m to \$75m	08/12/13	07/12/14
			\$2m to \$75m	08/10/14	07/10/19
SA BA	Barristers	196	\$1.5m	01/01/12	31/12/16
EA	Engineers	0	\$1.5m to \$20m	01/09/09	31/08/15
LSSA	Lawyers	1,127	\$1.5m or \$10m	01/01/12	31/12/16
Mutual recognition	NSW – ACS, CPA, NSW Bar, CIRCEA, APIV				
	QLD – BAQ				
	VIC – ATMA, LIV, Vic Bar				
	WA – WA BA, LAW SOCIETY WA				
<b>TAS</b>					
EA	Engineers	0	\$1.5m to \$20m	01/06/09	31/05/15
Mutual recognition	No provision in the legislation				
<b>VIC</b>					
ATMA	Accountants	513	\$1m to \$100m	01/01/13	31/12/17
CAANZ	Accountants	6,532	\$1m to \$75m	08/12/13	07/10/14
			\$2m to \$75m	08/10/14	07/10/19
Vic Bar	Barristers	928	\$2m	01/07/08	30/06/14
			\$2m	01/07/14	30/06/19
EA	Engineers	21	\$1.5m to \$20m	19/01/10	18/01/15
LIV	Lawyers	3,882	\$1.5m or \$10m	01/07/10	30/06/15
Mutual recognition	NSW – ACS, CPA, NSW Bar, CIRCEA, PSOA, APIV				
	QLD – BAQ				
	SA – SA BA, LSSA				
	WA – WA BA, LAW SOCIETY WA				
<b>WA</b>					
CAANZ	Accountants	2,797	\$1m to \$75m	08/10/13	07/10/14
			\$2m to \$75m	08/10/14	07/10/19
LAW SOCIETY WA	Lawyers	815	\$1.5m or \$10m	01/07/14	30/06/19
WA BA	Barristers	212	\$2m	01/07/14	30/06/19
Mutual recognition	NSW – ACS, CPA, NSW Bar, CIRCEA, APIV				
	NT – EA				
	QLD – BAQ				
	SA – SA BA, LSSA				
	VIC – ATMA, LIV, Vic Bar				

# 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 is vital to protecting consumers.

The annual Professional Standards Improvement Program (PSIP) Report expected from each professional association is required by the legislation. However, it is also driven by the self-regulatory commitments that each association makes to improve professional standards in their community to deliver consumer protection.

These commitments are made when associations apply for a Professional Standards Scheme. Combined with the statutory and professional obligations of individual scheme members, and the incorporation of various corporate governance and risk management principles, policies and Australian Standards, they act to enhance professional standards within the professions.

## Professional Standards Improvement Program Reports for calendar year 2014

After conducting a five-year compliance review of all associations' annual risk management reports in 2013, the OPSC redeveloped the reporting template in 2014 to direct associations' attention and resources to managing member

compliance and risk management reporting in a number of key areas. Those areas were identified as:

- › Clearly defining reporting and monitoring on members' Professional Standards Legislation compliance, as distinct from a narrow focus on those risk areas identified and controlled in associations' five-year risk management plans
- › Increasing associations' focus on improving members' Professional Standards Legislation compliance, remedying non-compliance and reviewing the methods of monitoring compliance
- › Improving associations' risk analysis processes by asking them to report on the effectiveness of self-identified risk management controls in their five-year risk management plans
- › Expanding associations' consideration and response to risks by encouraging them to conduct risk management reviews that incorporate new information as well as analysing current effectiveness
- › Enhancing associations' use of complaints and claims data by asking them to:
  - Conduct complaints/claims analysis
  - Report on risk management strategies implemented/proposed
  - Report on any specific claims that may be in breach of its scheme liability caps
  - Review complaints handling system processes where necessary.

› 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 PSIP to verify membership details)
- Evidence of board approval of the annual report to the Professional Standards Councils.

While implementing this enhanced compliance framework, the OPSC has been careful to minimise additional compliance costs by encouraging each association to better analyse its existing data and apply their existing risk management resources.

In 2015, the OPSC made further improvements to the annual reporting process by requesting additional data about the number of members who had applied to an association for a discretionary increase in their liability cap or an exclusion from a scheme. The OPSC considers the continual improvement in the annual reporting process as one of simplification and demystification of the 'professional standards annual cycle of improvement' that captures the purpose of the legislation.



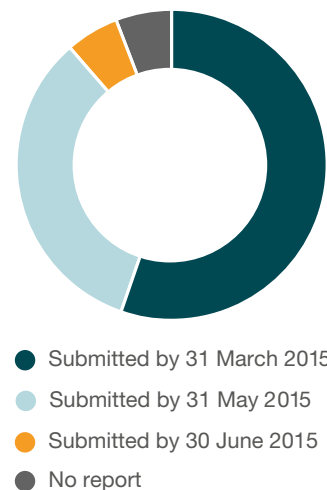
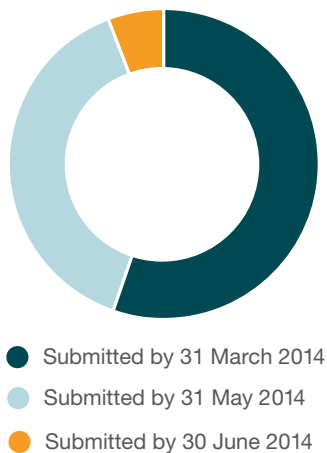
## Improved annual reporting format uptake

The new PSIP reporting template was distributed in December 2014 with associations required to report on the calendar year 2014 on or before 31 March 2015. Generally, the revised reporting template generated a positive response from associations in terms of improved delivery 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<sup>1</sup> associations required to report on their Professional Standards Scheme submitted their PSIP in the new template form
- › Associations were assessed across 10 PSIP elements on a rating scheme out of 100. The new rating scheme has 10 compliance elements – scheme data; risk analysis; scheme governance; risk analysis data; scheme monitoring data; complaints and discipline data; reviews of scheme monitoring, risk management and complaints handling; claims and insurance data; and certification, declaration and sign-offs
- › PSIP submission times remained stable year on year. This year, 56 percent of associations had submitted their PSIP within 24 hours of the 31 March deadline. Nearly all (89 percent) associations had submitted by the end of May. All associations, except for one, had submitted their PSIP by the end of June (see Figure 4).

FIGURE 4. PSIP SUBMISSION TIMES – COMPARISON 2013–14 AND 2014–15

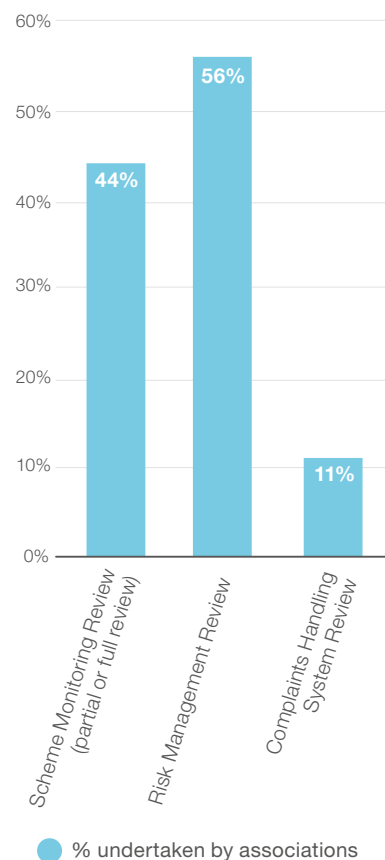


- › This year's reporting demonstrated a healthy cycle of work by associations in respect of the three review elements:
  - Scheme Monitoring Review
  - Risk Management Review
  - Complaints Handling System Review (see Figure 5)

It is pleasing to see that associations are engaged in review processes and it is expected associations will review all of these elements over the life of the Professional Standards Scheme.

- › All associations provided the necessary board and governance approvals with their annual report. The Councils consider this to be a strong indicator of board commitment and management awareness of the associations' Professional Standards Legislation obligations.

FIGURE 5. PSIP REVIEW ELEMENTS



1. 19 associations in total. One association, however, joined in December and was not required to submit a PSIP report.

## Common deficiencies identified

Although the general response was positive, the OPSC has identified a number of deficiencies arising from the analysis of the 2014 PSIP reports. The deficiencies will form the targeted areas of improvement for the OPSC to work with individual associations to improve throughout 2015.

Generally, the opportunity for improvement in self-regulatory programs includes:

- › **Development of compliance plans consistent with the Australian Standard.** Around 40 percent of associations had a compliance plan in addition to a risk management plan. However, most were only partially consistent with the Australian Standard. With some exceptions, the compliance plans did not identify the separate realms of association, scheme, and scheme member compliance in relation to the Professional Standards Scheme.



