

ANNUAL REPORT

TWENTY FIFTEEN / SIXTEEN



PROFESSIONAL
STANDARDS
COUNCILS

**Protecting consumers
by improving professional
standards**

Letter to Ministers

Dear Ministers,

I am pleased to submit the 2015–16 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 2015 to 30 June 2016. 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 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

Chair

Professional Standards Councils

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The Chair's letter

As Chair, I am pleased to submit my 11th Annual Report on behalf of the Professional Standards Councils.

It has been a busy and positive year for the Councils and I would like to acknowledge my fellow Council Members for their continuous dedication and commitment. We welcome the appointment of Mr John Vines OAM who joined the Councils on appointment by the Attorney General in Victoria.

I would also like to acknowledge the work and support of the Professional Standards Authority (PSA). The Chief Executive Officer, Dr Deen Sanders, along with a team of experts, continues to provide invaluable service for our innovative regulatory system.

Over the last 12 months we saw growing recognition of the role that professional standards legislation can play in providing regulatory options for governments and improved consumer protection through professional associations. We have seen improved relations and recognition with the Federal Government with an increasing focus on professional standards in financial services as well as consideration of professional standards projects by a number of State governments.

The relocation of the PSA to the NSW Department of Finance, Services and Innovation, under the consumer protection ambit of Fair Trading has confirmed the strong alignment of regulation with innovation and consumer protection.

This year also represented another year of steady growth in regulatory coverage. The Councils monitored and oversaw Professional Standards Schemes nationally for 20 occupational associations, with 26 schemes covering a total of 68,173 members. In addition, Councils approved a total of five new schemes. These activities reflect positively on Australia's professional communities and their willingness to embrace professional standards regulation.

I commend this report to you and look forward to a year of continued focus on outcomes for consumers through improved professional standards and an expanded community of professions in the future.



Brian Rayment QC

Chair

Professional Standards Councils



Chief Executive Officer's report

It is with pleasure that I present our contribution to the Annual Report from the perspective of the Professional Standards Authority (PSA), as regulatory support agency for the Professional Standards Councils.

This year we finalised our celebration of 21 years of the *Professional Standards Act 1994* (NSW), with a new publication, *21 years of regulatory innovation through professional standards*. As a collection of academic articles and history of professional standards legislation it quickly became a sought after, informative resource amongst professional associations, industry groups, academics and government departments.

The opportunities for a stronger alignment between aspiring professions and consumer protection was also a strong theme of work throughout the year, with a number of new regulatory and policy activities emerging in the built environment sector. These activities were supported by a number of governments who are committed to professional standards becoming a constructive partner to statutory occupational regulation.



A collection of articles and history of Professional Standards Legislation: *21 years of regulatory innovation through professional standards*

This is also an active conversation in international regulatory environments and we participated at the international Council on Licensure, Enforcement and Regulation (CLEAR) conference (Boston, USA) presenting on our unique regulatory environment and model of professional regulation. We look forward to supporting an international event in Australia on this topic in 2017.

Operationally, this year also saw the PSA finalise its Machinery of Government transition into the NSW Department of Finance, Services and Innovation (DFSI). This had some temporary effects on our structure and staffing contingent that will be settled by the end of 2016. I'd like to thank the Secretary, Martin Hoffman, and the Fair Trading Commissioner, Rod Stowe, for providing a warm welcome and providing a smooth transition into the DFSI cluster.

In a year of significant governmental and organisational change, the extraordinary team of expert, dedicated PSA staff showed their unwavering commitment and steadiness as they delivered our services to government, business and the community. I thank them for their hard work and look forward to an exciting 2016–17.

A handwritten signature in black ink, appearing to read "Deen".

Dr Deen Sanders
Chief Executive Officer
Professional Standards Authority

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 limits 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, which affected 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 who 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. Before 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**



**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 Professional Standards Authority (PSA) 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.

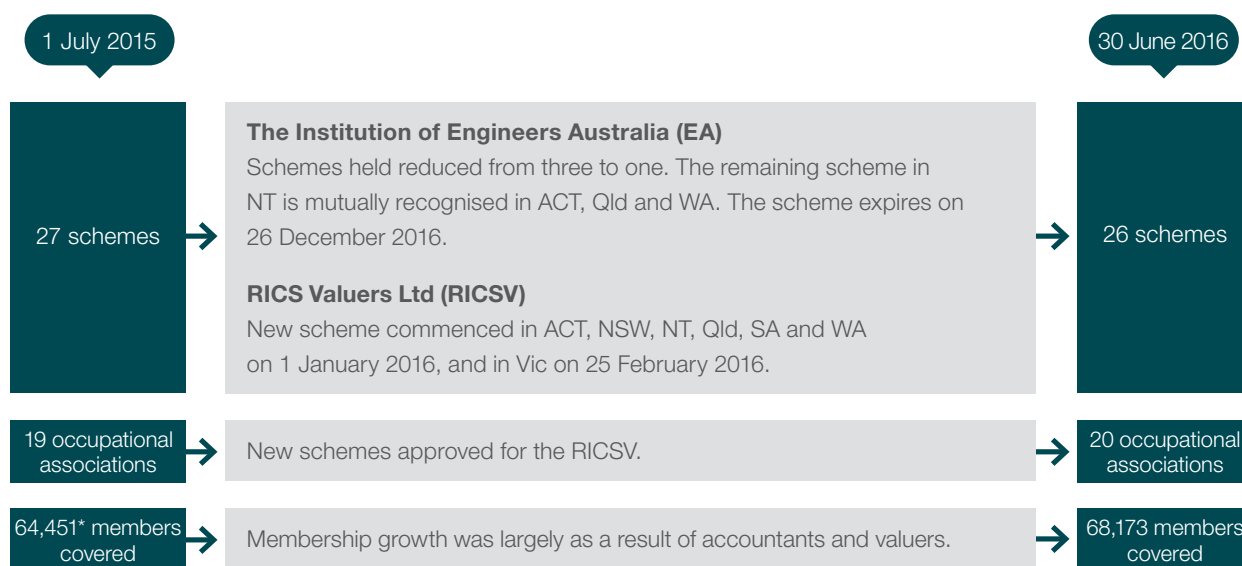
The Councils review these annual reports to make sure associations are meeting their obligations under Professional Standards Legislation. If an association doesn't meet its legislative requirements, the Councils can issue warnings, seek fines through the courts, or consider revoking the association's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

Scheme administration

During the 2015–16 reporting period, the Professional Standards Councils monitored and enforced Professional Standards Schemes for 20 occupational associations. Most schemes operate in multiple jurisdictions under mutual recognition. As at 30 June 2016, there were 26 schemes covering a total of approximately 68,173 members.

Figure 1 demonstrates the changes throughout the 2015–16 reporting period.

FIGURE 1. PROFESSIONAL STANDARDS SCHEME CHANGES 1 JULY 2015 – 30 JUNE 2016



* Methodologies for the calculation of member numbers have been reviewed and improved by the PSA, which has resulted in changes to some historical membership values disclosed in previous Annual Reports.

In 2015–16, the Councils approved a total of five Professional Standards Schemes for five associations as shown in Table 1, including associations that operate across multiple states and territories and schemes commencing in the 2015–16 financial year and due to commence in 2016–17. However, there are no longer any Professional Standards Schemes operating in Tasmania as the only Professional Standards Scheme approved in Tasmania has now expired.

TABLE 1. PROFESSIONAL STANDARDS SCHEMES APPROVED BY COUNCILS 1 JULY 2015 – 30 JUNE 2016

23 October 2015	Australian Computer Society (ACS) New scheme approved in NSW, where it commenced on 1 January 2016; it applies under mutual recognition in all other mainland jurisdictions.
23 October 2015	RICS Valuers Ltd (RICSV) New scheme approved in NSW, where it commenced on 1 January 2016; it applies under mutual recognition in all other mainland jurisdictions.
19 February 2016	Australian Property Institute Valuers Limited (APIV) New Scheme approved in NSW, where it commenced on 1 September 2016; it applies under mutual recognition in all other mainland jurisdictions.
19 February 2016	Law Institute of Victoria (LIV) New Scheme approved in Vic, where it commenced on 1 July 2016; it applies under mutual recognition in all other mainland jurisdictions.
15 April 2016	Queensland Law Society (QLS) New Scheme approved in Qld, where it commenced on 1 July 2016; it applies under mutual recognition in all other mainland jurisdictions.

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 Councils' support. Table 2 shows the schemes to which this provision was applied over the current reporting period.

TABLE 2. PROFESSIONAL STANDARDS SCHEMES EXTENDED 1 JULY 2015 – 30 JUNE 2016

Association	New expiry date
EA (NT)	Scheme to expire on 26 December 2016
APIV	Scheme to expire on 31 August 2016
LIV	Scheme to expire on 30 June 2016
QLS	Scheme to expire 30 June 2016

Throughout 2015–16, the Commonwealth prescribed the following schemes under the *Corporations Act 2001*, the *Australian Securities and Investments Commission Act 2001* and/or the *Competition and Consumer Act 2010*.

TABLE 3. PROFESSIONAL STANDARDS SCHEMES PRESCRIBED DURING 1 JULY 2015 – 30 JUNE 2016

Scheme prescribed	Date of prescription
ACS	25 February 2016
NSW Bar	25 February 2016
RICSV	25 February 2016

Additionally, there was a name change from ICAA to CA ANZ for the CA ANZ Professional Standards Schemes in ACT, NSW, NT, Qld, SA, Vic and WA under all three Commonwealth Acts.

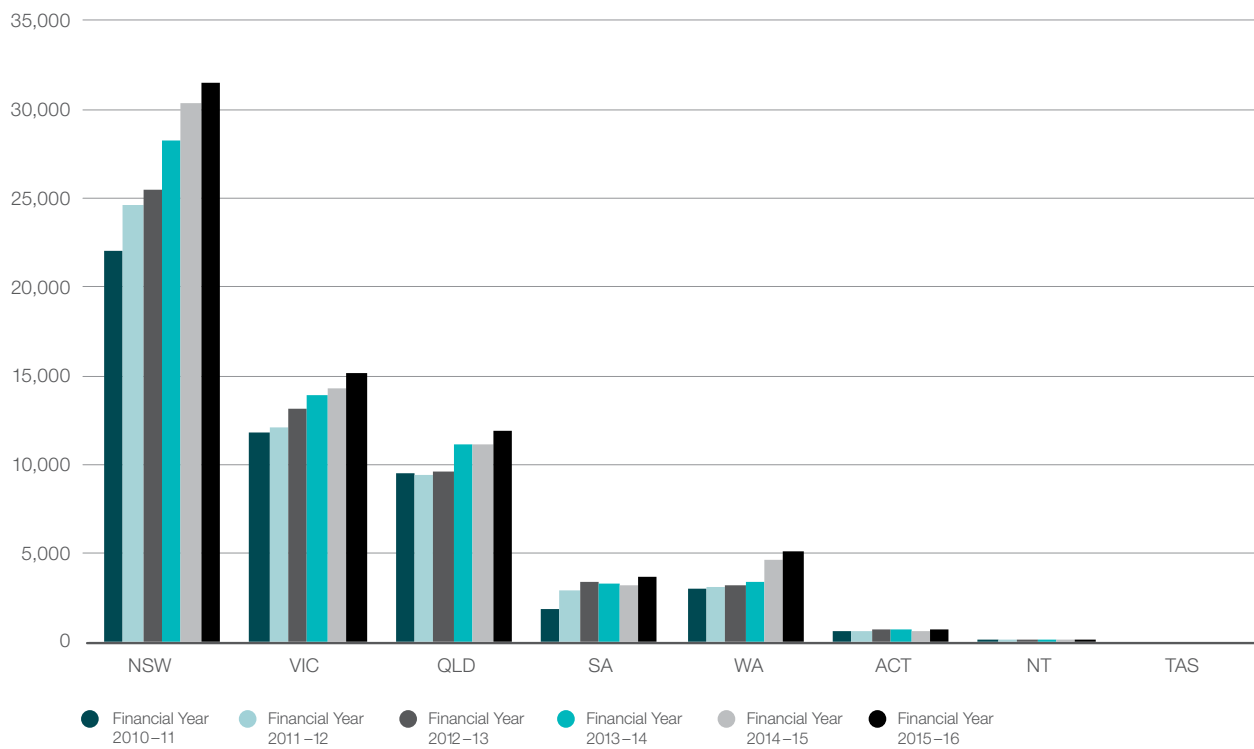
FIGURE 2. NUMBER OF PROFESSIONALS AND OCCUPATIONAL ASSOCIATIONS OPERATING UNDER PROFESSIONAL STANDARDS SCHEMES OVER THE PAST TEN YEARS



* Methodologies for the calculation of member numbers have been reviewed and improved by the PSA, which has resulted in changes to some historical membership values disclosed in previous Annual Reports.



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



* Methodologies for the calculation of member numbers have been reviewed and improved by the PSA, which has resulted in changes to some historical membership values disclosed in previous Annual Reports.

Note: CPA scheme member participants are shown in their domiciled state or territory as opposed to the jurisdiction of the scheme (NSW).

TABLE 4. PROFESSIONAL STANDARDS SCHEMES

Association	Profession	Members	Limitation liability	Start date	End date
ACT					
CA ANZ	Accountants	661	\$2m to \$75m	08/10/14	07/10/19
Mutual recognition	NSW – ACS, CPA, NSW Bar, CIRCEA, PSOA, APIV, RICSV				
	NT – EA				
	QLD – BAQ				
	SA – SA BA, LSSA				
	VIC – ATMA, LIV, Vic Bar				
	WA – WA BA, LSWA				
NSW					
CA ANZ	Accountants	11,004	\$2m to \$75m	08/10/14	08/10/19
CPA*	Accountants	6,876	\$2m to \$75m	08/10/13	07/10/17
IPA	Accountants	1,505	\$1m to \$20m	01/01/13	31/12/17
NSW Bar	Barristers	2,242	\$1.5m	01/07/15	30/06/20
CIRCEA	Engineers	15	\$1m, \$5m or \$10m	28/02/13	27/02/18
ACS	IT	7	\$1.5m	01/01/10	31/12/15
			\$1.5m	01/01/16	31/12/17
LSNSW	Lawyers	10,355	\$1.5m to \$10m	28/02/13	27/02/18
PSOA	Surveyors	39	\$1m to \$30m	11/11/13	10/11/18
APIV	Valuers	4,447	\$1m to \$20m	01/09/10	31/08/16
RICSV	Valuers	NIL	\$1m to \$20m	01/01/16	31/12/20
Mutual recognition	QLD – BAQ				
	SA – SA BA, LSSA				
	VIC – ATMA, EA, LIV, Vic Bar				
	WA – WA BA, LSWA				
NT					
CA ANZ	Accountants	132	\$2m to \$75m	08/10/14	07/10/19
EA	Engineers	16	\$1.5m to \$20m	27/12/10	26/12/16
Mutual recognition	NSW – ACS, CPA, NSW Bar, CIRCEA, PSOA, APIV, RICSV				
	QLD – BAQ				
	SA – SA BA, LSSA				
	VIC – ATMA, LIV, Vic Bar				
	WA – WA BA, LSWA				
QLD					
CA ANZ	Accountants	4,456	2m to \$75m	08/10/14	07/10/19
BAQ	Barristers	973	\$1.5m	01/07/13	30/06/18
QLS	Lawyers	5,116	\$1.5m or \$10m	01/07/10	30/06/16 ⁱ

* Total number under mutually recognised scheme represents 82 in ACT, 21 in NT, 1,339 in QLD, 315 in SA, 2,464 in VIC and 817 in WA. This scheme commenced on 8 October 2013 in NSW, and on 1 February 2014 in other jurisdictions.

i. New scheme starting 1 July 2016, which is not in this reporting period.

Association	Profession	Members	Limitation liability	Start date	End date
QLD					
Mutual recognition	NSW – ACS, CPA, NSW Bar, CIRCEA, PSOA, APIV, RICSV				
	NT – EA				
	SA – SA BA, LSSA				
	VIC – ATMA, LIV, Vic Bar				
	WA – WA BA, LSWA				
SA					
CA ANZ	Accountants	1,978	\$2m to \$75m	08/10/14	07/10/19
SA BA	Barristers	213	\$1.5m	01/01/12	31/12/16
EA	Engineers	NIL	\$1.5m to \$20m	01/09/09	31/08/15
LSSA	Lawyers	1,149	\$1.5m or \$10m	01/01/12	31/12/16 ⁱⁱ
Mutual recognition	NSW – ACS, CPA, NSW Bar, CIRCEA, APIV, RICSV				
	QLD – BAQ				
	VIC – ATMA, LIV, Vic Bar				
	WA – WA BA, LSWA				
TAS					
Professional Standards Schemes	Nil				
Mutual recognition	No provision in the legislation				
VIC					
ATMA	Accountants	361	\$1m to \$100m	01/01/13	31/12/17
CA ANZ	Accountants	7,159	\$2m to \$75m	08/10/14	07/10/19
Vic Bar	Barristers	979	\$2m	01/07/14	30/06/19
EA	Engineers	NIL	\$1.5m to \$20m	19/01/10	18/01/16
LIV	Lawyers	4,190	\$1.5m or \$10m	01/07/10	30/06/16 ⁱⁱⁱ
Mutual recognition	NSW – ACS, CPA, NSW Bar, CIRCEA, PSOA, APIV, RICSV				
	QLD – BAQ				
	SA – SA BA, LSSA				
	WA – WA BA, LSWA				
WA					
CA ANZ	Accountants	2,858	\$2m to \$75m	08/10/14	07/10/19
LSWA	Lawyers	1,232	\$1.5m or \$10m	01/07/14	30/06/19
WA BA	Barristers	210	\$2m	01/07/14	30/06/19
Mutual recognition	NSW – ACS, CPA, NSW Bar, CIRCEA, APIV, RICSV				
	NT – EA				
	QLD – BAQ				
	SA – SA BA, LSSA				
	VIC – ATMA, LIV, Vic Bar				

ii. Extension requested to 30 June 2017.

iii. Extended to 30 June 2016. Replacement scheme approved and gazetted for commencement 1 July 2016.

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 professional community and is vital to protecting consumers.

The annual Professional Standards Improvement Program (PSIP) Report expected from each professional association is required under the legislation. It also reflects the self-regulatory commitments that each association makes to improve professional standards in their community.