**Around 40 percent of associations had a compliance plan in addition to a risk management plan.**

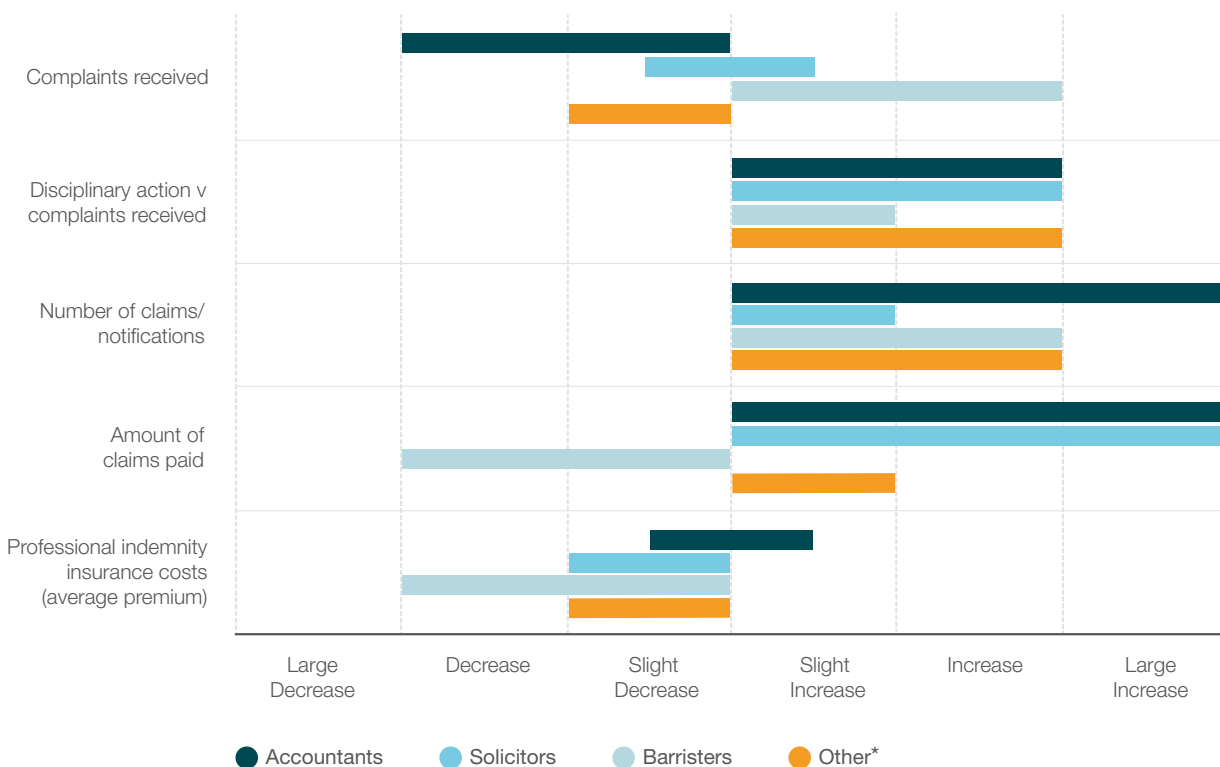
- › **Monitoring and ensuring associations and their members comply with all key areas of their scheme and demonstrate adequate follow-up of this monitoring, including auditing where possible.** These key areas include membership entry, continuing professional development, insurance standards, disclosure and trademark compliance. In particular, scheme members' compliance with the Councils approved Insurance Standards could be improved. The OPSC will be working with associations to improve member admission and ongoing renewal criteria to ensure a clear agreement between the scheme member and the association – such as requiring members to respond to annual professional standards compliance surveys, with particular attention to increasing the quality of data gathered for claims/notifications and professional indemnity insurance.
- › **Improving the collection, analysis and reporting of claims data.** This data continues to be a weak area of compliance for many associations. In particular, some associations provided scant claims/notifications or insurance costs and availability data, or relied on highly aggregated insurance data. A small minority of associations did not comply with the lawful request for member claims/notification data and insurance costs based on the unsubstantiated reason of confidentiality. More work could be done by associations to increase their understanding of their members' claims history, and the availability and costs of professional indemnity insurance. The OPSC will be contacting associations that provided highly aggregated or generalised data to improve their data and comparative analysis processes. The small number of associations who accessed the Australian Prudential Regulation Authority National Claims and Policies Database to verify or add context to their own survey data, such as Australian Computer Society, are to be commended.
- › **Greater oversight by associations' governing bodies on their PSIP.**

## Industry sector comparison on compliance elements

Analysis of this year's reports indicate changes in trends within professions as well as across professions. Overall the associations have indicated a reduction in complaints with an increase of disciplinary action relating to the complaints. There was an increase

in claims and dollar value of claims in 2014, particularly in the accounting profession. Generally, professional indemnity insurance premium costs have fallen slightly or been stable, depending on the professional group. See Figure 6 below for a breakdown by professional group.

FIGURE 6. 2014 PSIP TRENDS YEAR ON YEAR



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

### Explanation of table terms

**Complaints received**

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

**Disciplinary action v complaints received**

Proportion of complaints received that resulted in disciplinary action by the association and/or relevant regulators.

**Number of claims/notifications**

Number of claims and notifications made against association members.

**Amount of claims paid**

Total known settlements paid against claims made against association members.

**Professional indemnity insurance costs (average premiums)**

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

**Note:** These indicators are sourced from a comparison of current 2014 PSIP data against previous five-year 2009–2013 annual risk management reports data for each scheme association (where available) and represent median values within the professional groups.

## Examples of improved risk management

There were some noteworthy examples of superior or improved risk management strategies being implemented by associations. Two areas of focus in the 2014 PSIP were the link between associations and members to oversee compliance with their legislative requirements (including survey data and submission to audits), and improved compliance plans and processes in addition to risk management plans. In these two areas of focus:

1. CPA Australia, The Bar Association of Queensland and Engineers Australia have implemented more sophisticated membership agreements. In most Professional Standards Schemes, the membership agreement is conducted by way of a declaration to comply with the rules of the association at the application stage. A small number of associations have included a similar declaration to comply in their annual renewal process.

Such declarations are generally limited to compliance with the rules of the association, rather than requiring formal agreement to specific rules of conduct and compliance that relate to members of the Professional Standards Scheme.

In contrast, for example, CPA Australia's annual renewal process requires that members:

- Submit mandatory statements on professional indemnity insurance
- Immediately report claims or notifications above a stipulated value
- Establish and maintain the levels of quality control outlined in CPA's professional standards policies.

The Bar Association of Queensland provides a useful information pack to members about its Professional Standards Scheme, with a practical summary of its benefits, and a more detailed paper on members' obligations.

Engineers Australia has a detailed declaration that focuses on members' Professional Standards Scheme obligations, including a commitment to provide detailed professional indemnity insurance information at each membership renewal. The association has also advised that in future, providing Professional Standards Scheme compliance information such as complaints, claims, notifications, PI costs and availability will be a 'condition precedent' of the scheme member's annual renewal procedure. Engineers Australia is also considering publishing the ongoing obligations of its Professional Standards Scheme on the reverse of its practising certificate as a reminder of the link between scheme membership and the practising certificate's obligations.

2. Chartered Accountants Australia and New Zealand (formerly Institute of Chartered Accountants in Australia) has developed and implemented an effective compliance plan and matrix consistent with the Australian Standard. Of particular note is its focus on compliance, where Professional Standards Legislation is related to the three realms of compliance: association, scheme, and scheme member. The compliance matrix cross-references the Councils' *Framework for Compliance* publication and the CAANZ five-year risk management plan. It is concise and focused, and therefore manageable.



**There were some noteworthy examples of superior or improved risk management strategies being implemented by associations.**

# Grants Program

The Professional Standards Councils' Grants Program provides funding to external projects that aim to understand, demonstrate and promote the improvement of professional standards across Australia through the Professional Standards Grants and Research Grants.

Since 2011 the Councils have awarded a total of \$931,000 to grant projects.

An internal review of the Grants Program carried out by the OPSC against best practice grant principals resulted in an improvement to practices in implementing recipient feedback processes, evaluating funded projects for outcomes, and updating application and assessment forms. The OPSC is also planning to redevelop the process documentation and communications systems as part of its broader organisational capability projects, and will continue to review and improve the Grants Program on an ongoing basis.

## Research Grants

The Research Grants program aims to encourage and reward innovative research that develops the community's confidence and trust in professional services in Australia.

These grants are available to any individual or organisation conducting applied research in this field, and a total of \$136,700 was awarded during 2014–15 for two new projects.

TABLE 5. RESEARCH GRANTS AWARDED IN 2014–2015

Recipient	Project	Funding Grant
Victorian Bar	Quality criminal trials – baseline measurement	\$38,700
Knowledge Commercialisation Australasia	Building a skills framework for better technology transfer in the Australian context	\$98,000

## Professional Standards Grants

Professional Standards Grants are open only to associations that operate under a Professional Standards Scheme and their members.

They support projects that improve professional standards in Australia, and enhance the standards and practice of associations and their members.

One project was awarded \$57,000 during 2014–15.

TABLE 6. PROFESSIONAL STANDARDS GRANTS AWARDED IN 2014–2015

Recipient	Project	Funding Grant
NSW Bar Association	Bar assessment program	\$57,000

## Research and thought leadership

The Councils' thought leadership strategy is designed to expand the academic and community environment of Professional Standards Legislation, and to deliver opportunities and benefits for professions and their members. It is designed to generate interest and debate in eight key areas:

- › 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.

During 2014–15 projects and activities were initiated to progress the Councils' thought leadership strategy and deliver on key goals:

- › The commencement of a three year Australian Research Council Linkage Grant project by the University of New South Wales and other academic institutions globally, in partnership with the Professional Standards Councils, entitled *Professions and professional obligation in the 21st Century*
- › The release of *Professionalisation of Financial Services*, the first white paper in a planned series on professionalisation within the Australian services sector. This white paper presented the community, economic, regulatory and personal benefits that might arise from the formal professionalisation of the financial services sector

- › The OPSC completed background research on its second white paper on professionalisation within Australian services, which will look at the built environment services sector
- › The submission of a comprehensive response presenting a co-regulatory model to the Australian Government Parliamentary Joint Committee on Corporations and Financial Services' inquiry into proposals to lift the professional, ethical and education standards in the financial services industry
- › The completion of the first two Research Grant projects.



**Throughout 2014–15 projects and activities were initiated to progress the Councils' thought leadership strategy and deliver on key goals.**



# Outlook

Ongoing discussions with governments in all jurisdictions reveal a growing interest in the unique meta-regulatory approach of Professional Standards Schemes as an alternative model for licensing and registration of professions and other occupations. There is interest from governments in reforming law in the professional/trade regulatory area to secure greater individual and association commitment to improving professional standards.

This is reinforced by our own analysis regarding the role of different licensing models and their relationship to professional regulation. We have recently found that regulation in the 'built environment sector' has increased across the different industries and in response to concerns about licensing and compliance approaches by occupations. For instance, state and territory governments have undertaken a number of legislative reviews and

inquiries into various areas of the building industry. Outcomes and recommendations have had varying impacts on the professionals operating in that sector but there is a growing recognition of the opportunity that a better architecture for regulation of professionals could bring to a nationally consistent consumer protection framework.

This has also been seen in expanded regulatory interest from the following professional and aspiring communities:



Allied Health



Engineering related



Legal profession



Built environment communities

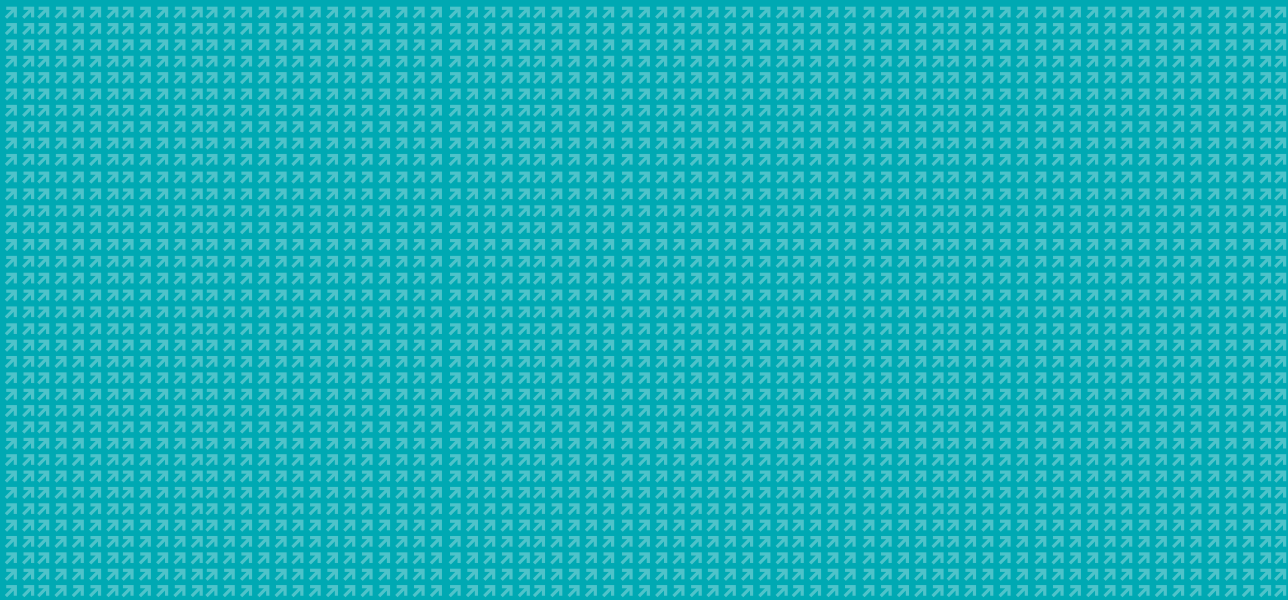


Financial Services

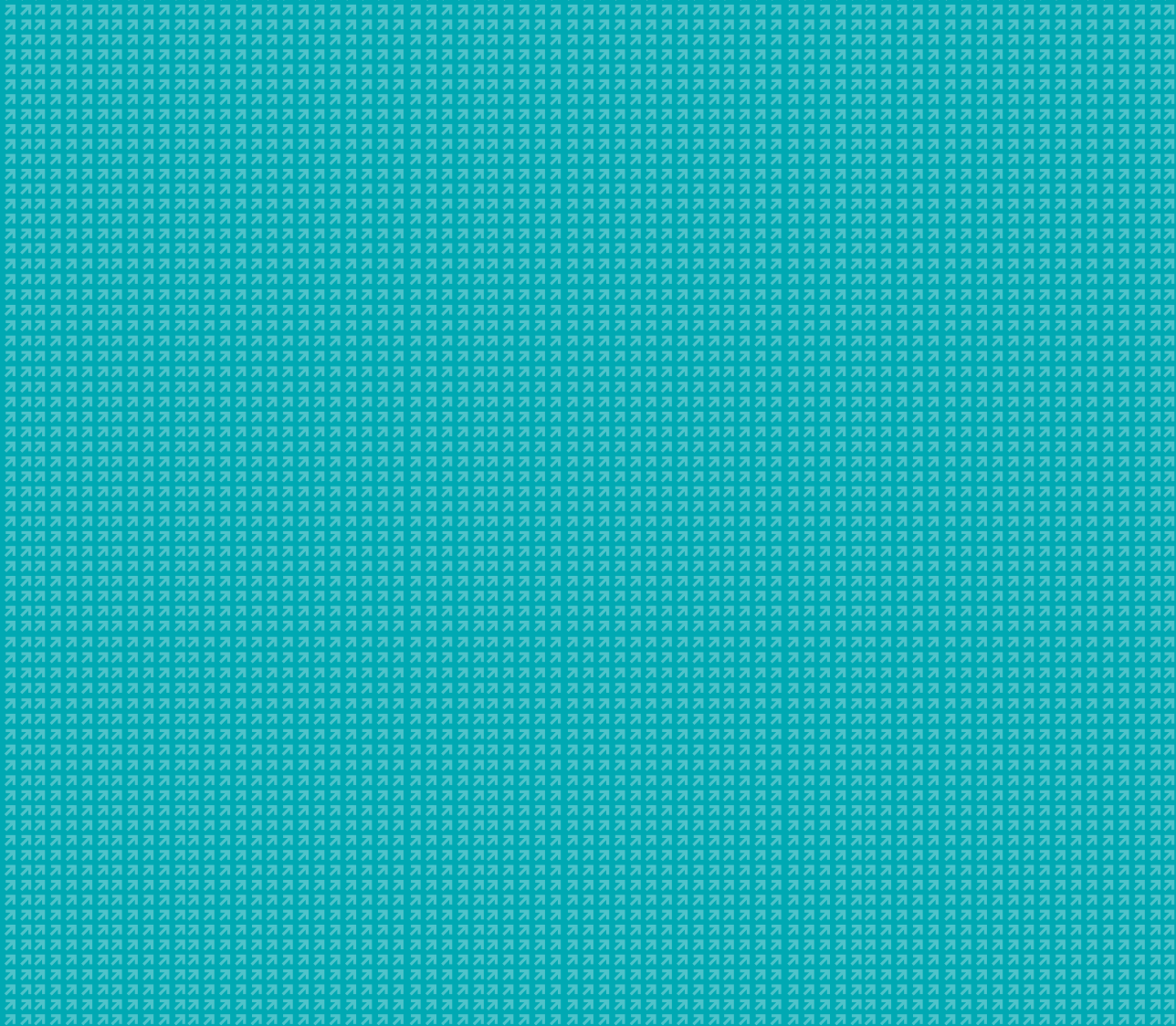


Professional Services





# ORGANISATIONAL STRUCTURE



# Structure of the Professional Standards Councils

There are eight Professional Standards Councils – one in each state and territory in Australia. The Attorney General in each state or territory appoints members to the Councils under the relevant legislation in each jurisdiction<sup>1</sup>.