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

Professional Standards Improvement Program Reports for calendar year 2015

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

The Professional Standards Authority (PSA) updated the reporting template in 2015, due in part to deficiencies identified in associations' previous responses to PSIPs, and partly to further clarify the Councils' regulatory assurance strategy and requirements from associations in the PSIP process.

Key changes included:

- Requesting additional data relating to the association and scheme administration, including:
 - Asking associations to identify and attach all documents that specify the relationship between the association and its members, to reflect that most associations do not have one discrete membership agreement.

- The addition of a new section, Section 1.5 Discretionary caps and exemptions, which asks associations to provide the number of members applying for a discretionary increase in their liability cap or an exclusion from a scheme, and the criteria and process to be applied by the association.
- Enhancing data provided by associations on their monitoring of compliance with scheme elements through:
 - The inclusion of an individual table to be completed for each of the five scheme requirements;
 - Detailing monitoring activities that have been carried out;
 - The outcomes and results of this monitoring, and the audit activity of the association.
- Expanding claims data captured by associations, by advising that notifications data and analysis be provided for the reporting cycle, as well as for claims data.
- Improving associations' complaints and discipline data through the inclusion of three new tables for associations to complete. This includes requesting information on complaints received and their resolution, the root causes of complaints, and the average time taken by the association to resolve complaints.

- › Ensuring associations are aware that no modifications to their complaints and discipline system or association insurance standards should be made without notification to the Professional Standards Councils. This is done by asking associations to review data provided in their most recent scheme application, and advise of any changes.

Improved annual reporting format uptake

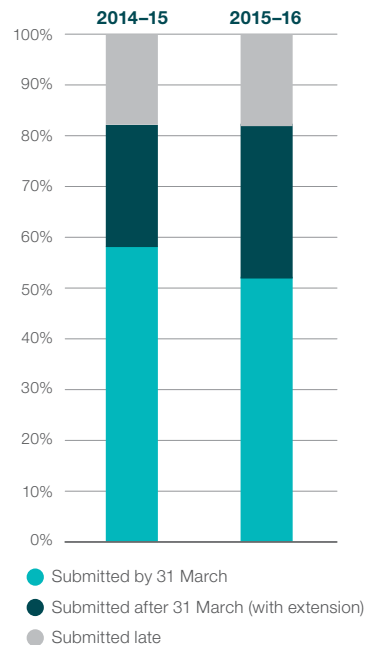
The new PSIP reporting template was distributed in December 2015 with associations required to report on the calendar year 2015 on or before 31 March 2016. The PSA worked with associations on their uptake of the new PSIP template. The updated elements of the template required additional information which tested existing systems and processes, and extra attention to data handling was required by associations.

Generally, the updated PSIP reporting template generated an improved response from associations in terms of delivery of information, compliance, risk analysis and strategies implemented/proposed, and the clarity of reporting for regulatory purposes.

Some general outcomes of the 2015 PSIP include:

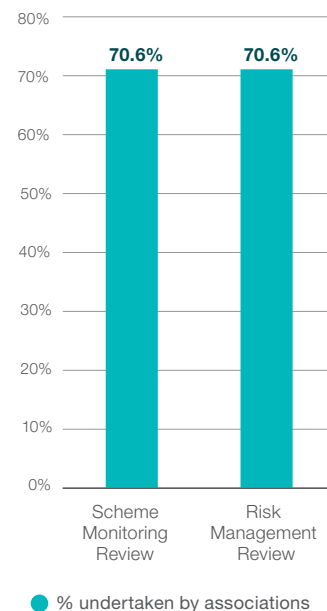
- › Fifteen of 17 scheme associations submitted their PSIP in the new template form. The Professional Surveyors Occupational Association and South Australian Bar Association submitted their 2015 PSIP reports in the 2014 PSIP report format, and as a result did not adequately respond to a number of elements of the 2015 PSIP report.
- › Associations' 2015 reports were assessed across 10 elements: association and scheme governance data; scheme monitoring activities; scheme monitoring improvements; risk analysis; risk management system improvements; complaints and discipline data; complaints handling system improvements; notifications and claims data; association insurance standards; and oversight, member certification, and declaration.
- › PSIP submission times were largely the same as 2014. This year 10 scheme associations (52.6%) submitted their PSIP report within 24 hours of the 31 March deadline. Six scheme associations were granted extensions and provided their reports within one month of the deadline, and the Law Institute of Victoria submitted its report on 12 April 2016 (four days after its revised deadline, following the grant of an extension). The Association of Taxation and Management Accountants and the Victorian Bar Association provided their annual reports on 17 June 2016 (78 days late).

FIGURE 4. PSIP SUBMISSION TIMES. COMPARISON 1 JULY 2014 – 30 JUNE 2015 AND 1 JULY 2015 – 30 JUNE 2016



- › This year's reporting demonstrated a healthy cycle of work by associations in regards to:
 - Scheme Monitoring Review
 - Risk Management Review (see Figure 5)

FIGURE 5. PSIP REVIEW ELEMENTS



Common areas for improvement identified

Although the general response was positive, the PSA identified a number of deficiencies arising from the analysis of the 2015 PSIP reports. The deficiencies will form the targeted areas of improvement for the PSA to work with individual associations to improve throughout 2016.

THE PSA WILL BE WORKING WITH ASSOCIATIONS TO ENSURE THE IMPROVED INTEGRATION OF DATA

The opportunity for improvement in self-regulatory programs includes:

- › **Analysis and/or discussion of trends identified by complaints and discipline, and notifications and claims data, and the proposal and implementation of risk management strategies in response.** There is a general need for improvement in some associations' analysis of complaints and discipline, or notifications and claims data. A number of associations failed to identify trends or the root cause of complaints made. Associations typically conduct superficial analysis of data, for example merely categorising claims and complaints, rather than investigating their cause. The PSA will be working with associations to ensure the improved integration of data and associations' risk management strategies, so that analysis of data feeds into the revision of the association's risk management plan, and new risk management strategies that are proposed or have been implemented.
- › **Reporting on the overall effectiveness of risk management strategies in relation to containing risks, complaints and claims, and any proposed or implemented changes to those strategies.** There was a generalised inadequacy of associations' assessment of the effectiveness of their risk management strategies, with a tendency to simply deem existing controls effective, and assert that no additional controls were needed. Associations

as a whole did not integrate notifications and claims, or complaints and discipline data into their assessment of the overall effectiveness of their risk management strategies.

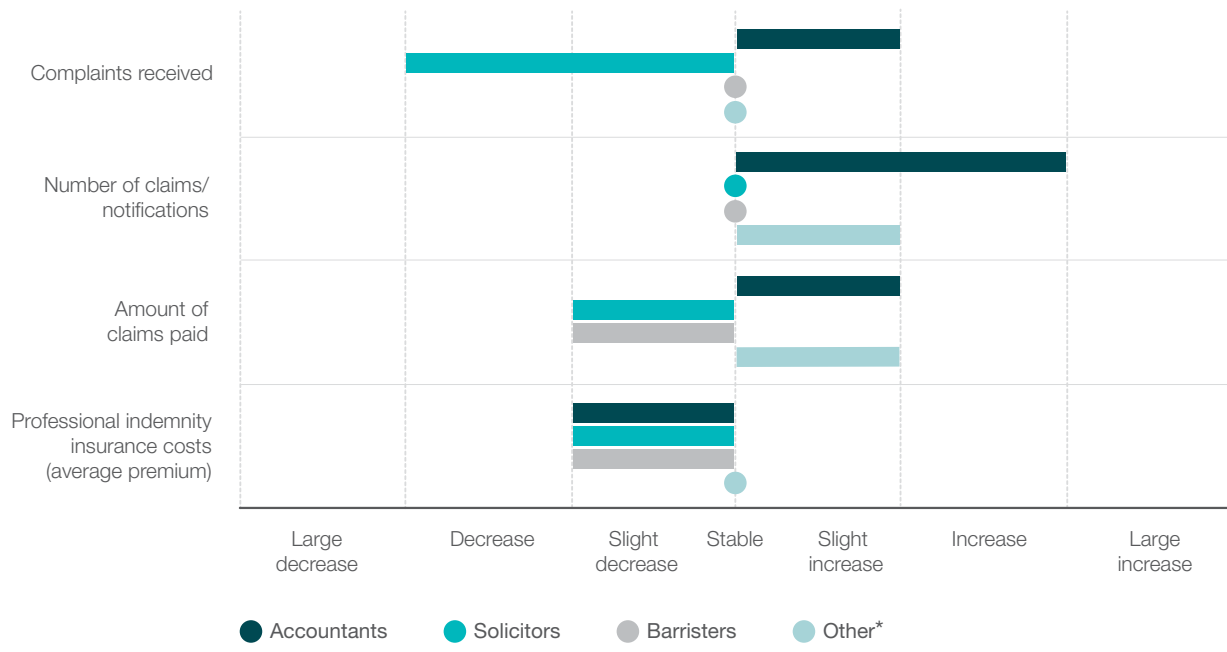
- › **Improving associations' membership agreement and/or renewal to include a positive undertaking to comply with the Professional Standards Legislation (PSL), and scheme requirements.**

Associations' membership forms and renewals did not include a specific undertaking to comply with requirements of the PSL, such as provision of notifications and claims, complaints and discipline, professional indemnity insurance data, and responding to PSL-based surveys. Many association's membership forms and invoices made no specific mention of the existence of the Professional Standards Scheme, or participation in the scheme. The PSA will be working closely with associations to ensure that all associations have in place a clear agreement between the scheme member and the association so that participation in a scheme, and the requirements of participation in a scheme, are fully disclosed and transparent.