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 include a total of 11 representatives.

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

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

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.*

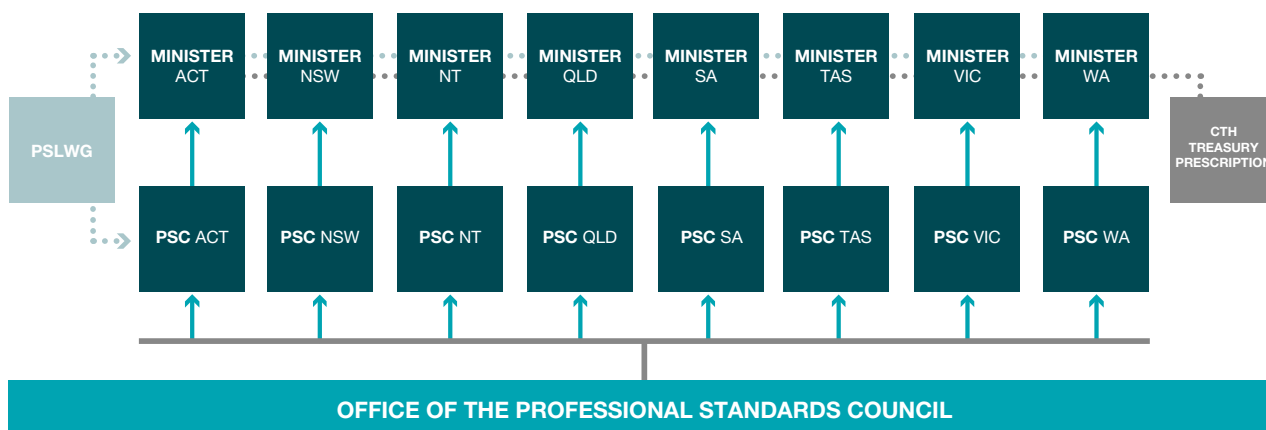
Each Council comprises a Chairperson, Deputy Chairperson and Councillors. The Councils can establish committees and advisory groups to meet as required over the year.

Each of these committees and advisory groups can make recommendations to all eight Councils. Committee members may include Council Members or external appointees, are appointed on an annual basis, and are 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 includes policy officers from the Department of Attorneys General in each state and territory. The PSLWG convenes when issues arise that require consideration at a national level, and communicates with relevant Ministers about professional standards reform, review and Professional Standards Scheme issues.

FIGURE 7. ORGANISATIONAL STRUCTURE AND REPORTING LINES AS AT JUNE 2015



1. From 1 July 2015, appointments in NSW will be made by the Minister for Innovation and Better Regulation.

## 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.**

On behalf of the OPSC, the Councils thank the following contact officers from each state and territory and the Commonwealth during 2014–2015:

- › Carole Ruthchild – NSW
- › Chris Humphreys – Vic
- › Louise Dowling – Vic
- › Nicola Caon – Vic
- › Claire Morgan – SA
- › Elissa Hoffman – SA
- › Emma Gunn – Tas
- › Catherine Vickers – Tas
- › Tim Mills – Tas
- › Katie Harbon – ACT
- › Rosslyn Chenoweth – NT
- › Jonathan Avila – NT
- › Robert Bradshaw – NT
- › Irene Kempa – WA
- › Mark Hainsworth – WA
- › Imelda Bradley – Qld
- › Melanie Wright – Qld
- › Kimberley Fielding – Qld
- › Jerome Davidson – Cth
- › Andrew Fragomeli – Cth



# Council Members

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

Members are selected for their qualifications, experience and ability to contribute to the Councils' work. They work effectively as a team to achieve results for associations, and a significant number have served at least three terms.

The Chair and Deputy Chair are nominated on an alternating basis by NSW 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 took silk in 1982. He 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 in Succession, and more recently taught constitutional law at the University of Notre Dame. 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. He has been chairman of the Professional Standards Councils since 2004.



**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 board member of the Victorian Pharmacy Authority and a board member of the Chinese Medicine Board of Australia.



**Council Members are selected for their qualifications, experience and ability to contribute to the Professional Standards Councils' work.**





**Robert Beaton**

LLB, BArch (Hons), BSc (Arch),  
RAIA, ANZIIF (Senior Associate)

Robert Beaton has more than 39 years' experience across all aspects of professional risk insurance, and now acts as a consultant in this area. 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.



**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, health law and medical malpractice defence, and public and general liability. She also advises and represents clients in investigations by the Health Ombudsman and professional registration boards. Julie is an accredited personal injuries specialist, and a member of the Specialist Accreditation Board of the Queensland Law Society and the QLS Accident Compensation Committee. She is a practitioner member of the Queensland Civil and Administrative Tribunal and is Chair (Brisbane) of the Medicare Participation Review Committee. She is also a member of the Human Research Ethics Committee for one of Queensland's major metropolitan hospitals.



**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.





**Ron 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 an actuary with 18 years experience working in insurers and almost 20 years as a financial regulator, including considerable international regulatory work. He is also a member of the Professional Standards Committee of the Institute of Actuaries of Australia, a Co-Vice Chair of the Actuarial Standards Committee of the International Actuarial Association, a board member of the Australian Reinsurance Pool Corporation, and an independent expert member of the National Disability Insurance Agency board's Sustainability Committee.



**Jo Metcalfe**

BLArch (Hons), MBA

Jo Metcalfe has worked in the professional services industry for 20 years, and for her current employer, GHD, for more than 10 years. Her role at GHD sees her manage one of Canberra's largest consultancy firms of engineers, scientists, architects and project managers.

Jo has been a member of the Councils for more than 10 years, and also serves on its Finance, Audit and Risk Management and Operations Committees. She has been involved in professional peak industry bodies including the Property Council of Australia, Australian Institute of Architects and APESMA for more than 20 years, and holds directorships of Consult Australia and the University of Canberra.



### **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 ethics and corporate governance at CPA Australia for 14 years until 2011.

Tiina-Liisa is Company Secretary of Woodlands Wines Pty Ltd and Director of St Giles Society. She is a former director of Housing Choices Australia, Aurora Energy Pty Ltd, Hobart Water and Connect Credit Union.



### **Iain Summers**

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

Iain Summers has been a Council Member since 2006 and chairs its Finance, Audit and Risk Management Committee. He provides governance and management advice, assistance and training predominately to community services and public sector entities.

Iain began his career as a chartered accountant in Darwin in 1980. From 1995 to 2002, he served as the Northern Territory Auditor-General. Today, Iain is an accredited facilitator for Australian Institute of Company Directors programs, and a board member of Traditional Credit Union Limited, Health Network Northern Territory Limited, and Kormilda College Limited. Iain also chairs a number of audit and risk committees for community services and public sector entities.



### **Rachel Webber**

LLB, BJuris

Rachel Webber's primary areas of expertise include corporate and commercial law, with an emphasis on ASX and Corporations Act compliance, financial services regulation, managed investments and credit regulation.

Rachel is an executive member of the Business Law Section (BLS) of the Law Council of Australia, a peak industry body which advises governments, courts and federal agencies on the ways in which the law and the justice system can be improved for the benefit of the community. She also serves as a member of the BLS Corporations Committee. In addition, Rachel chairs the Commercial Law Committee of the Law Society of Western Australia, is a Special Counsel in Jackson McDonald's Corporate Transactions division, and lectures at the College of Law.

## 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 11 Council Members (including the Chairperson and the Deputy Chairperson), who are concurrently appointed to each Council by the responsible minister in the corresponding state or 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 the Councils' decisions, Council Members must declare any conflicts of interest at the start of each meeting.

Internal risk management is overseen by the Councils' Financial Audit and Risk Management Committee. This committee continues to monitor ongoing compliance with the internal risk management program.