Industry sector comparison on compliance elements

Analysis of the 2015 PSIP data, when compared to the previous year, indicates changes in trends within professions, as well as across professions. Overall, the associations reported a reduction in complaints. There was a slight increase in the number of claims but a reduction in the dollar value of claims. Generally, professional indemnity insurance premium costs have fallen slightly or remained stable. See Figure 6 for a breakdown by professional group.

FIGURE 6. 2015 PSIP INDICATOR MOVEMENTS IN COMPARISON TO THE PREVIOUS FIVE-YEARS



*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.

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 2015 PSIP data against previous five year 2010–14 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 improved risk management strategies being reported by associations. Two areas of focus in the 2015 PSIP were increased engagement of associations in scheme management and risk management reviews, and improved Five Year Risk Management Plans and risk management frameworks.

- › All associations adopted the process of having their governing bodies review and endorse their PSIP reports prior to submission to the Professional Standards Councils. This represents a marked increase from the 2013 and 2014 reports, signifying continuing commitment of the associations' management teams to their obligations under the Professional Standards Legislation.
- › The Institute of Public Accountants and Western Australian Bar Association, both conducted a review of all five elements of scheme monitoring, and of their respective association's management and treatment of risks. Both associations also saw a measurable improvement in their compliance with annual reporting obligations.

- › CPA Australia (CPA) and the Australian Property Institute Valuers Limited (APIV) each demonstrated commendable engagement in review processes. Each association conducted **managerial reviews of all five elements of scheme monitoring, and formal reviews of their risk management strategies and processes.**

The CPA Board, in conjunction with management, undertook an annual review of its Strategic and Operational Risk in September 2015. They, along with CPA's Audit & Risk Committee, used the review in their development of CPA's Internal Audit Program. This risk assessment included documentation of new and emerging risks, and amendments to existing controls.

APIV conducted a number of risk reviews with relevant stakeholders in 2015, including the Australian Property Institute National Council and APIV Board and National Leadership Team, in reviewing APIV's Five Year Risk Management Plan and Risk Register. APIV provided details of the outcome of these reviews, including the identification of new and emerging risks, and the need to review controls for existing risks.

- › The Law Society of Western Australia (LSWA) developed and implemented an **integrated Risk Management and Compliance Framework** consistent with *ISO 31000: 2009 Risk management – Principles and guidelines* and *ISO 19600:2014 Compliance management systems – guidelines*. This framework includes an amended Five Year Risk Management Plan; Professional Liability and Standards Risk and Control Register; and Scheme Compliance Risk and Control Register; alongside Key Risk Indicators (KRIs) for control strategies. Risk management strategies are now based on significant risks identified through a thorough risk identification and assessment exercise conducted by the LSWA. Performance measures on which the LSWA scheme are to be monitored and reported on are set out within the framework. This includes its risk management and compliance performance, and the performance of scheme members. The LSWA has developed a cohesive compliance program, and has developed and revised its risk management framework to ensure the existence of a comprehensive Five Year Risk Management Plan reflecting the operations and exposure areas of the LSWA.

Regulatory assurance action

The Professional Standards Councils have a number of regulatory assurance powers, including but not limited to, reviewing a scheme and initiating the revocation of a scheme.

During the year two associations, the Association of Taxation & Management Accountants and the College of Investigative and Remedial Consulting Engineers of Australia, were given directions for compliance letters by the Councils. The associations have indicated their commitment to resolving these outstanding issues and working with the PSA. As at 30 June 2016, these regulatory assurance actions are ongoing.

These two regulatory assurance actions illustrate the Professional Standards Councils' obligations to take regulatory assurance actions when associations are non-compliant with Professional Standards Legislation.



Association support programs

The Professional Standards Councils have a long-term objective to raise the capacity of occupational associations to improve professional standards and to self-regulate effectively. From 2010 to 2015 Councils' key support initiatives were in the form of Grants programs.

During 2015–16 the Councils reviewed the Grants programs and other options for association support into the future, and

determined that the Grants programs were not the most effective means of meeting the Councils' objectives.

In April 2016 the Councils embarked on a new strategy based on an integrated program of research, technical resources and association development. The initial focus of this strategy is the development of an Online Resource Centre. The Online Resource Centre is a long-term

project to provide information, tools and reference materials on the professions, professional standards and regulation.

Options for other future association support programs will be considered by Councils during 2016–17.

In adopting this new strategy Councils have suspended the Grants programs, putting a hold on further grant offers.



Grants programs

Prior to their suspension by the Councils in April 2016 there were two Grants programs:

- › Research Grants funding evidence-based studies into improving and advancing professional standards in Australia, and
- › Professional Standards Grants funding projects that help associations and their members improve their professional standards frameworks.

Since 2011 the Councils have awarded a total of \$931,000 to grant projects. Information on past grant projects are published on the Councils' website.

Research Grants

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

Research Grants were not offered in the 2015–16 financial year.

Three ongoing Research Grant projects were completed in 2015–16. The remaining two did not proceed due to internal reasons.

TABLE 5. RESEARCH GRANT PROJECTS CONTINUING IN 2015–16

Recipient	Project	Amount awarded	Funding distributed in 2015–16	Status
Creative Consequence	Assessing Australia's unique approach to professions – a creative solution to a persistent problem	\$40,000 (December 2013)	\$40,000	Completed August 2015
SOCAP and Monash University	Professional standards for complaints managers and handlers	\$55,000 (December 2013)	\$15,000	Completed August 2015
The Tax Institute	Professional standards and code of professional conduct for the tax profession	\$43,575 (December 2013)	Nil	Did not proceed
Vic Bar	Quality criminal trials – baseline measurements	\$38,700 (December 2014)	Nil	Did not proceed
Knowledge Commercialisation Australasia	Knowledge transfer in Australia: is there a route to professionalisation?	\$98,000 (December 2014)	\$98,000	Completed June 2016

Professional Standards Grants

The Professional Standards Grants program aimed to improve professional standards in Australia, and enhance the standards and practice of scheme associations and their members.

These grants were open only to those associations operating under a Professional Standards Scheme, and their members.

One Professional Standards Grant of \$61,900 was awarded to the Law Society of South Australia (LSSA) in 2015–16.

TABLE 6. PROFESSIONAL STANDARDS GRANT PROJECTS AWARDED IN 2015–16

Recipient	Project	Amount awarded	Funding distributed in 2015–16	Status
LSSA	Health and Wellbeing Package for the Legal Profession	\$61,900 (December 2015)	Nil	Funding Agreement under development

Four Professional Standards Grants projects awarded in previous years were continued into 2015–16. Of the four recipients, two completed their grant project during the year and the remaining two withdrew from the grant during the year for internal reasons.

TABLE 7. PROFESSIONAL STANDARDS GRANT PROJECTS CONTINUING IN 2015–16

Recipient	Project	Amount awarded	Funding distributed in 2015–16	Status
ICAA (CA ANZ)	Interactive quality assurance review for small-medium accountancy practices	\$50,000 (May 2013)	\$9,773	Completed May 2016
NSW Bar	New barrister assessment program	\$57,000 (August 2014)	\$40,925	Completed June 2016
APIV	Australian Property Institute professional compliance project	\$57,000 (June 2015)	Nil	Did not proceed
CA ANZ	Interactive quality assurance questionnaires for small and medium practices conducting audit engagements	\$68,000 (June 2015)	Nil	Did not proceed

Research and thought leadership

The Councils support research that expands academic and community knowledge in professional standards and regulation.

The research strategy is designed to deliver benefits to professions and their members. It aims to generate debate and interest in regulatory design, professional standards and Professional Standards Legislation.

ARC Linkage Project

During 2015–16 substantial progress was made on the three year Australian Research Council Linkage Grant project ‘Professions in the 21st Century: Regulatory Engagement, Design and Strategy’ led by the University of NSW in partnership with the Professional Standards Councils. This three-year project commenced in March 2015, and the Councils reviewed the project’s progress against budget and schedule in December 2015.

The Australian Research Council (ARC) is funding the project to the amount of \$520,070 over three years. The Professional Standards Councils contributed \$100,000 during 2015–16 and are contributing a total of \$300,000 over the duration of the project.

The University of NSW is the principal administering organisation for the grant. The other partner organisations for the project are the University of Technology Sydney, Griffith University, Harvard University, University College Dublin, University of Leeds, and industry partners Allens, Corrs Chambers Westgarth, and the Investment Industry Association of Canada.

The project investigates the challenges faced by professionals in the 21st century, and evaluates different mechanisms for professional regulation. The significance of the project is that it considers professional regulation from both a theoretical and practical perspective, and will utilise research to develop practical resources for professional associations and professionals.

During 2015–16 a project workshop and a public symposium were held and research papers were delivered on the following topics:

- ▶ Mapping models of professional regulation across the globe
- ▶ Professions in the twenty-first century
- ▶ The Exam as Panacea
- ▶ Professional Indemnity Insurance as a regulatory mechanism for professions.