The table below shows the remuneration of the Council Members for 2014–15. The average sitting time of the Council Members during 2014–15 was four hours per meeting. The remuneration of Committees and advisory groups is consistent with the Councils' remuneration arrangements. The Chairperson was paid an annual retainer of \$2,640.00, for out-of-session work and related activities.

The Chairperson was paid \$608.00 per Council or Committee meeting attended. Other Council Members

(including the Deputy Chairperson) were paid \$370.00 per meeting. These amounts were payable for a standard four-hour meeting. For longer meetings, the Chairperson was paid \$128 per extra hour or part thereof, and other Council Members were paid \$77 per extra hour or part thereof.

In compliance with WA reporting requirements, the Chairperson and all Council Members were concurrently appointed to the WA Professional Standards Council for the entire 2014–15 financial year, receiving the gross/actual remuneration shown in the table below. As indicated above, the amounts were paid per meeting, except for the Chairperson's retainer that was paid annually.

**TABLE 7. COUNCIL MEMBERS REMUNERATION RATES AND MEETING ATTENDANCE**

Role	Standard remuneration	Qty meetings held
Chairperson	\$608.00	6
Council Member	\$370.00	6

Name	Role	State Representative	PSC meetings attended	Committee meetings attended	Remuneration	Tenure
Brian Rayment QC	Chairperson	NSW	5	1	\$8,080.00	2005
Esther Alter	Council Member	Vic	6	4	\$4,746.00	2005
Robert Beaton	Council Member	NSW	6	3	\$5,270.00	2005
Julie Cameron	Council Member	Qld	5	0	\$2,774.00	2010
Terry Evans	Council Member	SA	6	5	\$5,595.00	2006
Ronald Farrell	Council Member	Vic	6	3	\$5,208.00	2006
Tom Karp	Council Member	Cth	5	0	\$2,928.00	2010
Jo Metcalfe	Council Member	ACT	4	4	\$3,698.00	2006
Rachel Webber	Council Member	WA	6	1	\$5,116.00	2013
Tiina-Liisa Sexton	Council Member	Tas	6	3	\$4,731.00	2012
Iain Summers	Council Member	NT	6	3	\$4,823.00	2006
					Total	\$52,969.00

**Note 1:**

- > Standard remuneration rates are based on a meeting 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
- > Remuneration is calculated on amounts receivable for attendance during the financial year ending 30 June 2015.

**Note 2:**

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

# Committees

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

- › Finance, Audit and Risk Management Committee
- › Operations Committee
- › Grants Committee
- › Law Reform Working Group.

The PSC Chief Executive Officer, Dr. Deen Sanders, is the secretary of each committee and advisory group.

## 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
- › Jo 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)
- › Jo Metcalfe
- › Tom Karp.

## Grants Committee

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

The members are:

- › Esther Alter (Chair)
- › Terry Evans
- › Tiina-Liisa Sexton
- › Robert Beaton.

## Law Reform Working Group

This committee provides input on legal enquiries and issues.

The members are:

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

# Office of the Professional Standards Councils

The Office of the Professional Standards Councils (OPSC) provides support services for the Professional Standards Councils. It provides services to all state and territory governments and their relevant Councils in line with intergovernmental agreements.

Until 30 June 2015, the OPSC was located within the NSW Department of Justice. On 20 May 2015, the NSW Government announced that the OPSC would move to the new NSW Department of Finance, Services and Innovation, with effect from 1 July 2015 (*Administrative Arrangements (Administrative Changes—Public Service Agencies) Order (No 2) 2015* (NSW)).

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

The OPSC delivers a variety of services to a large and diverse range of stakeholders. During 2014–15, it administered 27 schemes across Australia that covered accountants, valuers, computer professionals, engineers, solicitors and barristers.

The OPSC, with national obligations, is responsible for all regulatory, operational and developmental work of the Councils. Its core business functions are regulatory assurance, scheme management, operational integrity, and development and education. 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
- › Working with associations to improve their professional standards by helping them enhance their integrity systems and risk management
- › Supporting the administration of Professional Standards Schemes by reviewing the application of 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.

## Intergovernmental agreements and the OPSC

Ministers in all states and territories signed the Professional Standards Agreement 2005 to provide a national system of professional standards regulation. This agreement was reviewed in 2011, after which all jurisdictions entered into the Professional Standards Agreement 2011.

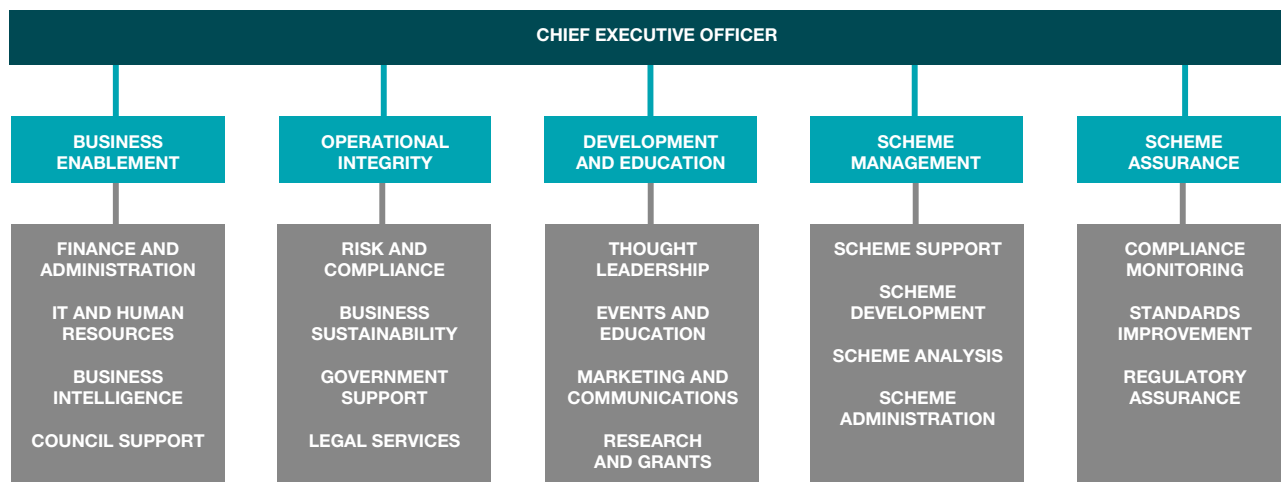
This agreement allows common membership of all state and territory Councils, and establishes the provision of common services and support to the Councils by the NSW Department of Justice for 2014–15. From 1 July 2015, these common services and support will be provided by the NSW Department of Finance, Services and Innovation.

The Professional Standards Council Interdepartmental Service Agreement, and the Professional Standards Councils and Departmental Procurement of Services Agreement, formalise how the OPSC provides advice and services to all Councils. It also defines how the responsible NSW Department procures these services using revenue received by the Councils under Professional Standards Legislation.



# Structure of the Office of the Professional Standards Councils

The OPSC has a team of 23 highly qualified and experienced professionals.







# Financial statements

TABLE 8. CONSOLIDATED FINANCIAL PERFORMANCE STATEMENT 2014–2015<sup>1</sup>

FINANCIAL PERFORMANCE OF THE PROFESSIONAL STANDARDS COUNCILS

Summary of income and expenses as at 30 June 2015	ALL STATES (\$)	NSW	QLD	SA	VIC	WA	ACT	NT	TAS
<b>Revenue</b>									
Scheme fees <sup>2</sup>	3,480,539	1,690,102	570,543	190,510	736,148	231,831	37,319	19,087	5,000
Bank interest (net of charges)	191,034	120,080	31,929	–	39,028	(3)	–	–	–
<b>Total revenue</b>	<b>3,671,573</b>	<b>1,810,182</b>	<b>602,472</b>	<b>190,510</b>	<b>775,175</b>	<b>231,828</b>	<b>37,319</b>	<b>19,087</b>	<b>5,000</b>
<b>Expenditure OPERATING EXPENSES ATTRIBUTABLE TO THE STATES/TERRITORIES</b>									
Employment costs <sup>3</sup>	1,856,603	915,354	304,652	96,335	391,983	117,228	18,871	9,652	2,528
Other operating expenses <sup>4</sup>	1,087,143	535,990	178,390	56,409	229,527	68,644	11,050	5,652	1,480
<b>Total expenditure</b>	<b>2,943,746</b>	<b>1,451,344</b>	<b>483,043</b>	<b>152,744</b>	<b>621,510</b>	<b>185,872</b>	<b>29,921</b>	<b>15,303</b>	<b>4,009</b>
<b>Less expenses chargeable to states/territories<sup>5</sup></b>	<b>2,943,746</b>	<b>1,451,344</b>	<b>483,043</b>	<b>152,744</b>	<b>621,510</b>	<b>185,872</b>	<b>29,921</b>	<b>15,303</b>	<b>4,009</b>
Actual charges to states/territories (Q1+Q2)	2,148,831	1,084,897	399,968	153,475	392,263	97,782	12,955	7,491	–
Accrued charges to states/territories (Q3+Q4)	794,916	366,447	83,075	(731)	229,247	88,090	16,966	7,812	4,009
% cost share of expenditure recharge	100%	49.30%	16.41%	5.19%	21.11%	6.31%	1.02%	0.52%	0.14%

## 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 contractors. There is one officer (male) employed within Senior Executive Band 1 (unchanged from 2013–14) with a remuneration package of \$160,694 (up from \$153,856 in 2013–14).

**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 41).

**Note 5:** Expenses chargeable to each state and territory, are based on OPSC total expenses, for the financial year ending 30 June 2015. 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.

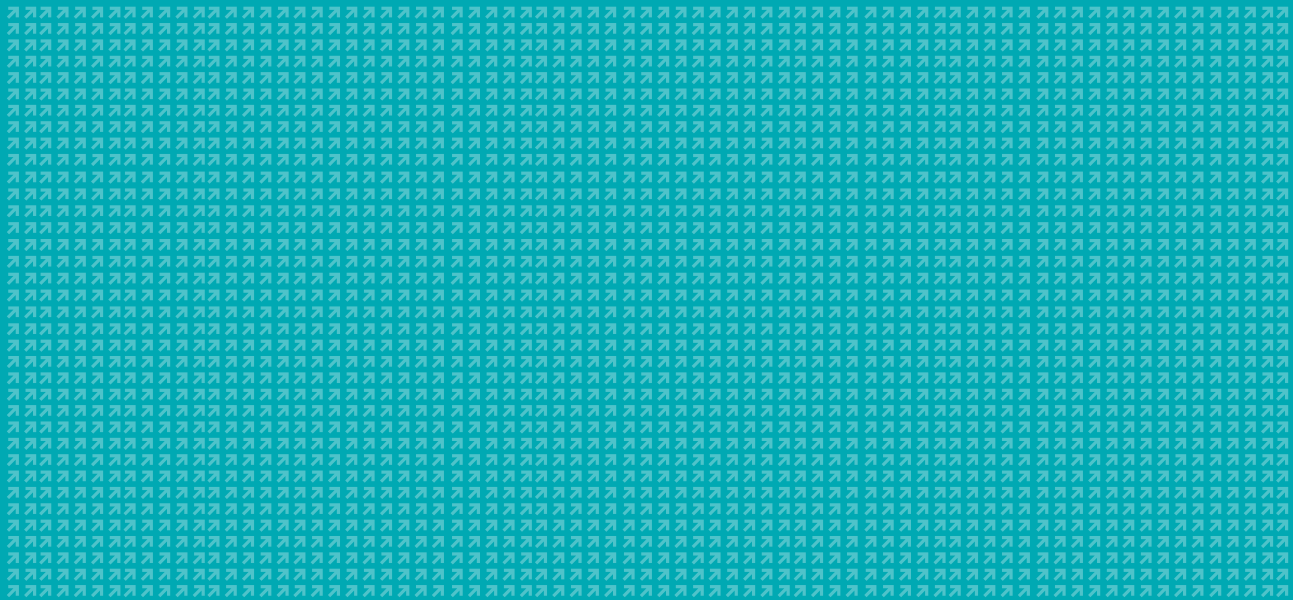
TABLE 9. DETAILED EXPENDITURE 2014–2015

	Total	NSW	QLD	SA	VIC	WA	ACT	NT	TAS
	100%	49.30%	16.41%	5.19%	21.11%	6.31%	1.02%	0.52%	0.14%
<b>Employment costs</b>									
Salary related costs	1,334,203	657,797	218,931	69,229	281,689	84,243	13,561	6,936	1,817
Temporary contractor costs	522,400	257,557	85,721	27,106	110,294	32,985	5,310	2,716	711
Total employment costs	1,856,603	915,354	304,652	96,335	391,983	117,228	18,871	9,652	2,528
<b>Other operating expenses</b>									
Communications and marketing	98,246	48,438	16,121	5,098	20,743	6,203	999	511	134
External audit and annual reporting	31,400	15,481	5,152	1,629	6,629	1,983	319	163	43
Consultancy <sup>6</sup>	34,240	16,881	5,618	1,777	7,229	2,162	348	178	47
Electricity and gas	3,370	1,661	553	175	712	213	34	18	5
Fees (legal, board and other) <sup>7</sup>	108,124	53,308	17,742	5,610	22,828	6,827	1,099	562	147
Insurance	22,771	11,227	3,737	1,182	4,808	1,438	231	118	31
Printing and postage	37,334	18,407	6,126	1,937	7,882	2,357	379	194	51
Occupancy costs (rent and rates)	118,485	58,416	19,442	6,148	25,016	7,481	1,204	616	161
Staff expenses	23,389	11,531	3,838	1,214	4,938	1,477	238	122	32
IT and office equipment/supplies	152,863	75,365	25,083	7,932	32,274	9,652	1,554	795	208
Telephone	14,023	6,914	2,301	728	2,961	885	143	73	19
Travel	193,692	95,495	31,783	10,050	40,894	12,230	1,969	1,007	264
General expenses	11,838	5,836	1,943	614	2,499	747	120	62	16
Maintenance/shared services	29,004	14,300	4,759	1,505	6,124	1,831	295	151	39
Total operating expenses	878,779	433,261	144,200	45,598	185,536	55,487	8,932	4,568	1,197
Grants	208,364	102,729	34,191	10,812	43,992	13,156	2,118	1,083	284
<b>Total expenditure</b>	<b>2,943,746</b>	<b>1,451,344</b>	<b>483,043</b>	<b>152,744</b>	<b>621,510</b>	<b>185,872</b>	<b>29,921</b>	<b>15,303</b>	<b>4,009</b>

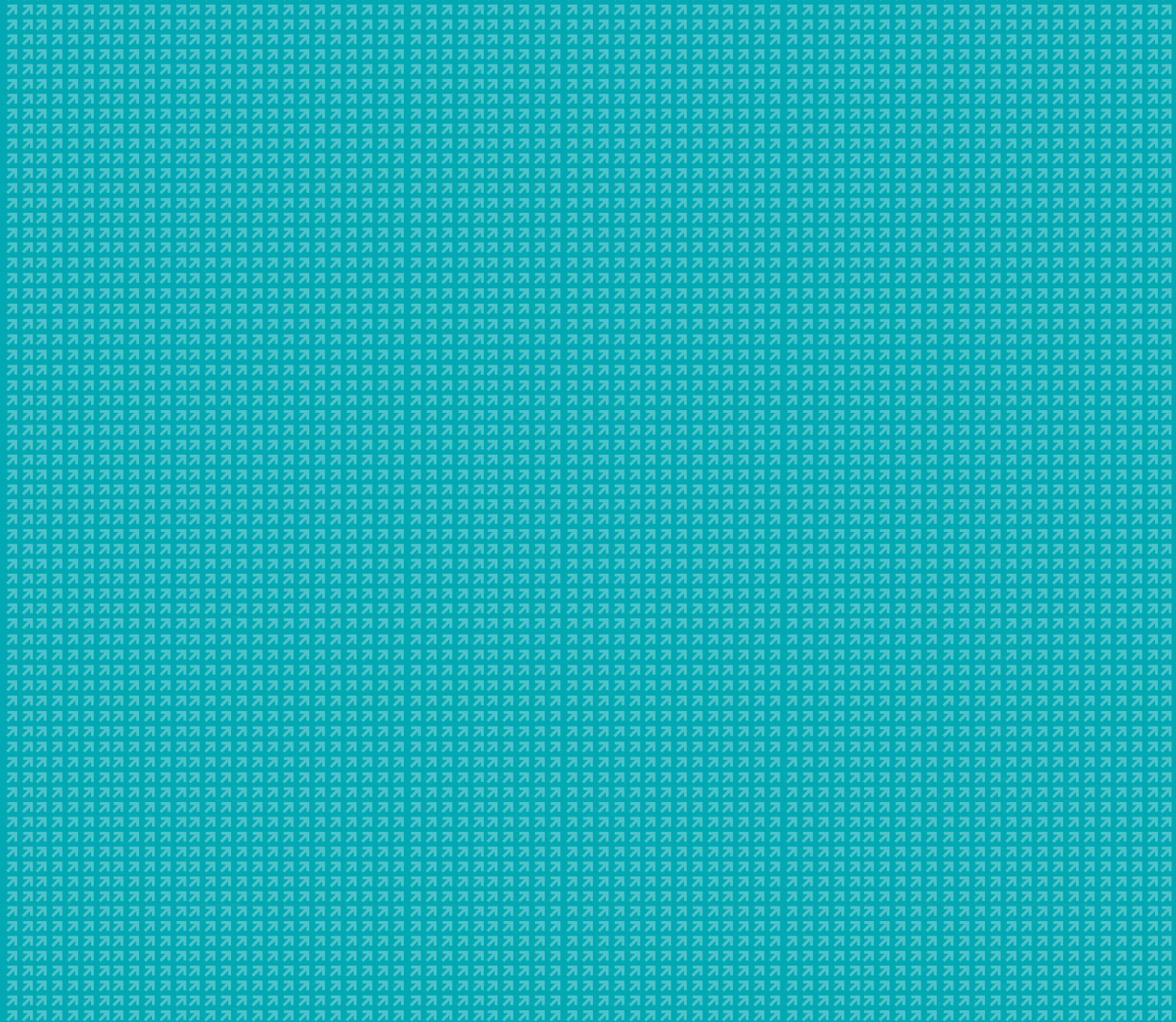
## NOTES

**Note 6:** Consultancy fees were for providing actuarial, compliance and legal advice relating to scheme regulation, as well as for research projects into thought leadership 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 35.