The research will produce a body of evidence on professional regulation, professional obligation and Professional Standards Legislation that can be used for policy development.

Built environment sector research

A sectoral review of the built environment professions was completed in December 2015. This three-stage desktop study:

- ▶ Identified the professions and analysed the capability of sector associations
- ▶ Analysed the regulatory environment across jurisdictions and professions
- ▶ Analysed industry, public and consumer risks across professions.

This research is part of a series of research projects focussed on professions and professionalisation within Australia’s services sector.



ORGANISATIONAL STRUCTURE

Structure of the Professional Standards Councils

There are eight Professional Standards Councils – one in each Australian state and territory. The relevant minister in each state or territory appoints members to the Councils under the relevant legislation in each jurisdiction.

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

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

The eight Councils work with the Professional Standards Authority (PSA) 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.*

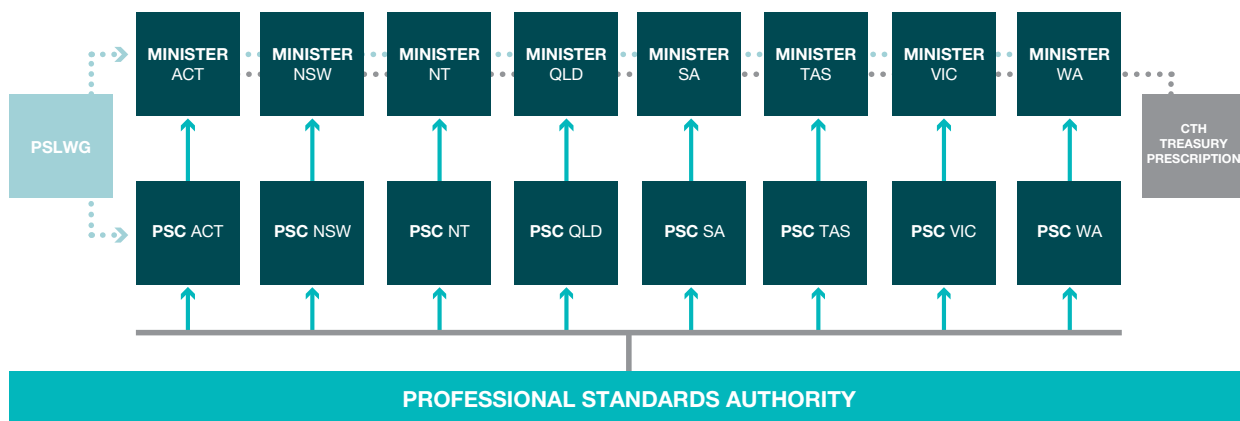
Each Council comprises a Chair, Deputy Chair and Councillors. The Councils may establish committees and advisory groups to meet as required over the year.

Each of these committees and advisory groups may make recommendations to the 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 NSW Department of Finance, Service and Innovation, and from the Department of Attorneys General in every other 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 and review, and Professional Standards Scheme issues.

FIGURE 7. ORGANISATIONAL STRUCTURE AND REPORTING LINES AS AT JUNE 2016



National framework of legislation

The success of Australia's Professional Standards Legislation regime relies on the positive and effective partnership of Attorneys General, the NSW Minister for Innovation and Better Regulation, and their respective departments.

The Councils thank the following contact officers from each state, territory and the Commonwealth during 2015–16:

ACT

- › Katie Harbon
- › Pam Jenkins
- › Tania Manuel
- › Kevin Campbell

NSW

- › Colleen Dreis
- › Regina Haertsch
- › Darryl Mock

NT

- › Rosslyn Chenoweth
- › Jonathan Avila
- › Robert Bradshaw

Qld

- › Imelda Bradley
- › Melanie Wright
- › Chantelle Brown
- › Kimberley Fielding

SA

- › Andrew Thompson
- › Elissa Hoffman

Tas

- › Emma Gunn
- › Catherine Vickers
- › Tim Mills

Vic

- › Warwick Mitchell
- › Louise Dowling
- › Nicola Caon

WA

- › Irene Kempa
- › Lara Douglas
- › Basil Schutz
- › Mark Hainsworth

Cth

- › Jessie Coronakes Peads
- › Andrew Fragomeli



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

Chair
BA, LLB

Brian Rayment was admitted to the NSW Bar in 1970 and took silk in 1982. He practises throughout Australia, specialising in insurance, shipping and general equity and 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 chair of the Professional Standards Councils since 2004.



Esther Alter

Deputy Chair
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.

THE COUNCILS' MEMBERS HAVE EXPERIENCE ACROSS A DIVERSE RANGE OF INDUSTRIES AND SPECIALITIES



Robert Beaton

BArch (Hons), BSc (Arch), LLB

Robert Beaton has more than 40 years experience across all aspects of professional risk insurance. He was Chair 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

BCom, 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 (QLS) 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.



Tom Karp

BA (ActStud) (Hons)

Tom Karp is an actuary with 18 years experience working with 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 Association of Professional Engineers, Scientists and Managers, Australia (now Professionals Australia) for more than 20 years, and is a member of the University of Canberra Council.



Tiina-Liisa Sexton

BCom, 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

BCom, LLB (Hons),
Grad Dip Mgt Psych, 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.

He 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.



John Vines OAM

Dip Civ Eng, BEc, MBA

John Vines is the newest member of the Council, appointed as a Victorian representative to the Professional Standards Councils. John brings a wealth of experience in governance. He chairs the Innovation and Business Industry Skills Council (IBSA) and the Austbrokers Countrywide Financial Services Group. He is a Director of Carroll and Richardson and Premium Plantations Project, and a Fellow of the Australian Institute of Company Directors and Engineers Australia.

From 1984–2008 he was Chief Executive Officer of the Association of Professional Engineers, Scientists and Managers, Australia (now Professionals Australia). He has been a member of a number of government boards and inquiries.

John was awarded the Order of Australia Medal in 2001 and in 2003 he was also awarded a Centenary of Federation Medal.



Rachel Webber

BJuris, LLB

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 and also the Commercial Law Committee of the Law Society of Western Australia. Rachel lectures at the College of Law and is a regular guest lecturer for the Governance Institute.

Corporate governance

Each Professional Standards Council is established under the respective 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 Chair and the Deputy Chair), 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.

Table 8 shows the remuneration of the Council members for 2015–16. The average sitting time of the Council members during 2015–16 was four hours per meeting. The remuneration of Committees and advisory groups is consistent with the Councils' remuneration arrangements. The Chair was paid an annual retainer of \$2,640, for out-of-session work and related activities.

The Chair was paid \$608 per Council or Committee meeting attended. Other Council members (including the Deputy Chair) were paid \$370 per meeting. These amounts were payable for a standard four-hour meeting. For longer meetings, the Chair 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 Chair and all Council members were concurrently appointed to the WA Professional Standards Council for the entire 2015–16 financial year, receiving the gross/actual remuneration shown in Table 8. As indicated above, the amounts were paid per meeting, except for the Chair's retainer that was paid annually.

**EACH
PROFESSIONAL
STANDARDS
COUNCIL IS
ESTABLISHED
UNDER THE
RESPECTIVE
STATE AND
TERRITORY
PROFESSIONAL
STANDARDS
LEGISLATION**

TABLE 8. COUNCIL MEMBERS' REMUNERATION RATES AND MEETING ATTENDANCE

Role	Standard remuneration	No. meetings held
Chair	\$608.00	6
Council member	\$370.00	6

Name	Role	State representation	Councils' meetings attended	Committee meetings attended	Remuneration	Tenure
Brian Rayment QC	Chair	NSW	6	2	\$11,580.72	2005
Esther Alter	Council member	VIC	6	6	\$7,070.42	2005
Robert Beaton	Council member	NSW	6	3	\$5,447.41	2005
Julie Cameron	Council member	QLD	2	0	\$2,058.60	2010
Terry Evans	Council member	SA	6	4	\$5,800.99	2006
Tom Karp	Council member	CTH	5	0	\$4,217.94	2010
Jo Metcalfe	Council member	ACT	5	3	\$4,807.42	2006
Tiina-Liisa Sexton	Council member	TAS	6	5	\$6,377.18	2012
Iain Summers	Council member	NT	6	3	\$5,894.41	2006
John Vines OAM	Council member	VIC	3	0	\$1,974.29	2016
Rachel Webber	Council member	WA	6	1	\$5,534.13	2013

NOTES**Note 1**

- › Standard remuneration rates are based on a meeting of up to four hours.
- › Chair 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 2016.

Note 2

- › The Chair receives a retainer of \$2,640.00 a year.

Note 3

- › In addition to standard remuneration, council members are entitled to Superannuation Guarantee contributions at the rate of 9.50%, subject to the requirement that the Council member earns more than \$450 (before tax) in a calendar month.

Committees

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

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

The PSA 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
- › Jo Metcalfe
- › Tiina-Liisa Sexton.

Governance and Operations Advisory Group

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

The members are:

- › Terry Evans (Chair)
- › Jo Metcalfe
- › Tom Karp
- › John Vines OAM (from April 2016).

Law Reform Working Group

This advisory group reviews the Professional Standards Legislation, with a view to providing recommendations to the Councils at future meetings on the potential areas requiring statutory amendment.

The members are:

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

Grants Committee

This committee has overseen 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.

Professional Standards Authority

The Professional Standards Authority (PSA) provides support services for the Professional Standards Councils. It provides services to all state and territory governments and their relevant Councils pursuant to the intergovernmental agreements.

Since 1 July 2015 the PSA became a business unit of the Fair Trading Division of the NSW Department of Finance, Services and Innovation.

The PSA supports the Councils in promoting professional standards and consumer protection through thought leadership and education. The PSA provides and obtains expert analysis to assist the Councils' consideration of applications for Professional Standards Schemes, and administer and monitor the schemes.

The PSA delivers a variety of services to a large and diverse range of stakeholders. During 2015–16, it administered 26 schemes across Australia that covered accountants, valuers, computer professionals, engineers, solicitors and barristers.

The PSA delivers the services to Councils that are set out in Schedule 1 of the Professional Standards Inter-Departmental Service Agreement 2013. These include assisting Councils to approve, renew, amend or revoke schemes; maintaining the Councils' website; monitoring and administering schemes; payment of invoices for Councils' costs; facilitating Council, committee and advisory group meetings; responding to Ministerial directions;

managing breaches of professional standards legislation; supporting the information gathering, advisory and educational functions of Councils; and maintaining proper financial records. It also provides services, information and advice to occupational associations and consumers about Professional Standards Schemes on behalf of the eight Councils.

In particular, the PSA'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 PSA'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 PSA

Three agreements work together to provide the national system of professional standards regulation.

Ministers in all states and territories entered into the Professional Standards Agreement first in 2005, and then a renegotiated agreement in 2011.

Working in tandem with the Professional Standards Agreement are two other agreements:

- › The Professional Standards Inter-Departmental Services Agreement 2013, an agreement by which relevant state and territory departments agree that services to the Councils will be provided by NSW; and
- › The Professional Standards Councils and the Departmental Procurement of Services Agreement sets out how the state and territory departments agree to procure the services from NSW using fees and other revenue received by the Councils under Professional Standards Legislation.

Both the Services and Procurement agreements have been renegotiated and remade and both new agreements will commence on 1 July 2016.

Structure of the Professional Standards Authority

The PSA commenced the year with a team of highly qualified and experienced professionals working across five functional areas (see Figure 8). In May 2016, a revised organisation model was approved as part of the transition to the Department of Finance, Services and Innovation (see Figure 9). The new structure will progressively come into effect through 2016–17.

FIGURE 8. PSA FUNCTIONAL AREAS PRIOR TO MAY 2016

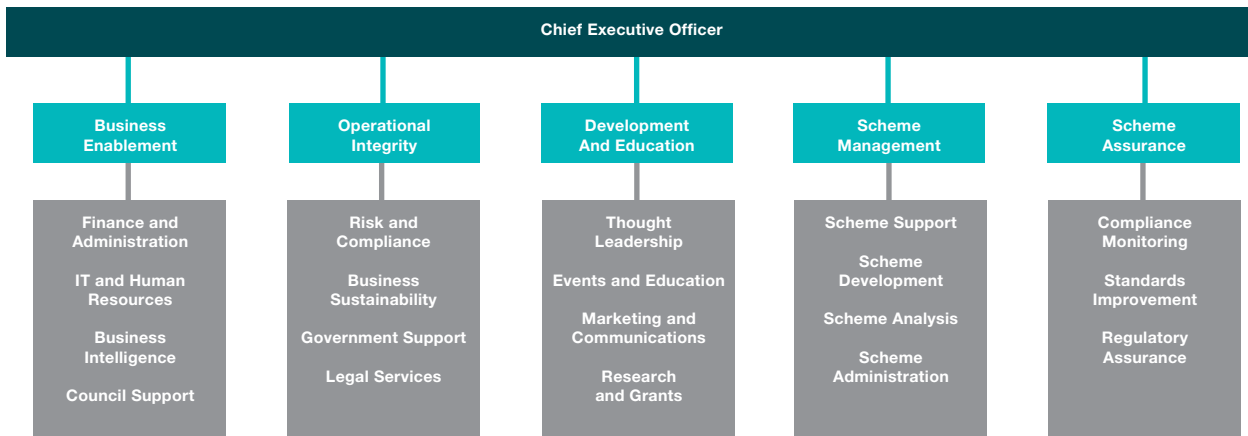
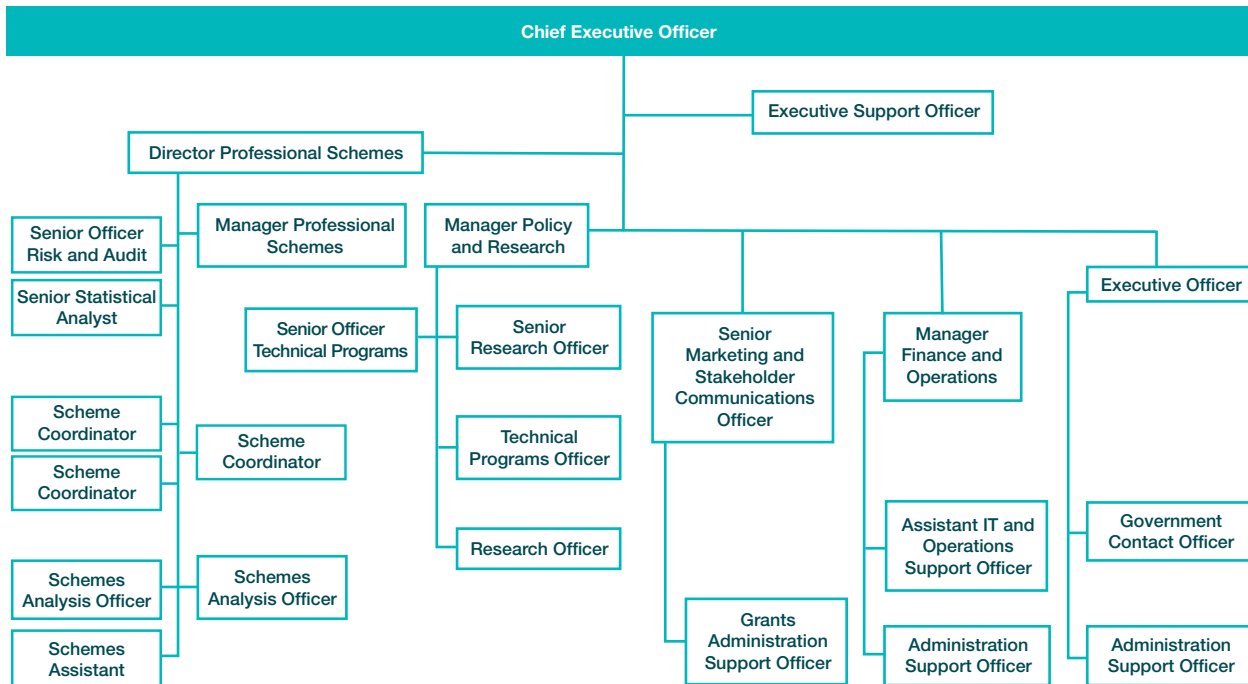


FIGURE 9. REVISED PSA ORGANISATION STRUCTURE



A teal-tinted background image showing several hands pointing at documents on a desk, suggesting a collaborative business meeting or review of financial data.

FINANCIAL STATEMENTS

Financial statements

TABLE 9. CONSOLIDATED FINANCIAL PERFORMANCE STATEMENT 2015–16¹

FINANCIAL PERFORMANCE OF THE PROFESSIONAL STANDARDS COUNCILS

Summary of Income and Expenses for year ended 30 June 2016	All states and territories (\$)	NSW	QLD	SA	VIC	WA	ACT	NT	TAS
Revenue									
Scheme membership fees ²	3,373,414	1,821,710	523,228	163,598	609,880	215,398	32,368	7,232	–
Scheme application fees ³	10,500	5,000	–	5,000	–	–	–	–	500
Interest from associations ³	9,978	84	–	167	9,727	–	–	–	–
Interest on invested funds (net of bank charges) ⁴	101,161	43,544	30,535	–	27,085	(3)	–	–	–
Total revenue⁵	3,495,052	1,870,338	553,763	168,765	646,692	215,395	32,368	7,232	500
Expenditure OPERATING EXPENSES ATTRIBUTABLE TO STATES/TERRITORIES:									
Employment costs ⁶	2,902,409	1,553,192	459,864	140,147	537,035	178,871	26,878	6,006	416
Other expenses ⁷	3,812,172	2,040,040	604,009	184,077	705,369	234,939	35,304	7,888	546
Total expenditure⁵	6,714,581	3,593,232	1,063,873	324,224	1,242,404	413,810	62,182	13,894	962
Less expenses chargeable to states/territories:⁸									
Actual charges and expenses to states/territories ⁵	3,948,163	2,368,980	529,630	165,564	625,745	217,870	32,643	7,219	512
Accrued charges and expenses to states/territories ⁵	2,766,418	1,224,252	534,242	158,661	616,659	195,941	29,540	6,675	448
% cost share of expenditure recharge⁹	100.00%	53.51%	15.84%	4.83%	18.50%	6.16%	0.93%	0.21%	0.01%

NOTES

Note 1: This unaudited statement is derived from the information provided by both the New South Wales Department of Justice (NSW DoJ) and the New South Wales Department of Finance, Services and Innovation (NSW DFSI) and records kept by the Professional Standards Authority (PSA). Both NSW DoJ and NSW DFSI provided 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 Services 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: Scheme membership revenue is recognised over the scheme year; some scheme annual periods are not aligned to a fiscal year resulting in a deferred revenue component. This deferred component is recognised during the subsequent fiscal year.