# STATE AND TERRITORY PROFESSIONAL STANDARDS COUNCILS



# Legislated reporting

## ➤ AUSTRALIAN CAPITAL TERRITORY

### Constitution of the Council

Members of the Professional Standards Council of the Australian Capital Territory (ACT) were entitled to attend six meetings for the year. Please refer to page 35 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)).

### Fraud

There were no instances of fraud during the reporting period.

### Risk management and internal audit

Please refer to the Corporate Governance section on page 35.

### Public interest disclosure

There were no public interest disclosures for the 2014–15 reporting period.

### Freedom of information

Under the *Freedom of Information Act 1989* (ACT) (sections 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 2015.

### Organisation and function

Please refer to page 29 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](http://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 of the *Freedom of Information Act*: 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, and advice and recommendations provided by the Office of the Professional Standards Councils (OPSC) and independent actuarial advice. Associations must provide a large amount of information to the Councils 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 38 for the organisational structure of the OPSC which provides services and support to the Professional Standards Council of the ACT.

### Work health and safety

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

## 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 40 for the Professional Standards Council of the ACT's revenue and expenses for 2014–15.

## 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 \$348.

For further details on consultancy spend please refer to Note 6 of the detailed expenditure statement on page 41.

## Waste management

There were no contraventions of the *Waste Minimisation Act 2001* during the reporting year.

# NEW SOUTH WALES

## Constitution of the Council

Members of the Professional Standards Council of New South Wales (NSW) were entitled to attend six meetings for the year. Please refer to page 35 for a summary of meeting attendance.

## Major legislative changes

No major changes were made to Professional Standards Legislation during 2014–15.

## Risk management and internal audit

Please refer to the Corporate Governance section on page 35.

## Public interest disclosure

There were no public interest disclosures for the 2014–15 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 the *GIPA Act* in relation to the Professional Standards Council of NSW during the reporting period.

## Work health and safety

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

## Funds granted to non-government community organisations

In 2014–15, two organisations were awarded Research Grants and the opportunity to enter into funding agreements. Please refer to the Research Grants section on page 25.

During the 2014–15 reporting year, one association was granted funding for Professional Standards Grants project. Please refer to the Professional Standards Grants section on page 25.

## Consultants

Total spend on consultancy was \$16,881 derived from a total of eight engagements during the financial year.

For further details on consultancy spend please refer to Note 6 of the detailed expenditure statement on page 41.

## Overseas travel

Council Members did not undertake overseas travel in the reporting period.



## 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 2014–15:

- › Professional Standards Councils: Combined Annual Report 2013–14.

## Risk management and insurance activities

The risk management and internal audit practices of the Council and the OPSC are described on page 35.

## Privacy obligations

The Councils and the OPSC have continued to comply with the requirements of the *Privacy and Personal Information Protection Act 1998* (NSW).

The Council and the OPSC are currently in the process of developing new compliance management policies and procedures, which includes the protection of personal information and compliance with privacy obligations.

## Ethnic Affairs Priority Statement

The Council is governed by the 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's Environment Policy, which demonstrates a commitment to reducing the effects of operations on the natural environment. The 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 20 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 FSC certified paper and is made carbon neutral. The Council only prints the required number of annual reports and makes the report available online at [psc.gov.au](http://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 40 for the Professional Standards Council of NSW's revenue and expenses for 2014–15.

## Constitution of the Council

Members of the Professional Standards Council of the Northern Territory (NT) were entitled to attend six meetings for the year. Please refer to page 35 for a summary of meeting attendance.

## Administered legislation

The Professional Standards Council of NT assists the Minister in administering the *Professional Standards Act* (NT).

## Major legislative changes

No major changes were made to Professional Standards Legislation during 2014–15.

## Public interest disclosure

There were no public interest disclosures for the 2014–15 reporting period.

## 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.

## Work health and safety

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

## 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 40 for the Professional Standards Council of the NT's revenue and expenses for 2014–15.

## Public sector employment and management

The Professional Standards Council of NT did not have any compliance issues arising from the public sector standards and NT Code of Ethics during the reporting period.

## Ministerial directives

No ministerial directives were received during the reporting period.

# QUEENSLAND

## Constitution of the Council

Members of the Professional Standards Council of Queensland (Qld) were entitled to attend six meetings for the year. Please refer to page 35 for a summary of meeting attendance.

## Major legislative changes

No major changes were made to Professional Standards Legislation during 2014–15.

## Risk management and internal audit

Please refer to the Corporate Governance section on page 35.

## 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](http://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.

### Public interest disclosure

The Professional Standards Council of Queensland did not receive any disclosures covered under the *Public Interest Disclosure Act 2010* (Qld) during the reporting period.

### Consultants

For details of spend on consultancy, please refer to Note 6 of the detailed expenditure statement on page 41.

### Public sector employment and management

The Professional Standards Council of Qld did not have any compliance issues arising from the public sector standards and Qld Code of Ethics during the reporting period.

### Overseas travel

Council Members did not undertake overseas travel in the reporting period.

### 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 20 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 FSC certified paper and is made carbon neutral. The Council only prints the required number of annual reports and makes the report available online at [psc.gov.au](http://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 40 for the Professional Standards Council of Queensland's revenue and expenses for 2014–15.

### Ministerial directives

No ministerial directives were received during the reporting period.

## Constitution of the Council

Members of the Professional Standards Council of South Australia (SA) were entitled to attend six meetings for the year. Please refer to page 35 for a summary of meeting attendance.

## Major legislative changes

No major changes were made to Professional Standards Legislation during 2014–15.

## 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 2015.

## Organisation and functions

Please refer to page 29 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](http://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 41.

## 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.

## Work health and safety

OPSC staff are bound by the *Work Health and Safety Act 2011 (Cth)* 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 40 for the Professional Standards Council of South Australia's revenue and expenses for 2014–15.



## Constitution of the Council

Members of the Professional Standards Council of Tasmania (Tas) were entitled to attend six meetings for the year. Please refer to page 35 for a summary of meeting attendance.

## Major legislative changes

No major changes were made to Professional Standards Legislation during 2014–15.

## 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 40 for the Professional Standards Council of Tasmania's revenue and expenses for 2014–15.

## Constitution of the Council

Members of the Professional Standards Council of Victoria (Vic) were entitled to attend six meetings for the year. Please refer to page 35 for a summary of meeting attendance.

## Major legislative changes

No major changes were made to Professional Standards Legislation during 2014–15.

## Ministerial directives

No Ministerial directives 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 directives that require 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 20 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 FSC certified paper and is made carbon neutral. The Council only prints the required number of annual reports and makes the report available online at [psc.gov.au](http://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, 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 2014–15, 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 38 for the organisational structure of the OPSC which provides services and support to 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 40 for the Professional Standards Council of Victoria's revenue and expenses for 2014–15.

## Enabling legislation

The Professional Standards Council of Western Australia (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).

## Responsible Minister

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

## Organisational structure

For information regarding Council Members and their profiles, please refer to page 31.

## OPSC staff profile

Please refer to page 38 for the organisational structure of the OPSC which provides services and support to the Professional Standards Council of 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 2014–15.

## Shared responsibilities with other agencies

Please refer to the section on Intergovernmental agreements and the OPSC on page 37.

## 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 40 for the Professional Standards Council of WA's revenue and expenses for 2014–15.

## Compliance with Public Sector Standards and ethical codes

The Professional Standards Council of WA did not have any compliance issues arising from the public sector standards and WA Code of Ethics during the reporting period.

## Ministerial directives

No ministerial directives were received during the financial year.

## Capital works

The Council has no capital works projects.