Note 3: Scheme application fees and interest payable subject to late payment regulations are recognised on a cash received basis.

Note 4: Interest (from financial institutions) is recognised on an accrued, not on a received basis.

Note 5: Amounts shown as revenue, expenses and accrued charges are calculated to the nearest cent, however are shown subject to rounding to the nearest dollar.

Note 6: Employment costs are for the PSA and include temporary contractors. There is one officer (male) employed within Senior Executive Band 1 (unchanged from 2014–15) with a remuneration package of \$163,602.

TABLE 10. DETAILED EXPENDITURE 2015–16

	Total	NSW	QLD	SA	VIC	WA	ACT	NT	TAS
	100.00%	53.51%	15.84%	4.83%	18.50%	6.16%	0.93%	0.21%	0.01%
Employment Costs									
Salary related	1,027,916	550,079	162,865	49,634	190,196	63,349	9,519	2,127	147
Temporary contractor staff	1,874,493	1,003,113	296,999	90,513	346,839	115,522	17,359	3,879	269
Total employment costs	2,902,409	1,553,192	459,864	140,147	537,035	178,871	26,878	6,006	416
Other Operating Expenses									
Communications and marketing	238,705	127,740	37,821	11,526	44,168	14,711	2,211	494	34
External audit and annual reporting	61,801	33,072	9,792	2,984	11,435	3,809	572	128	9
Contract services ¹⁰	1,113,165	595,698	176,372	53,750	205,970	68,604	10,309	2,303	159
Electricity	55,257	29,571	8,755	2,668	10,224	3,405	512	114	8
Fees (legal, Council and other) ¹¹	270,868	144,952	42,917	13,080	50,119	16,693	2,509	560	39
Consultants ¹²	142,550	76,284	22,586	6,883	26,376	8,785	1,320	295	20
Insurance	19,542	10,458	3,096	944	3,616	1,204	181	40	3
Printing and postage	9,100	4,870	1,442	439	1,684	561	84	19	1
Occupancy costs	641,181	343,119	101,590	30,961	118,638	39,516	5,938	1,327	92
Staff expenses	18,796	10,058	2,978	908	3,478	1,158	174	39	3
IT and office supplies/equip	248,876	133,183	39,432	12,017	46,050	15,338	2,305	515	36
Telephone	65,584	35,097	10,391	3,167	12,135	4,042	607	136	9
Travel	131,453	70,346	20,828	6,347	24,323	8,101	1,217	272	19
General expenses	26,236	14,039	4,157	1,267	4,854	1,617	243	55	4
Maintenance/shared services	155,649	83,294	24,662	7,516	28,800	9,592	1,441	322	22
Capital usage charges ¹³	309,211	165,471	48,992	14,931	57,213	19,056	2,864	640	44
Total other operating expenses	3,507,974	1,877,252	555,811	169,388	649,083	216,192	32,487	7,259	502
Grants	304,198	162,788	48,198	14,689	56,286	18,747	2,817	629	44
Grand Total	6,714,581	3,593,232	1,063,873	324,224	1,242,404	413,810	62,182	13,894	962

Note 7: Other expenses comprise operating expenses and grants administered. Other expenses include depreciation/amortisation of assets that were used exclusively by PSA. Other expenses exclude depreciation (where assets not exclusively used by PSA) and crown liabilities. For a detailed breakdown of other expenses, please refer to Table 10.

Note 8: Expenses chargeable to each state and territory, are based on PSA total expenses, for the financial year ending 30 June 2016. These expenses are derived from the financial records of NSW DoJ and NSW DFSI and are recharged to each jurisdiction, as per the Professional Standards Interdepartmental Agreement. Under the agreement, a proportion of PSA's total expenditure is recharged to each state and territory's Council.

Note 9: The recharge amount to each state and territory's Council is based on that Council's share of the total revenue generated by all Professional Standards Councils. The percentage allocation reported for each state and territory is shown only to two decimal places.

Note 10: Contract services were for providing systems and process design, responding to machinery of government changes in NSW and research into regulatory design, as well as reviewing associational risk management.

Note 11: 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 Table 8. Fees were for providing actuarial and legal advice relating to scheme regulation.

Note 12: Consultancy fees were for guidance relating to scheme applications and Professional Standards Legislation law reform.

Note 13: NSW DFSI recoups capital expenditure incurred on behalf of the Councils via depreciation and amortisation charges over the assets useful life.



**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 37 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 36.

Public interest disclosure

There were no public interest disclosures for the 2015–16 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 2016.

Organisation and function

Please refer to page 30 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, 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 Professional Standards Authority (PSA) 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.

PSA staff profile

Please refer to page 40 for the organisational structure of the PSA which provides services and support to the Professional Standards Council of the ACT.

Work health and safety (WHS)

There were no work-related injuries, illnesses or prosecutions during the reporting period under the *Work Health and Safety Act 2011*. PSA staff are governed by WHS practices of the NSW Department of Finance, Services and Innovation.

Territory records

Sound record keeping practices underpin good governance. In accordance with the requirements of the *Territory Records Act 2002* (ACT), the Council's record keeping system 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 PSA is responsible for collecting revenue and operating within budget. Please refer to the Consolidated Financial Performance Statement on page 42 for the Professional Standards Council of the ACT's revenue and expenses for 2015–16.

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 \$1,320.

For further details on consultancy spend please refer to Note 12 of the detailed expenditure statement on page 43.

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 37 for a summary of meeting attendance.

Legal changes

The *Statute Law (Miscellaneous Provisions) Bill 2016* was introduced into parliament and debated during the reporting period. The Bill became an Act, the *Statute Law (Miscellaneous Provisions) Act 2016* (NSW), which came into effect on 8 July 2016.

The *Statute Law (Miscellaneous Provisions) Act 2016* (NSW) makes changes to various Acts and regulations (including the *Professional Standards Act 1994* (NSW)) for the purpose of effecting statute law revision and to make certain savings. The changes that were made are described below:

(a) Delegation of functions

The amendment provides that the NSW Professional Standards Council may delegate to any person whose services are used by the Council under section 46 any of the functions of the Council other than the function under section 43 (1) (j) or this power of delegation.

(b) Staff of Council

The amendment provides the NSW Professional Standards Council may, with the approval of the Minister, arrange for

the use of the services of any staff, including a person designated as chief executive officer, or facilities of a Public Service agency or a public or local authority.

(c) Disclosure of information

This amendment provides that a person must not disclose any information obtained in connection with the administration or execution of the *Professional Standards Act 1994* (NSW) unless that disclosure is made:

- (a) with the consent of the person from whom the information was obtained, or
 - (b) in connection with the administration or execution of this Act, or
 - (c) for the purposes of any legal proceedings arising out of this Act or of any report of any such proceedings, or
 - (d) in accordance with a requirement imposed under the *Ombudsman Act 1974*, or
 - (e) with other lawful excuse.
- Maximum penalty:
20 penalty units.

Risk management and internal audit

Please refer to the Corporate Governance section on page 36.

Public interest disclosure

There were no public interest disclosures for the 2015–16 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 Finance, Services and Innovation business units) to respond to requests for information, unless there is an overriding public interest against disclosing the information.

The NSW Department of Finance, Services and Innovation 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 (WHS)

There were no work-related injuries, illnesses or prosecutions during the reporting period under the *Work Health and Safety Act 2011*. PSA staff are governed by WHS policies of the NSW Department of Finance, Services and Innovation.

Funds granted to non-government community organisations

During the 2015–16 reporting year, one association was granted funding for a Professional Standards Grants project and no Research Grants were awarded. Please refer to the Grants section on page 26.

Consultants

Total spend on consultancy was \$76,284 derived from a total of three engagements during the financial year.

For further details on consultancy spend please refer to Note 12 of the detailed expenditure statement on page 43.

Overseas travel

Council members did not undertake overseas travel in the reporting period. On 18 September 2015 PSA CEO Dr Deen Sanders travelled to present at the International Council on Licensure, Enforcement and Regulation (CLEAR) conference (Boston, USA) at a total expense of \$10,313.11 for the purpose of attending and presenting on Australia's Professional Standards Legislation. This travel was approved in advance and funded by all the Professional Standards Councils.

Land disposal

The Professional Standards Council of NSW and the PSA 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 2015–16:

- ▶ *Professional Standards Councils: Combined Annual Report 2014–15*.
- ▶ *21 years of regulatory innovation through professional standards*.

The publications are available on the Councils' website.

Risk management and insurance activities

The risk management and internal audit practices of the Council and the PSA are described on page 36.

Privacy obligations

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

The Council and the PSA 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 Finance, Services and Innovation's Diversity and Inclusion Strategy, Aboriginal Workforce Strategy and Disability Inclusion Action Plan, and the *Government Sector Employment Act 2013* (GSE Act), which prioritises diversity in the workforce.