## 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 2014–15.

## Governance disclosures

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

## Constitution of the Council

Members of the Professional Standards Council of WA were entitled to attend six meetings for the year. Please refer to page 35 for a summary of meeting attendance.

## Board and committee remuneration

Please refer to page 35 for a summary of the remuneration for each board and committee member.

## 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 2014–15 reporting period, no workers compensation claims were lodged, nor was any time lost from work as a result of illness or injury as shown in Table 10 below.

**TABLE 10. REPORT OF ANNUAL PERFORMANCE AGAINST TARGETS**

Measure	Target 2014–2015	Actual 2014–2015
Number 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:		
> 13 weeks	Greater than or equal to 80%	N/A
> 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

<b>ACT</b>	Australian Capital Territory
<b>ACS</b>	Australian Computer Society
<b>APIV</b>	Australian Property Institute Valuers Limited
<b>ATMA</b>	Association of Taxation & Management Accountants
<b>AVI</b>	Australian Valuers Institute (formerly Institute of Consulting Valuers)
<b>BAQ</b>	Bar Association of Queensland
<b>CAANZ</b>	Chartered Accountants Australia and New Zealand (formerly Institute of Chartered Accountants in Australia)
<b>CIRCEA</b>	College of Investigative and Remedial Consulting Engineers of Australia
<b>CPA</b>	CPA Australia Limited
<b>EA</b>	Engineers Australia
<b>GIPA</b>	Government Information (Public Access) Act 2009
<b>IPA</b>	Institute of Public Accountants
<b>LAW SOCIETY WA</b>	Law Society of Western Australia
<b>LIV</b>	Law Institute of Victoria
<b>LSNSW</b>	Law Society of New South Wales
<b>LSSA</b>	Law Society of South Australia
<b>NSW</b>	New South Wales
<b>NSW Bar</b>	New South Wales Bar Association
<b>NSW DJ</b>	New South Wales Department of Justice
<b>NT</b>	Northern Territory
<b>OPSC</b>	Office of the Professional Standards Councils located within the NSW Department of Justice which provides services and support to the Professional Standards Councils.
<b>PSIP</b>	Professional Standards Improvement Program
<b>PSLWG</b>	Professional Standards Legislation Working Group
<b>PSOA</b>	Professional Surveyors Occupational Association
<b>Professional association</b>	The terms 'professional association' and 'occupational association' (or 'association') are used interchangeably in this document.
<b>QLD</b>	Queensland
<b>QLS</b>	Queensland Law Society
<b>SA</b>	South Australia
<b>SA BA</b>	South Australian Bar Association
<b>Schemes</b>	Professional Standards Schemes approved and gazetted under Professional Standards Legislation.
<b>Secretariat</b>	The staff of the Office of the Professional Standards Councils, within the NSW Department of Justice.
<b>Tas</b>	Tasmania
<b>The Councils</b>	The Professional Standards Councils of the Australian Capital Territory, New South Wales, the Northern Territory, Queensland, South Australia, Tasmania, Victoria and Western Australia.
<b>VIC</b>	Victoria
<b>Vic Bar</b>	The Victoria Bar Inc
<b>WA</b>	Western Australia
<b>WA BA</b>	Western Australian Bar Association

## **ANNUAL REPORT 2014–2015**

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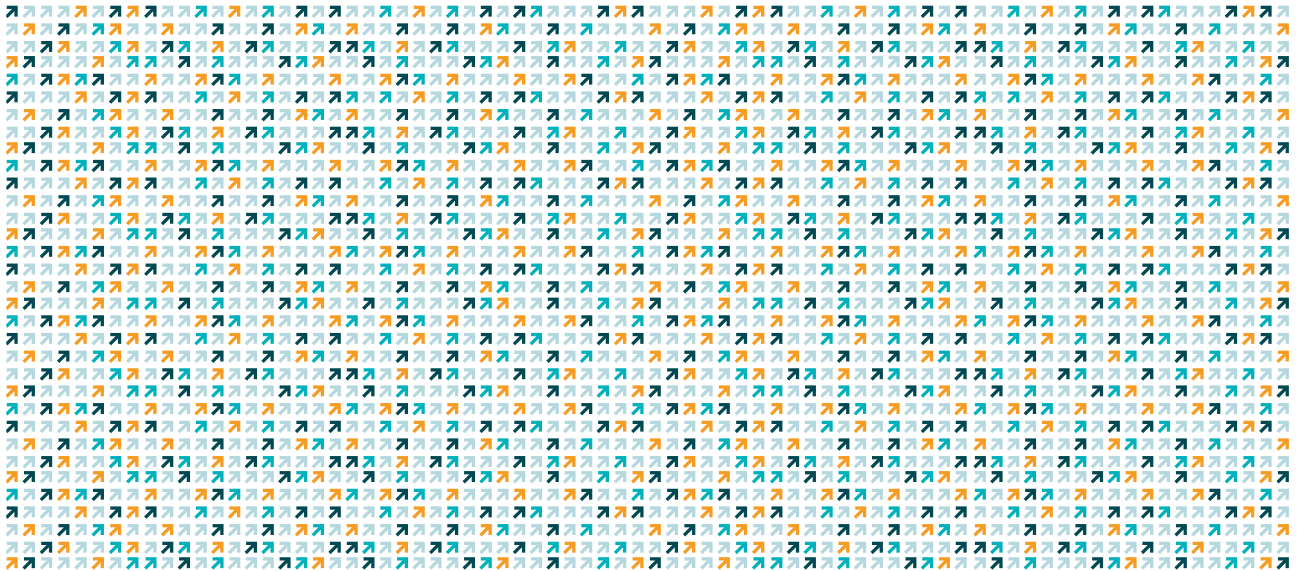
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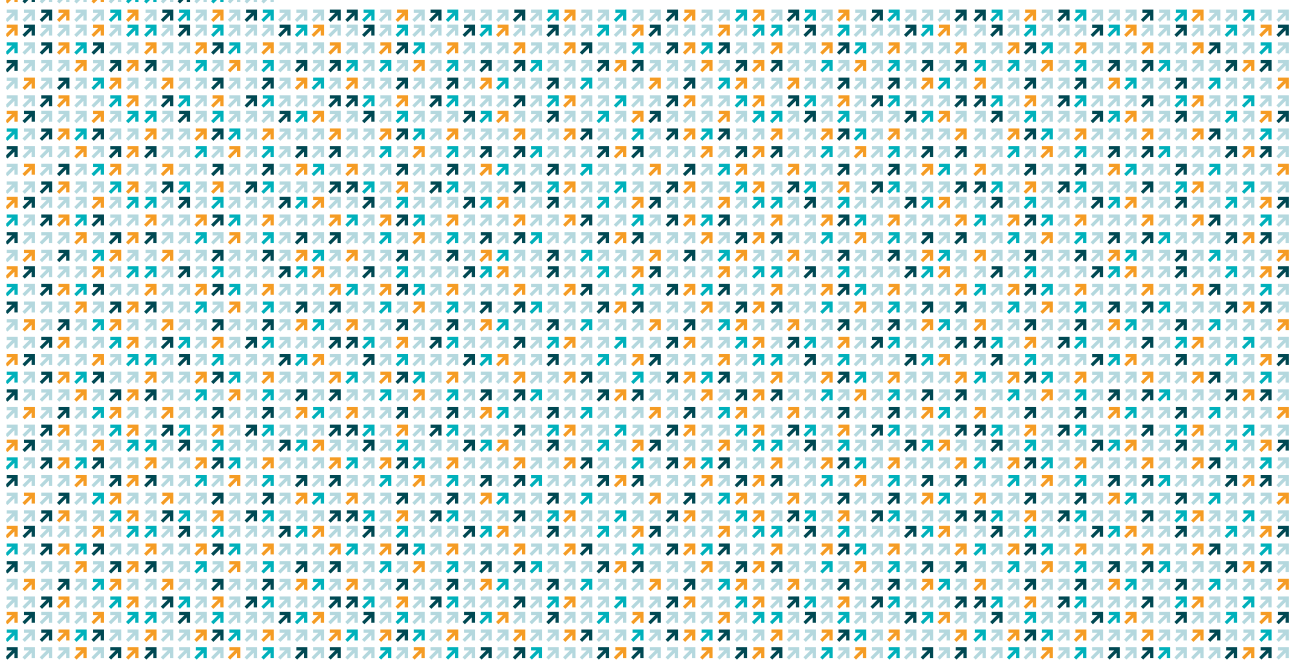
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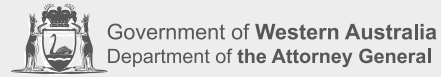
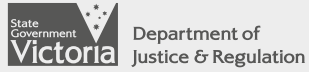
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