Financial performance

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

Please refer to the Consolidated Financial Performance Statement on page 42 for the Professional Standards Council of NSW's revenue and expenses for 2015–16.

Social programs

No social programs were provided by the Professional Standards Council of NSW during the reporting period.

Economic or other factors

The factors that have affected the achievement of the operational objectives of the Professional Standards Council of NSW during the reporting period are set out on page 40. In particular the PSA, the unit providing the agency and support services to all the Professional Standards Councils, underwent a restructure during the reporting period in order to meet their operational needs.

Workforce diversity

NSW Department of Finance, Services and Innovation's Diversity and Inclusion Strategy is an over-arching strategy that will underpin the growth of a customer focused culture; support the development of key capabilities such as inclusive leadership, innovation and employee engagement; and reach targets relating to Aboriginality, gender and people with disability as laid out in the Premier's Priorities, the *Government Employment Sector Act 2013* (GSE Act), and the Public Sector Commission.

Disability inclusion action plans

The Professional Standards Council of NSW and the PSA are committed to creating an inclusive and supportive working environment for people with disability including those who require an adjustment.

Annual Report

The Councils' annual report is produced using internal resources. It only prints the required number of annual reports and makes the report available on the Councils' website.

The cost to produce the combined Councils' annual report is \$25,160 and the separate financial addendum is \$7,500. These costs will be recognised in the next reporting period.

Northern Territory

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 37 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 2015–16.

Public interest disclosure

There were no public interest disclosures for the 2015–16 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.

Organisational structure

For information regarding Council Members and their profiles, please refer to pages 32–35.

PSA staff profile

Please refer to page 40 for the organisational structure of the PSA which provides services and support to the Professional Standards Council of NT.

Work health and safety (WHS)

There were no work-related injuries, illnesses or prosecutions during the reporting period under the *Work Health and Safety (National Uniform Legislations) Act*. PSA staff are governed by WHS practices of the NSW Department of Finance, Services and Innovation.

Information Act 2002 (NT)

The Council received no requests for information under the *Information Act 2002* (NT) during the reporting period. The PSA 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 PSA.

Record keeping

Sound record keeping practices underpin good governance. In accordance with the requirements of the *Information Act 2002* (NT), the Council's record keeping system 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 PSA is responsible for collecting revenue and operating within budget. During the reporting period, the PSA undertook these tasks.

Please refer to the Consolidated Financial Performance Statement on page 42 for the Professional Standards Council of the NT's revenue and expenses for 2015–16.

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 37 for a summary of meeting attendance.

Major legislative changes

No major changes were made to Professional Standards Legislation during 2015–16.

Risk management and internal audit

Please refer to the Corporate Governance section on page 36.

Right to information reporting

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

Consultation notices for new Professional Standards Schemes are also published on the website and in major newspapers. Once a scheme becomes operational in Queensland, the scheme document and summary is made available on the website for public access.

The Professional Standards Council of Queensland received no requests under the *Right to Information Act 2009* (Qld) in the reporting period.

Protection of personal information

Section 40 of the *Information Privacy Act 2009* (Qld) advises 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 12 of the detailed expenditure statement on page 43.

Overseas travel

Council members did not undertake overseas travel in the reporting period. On 18 September 2015 PSA CEO Dr Deen Sanders travelled to present at the International Council on Licensure, Enforcement and Regulation (CLEAR) conference (Boston, USA) at a total expense of \$10,313.11 for the purpose of attending and presenting on Australia's Professional Standards Legislation. This travel was approved in advance and funded by all the Professional Standards Councils.

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.

Record keeping

Sound record keeping practices underpin good governance. In accordance with the requirements of the *Public Records Act (Qld) 2002*, the Council's record keeping system ensures documents can be accurately captured, stored and retrieved.

Waste management

The PSA is governed by the NSW Department of Finance, Services and Innovation's Government Resource Efficiency Policy. The Council and the PSA comply with this policy to limit the impact of their operations on the environment.

For example, 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 on the Councils' website.

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 43 for the Professional Standards Council of Queensland's revenue and expenses for 2015–16.

Ministerial directives

No ministerial directives were received during the reporting period.

South Australia

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 37 for a summary of meeting attendance.

Major legislative changes

No major changes were made to Professional Standards Legislation during 2015–16.

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 2016.

Organisation and functions

Please refer to page 30 for the Council's organisational structure and function.

Administered legislation

The Professional Standards Council of SA assists the Minister in administering the *Professional Standards Act 2004 (SA)*.

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. 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 PSA 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 1997 (SA)*, the Council's record keeping system 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 12 of the detailed expenditure statement on page 43.

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 (WHS)

PSA staff are bound by the *Work Health and Safety Act 2011* under the NSW Department of Finance, Services and Innovation. 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 42 for the Professional Standards Council of South Australia's revenue and expenses for 2015–16.

Relationship to other agencies within the Minister's area of responsibility

The Attorney-General's Department provides legal, policy, administrative and other support to the Professional Standards Council of SA.

Tasmania

Constitution of the Council

Members of the Professional Standards Council of Tasmania were entitled to attend six meetings for the year. Please refer to page 37 for a summary of meeting attendance.

Major legislative changes

No major changes were made to Professional Standards Legislation during 2015–16.

Financial performance

The Professional Standards Council of Tasmania is not required to compile financial statements. The PSA is responsible for collecting revenue and operating within budget. Please refer to the Consolidated Financial Performance Statement on page 42 for the Professional Standards Council of Tasmania's revenue and expenses for 2015–16.

Victoria

Constitution of the Council

Members of the Professional Standards Council of Victoria were entitled to attend six meetings for the year. Please refer to page 37 for a summary of meeting attendance.

Major legislative changes

No major changes were made to Professional Standards Legislation during 2015–16.

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 PSA is governed by the NSW Department of Finance, Services and Innovation's Government Resource Efficiency Policy. The Council and the PSA comply with this policy to limit the impact of their operations on the environment.

For example, 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 on the Councils' website.

Victorian Industry Participation Policy

The Professional Standards Council of Victoria is not required to report under the *Victorian Industry Participation Policy Act 2003*, as it did not enter into or complete any contracts worth more

than \$3 million in metropolitan Melbourne or \$1 million in regional Victoria.

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 and territory 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 is not required to report under the *Buildings Act 1993 (Vic)* as it does not own or lease property or any government building.

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 2015–16, 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)*.

PSA staff profile

Please refer to page 40 for the organisational structure of the PSA which provides services and support to the Professional Standards Council of Victoria.

Work health and safety (WHS)

PSA staff are bound by the *Work Health and Safety Act 2011* under the NSW Department of Finance, Services and Innovation. 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 Victoria are attached as an addendum to this report. Please refer to the Consolidated Financial Performance Statement on page 42 for the Professional Standards Council of Victoria's revenue and expenses for 2015–16.

Consultants

One contract above \$10,000 was awarded to a consultant during the financial year. The Hon. Ken Handley AO OSTJ QC was awarded \$13,791.75 for providing consulting services for the Professional Standards Legislation law reform. Two contracts below \$10,000 were awarded during the financial year.

For further details on consultancy spend please refer to Note 12 of the detailed expenditure statement on page 43 and on the Council's website.

Western Australia

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 32.

PSA staff profile

Please refer to page 40 for the organisational structure of the PSA 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 2015–16.

Shared responsibilities with other agencies

Please refer to the section on Intergovernmental agreements and the PSA on page 39.

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 42 for the Professional Standards Council of WA's revenue and expenses for 2015–16.

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.

For 2015–16 no breach claims were lodged in relation to either the Public Sector Standards or the WA Public Sector Commission's Code of Conduct.

Ministerial directives

No ministerial directives were received during the financial year.

Capital works

The Council has no capital works projects.

Government Building Training Policy

The Council did not issue any building or construction contracts during 2015–16.

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.

Significant issues impacting the agency

The Council will extend its engagement with professional associations in the execution of its regulatory assurance responsibilities by monitoring scheme compliance with Professional Standards Legislation and taking formal remedial action where required. Identifying and partnering with new associations to foster the development of new schemes will also be a focus in the forthcoming year.

Workers compensation

No workers compensation claims were recorded during 2015–16.

Substantive Equality

While the Council is not required to report on the progress achieved in implementing the Public Sector Commission and Commissioner for Equal opportunity's Policy Framework for Substantive Equality, the Council is aware of the purpose and aims of the Policy Framework.

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.

Credit cards – authorised use

There were no instances of credit or purchasing cards being used for a personal purpose.

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 37 for a summary of meeting attendance.

Board and committee remuneration

Please refer to page 37 for a summary of the remuneration for each board and committee member.

Expenditure on advertising, market research, polling and direct mail

In accordance with section 175ZE of the *Electoral Act 1907*, the Council incurred the following expenditure in advertising, market research, polling, direct mail and media advertising. Total expenditure for 2015–16 was \$16,352.81**. Expenditure was incurred in the following areas:

Expenditure	Total	Organisation	Amount
Advertising agencies	\$9,026.73	Zenith Optimedia	\$9,026.73
Market research organisations	Nil		Nil
Polling organisations	Nil		Nil
Direct mail organisations	Nil		Nil
Media advertising organisations	\$1,739.29	Click Creative	\$1,739.29
	\$1,872.04	Editor Group Pty Ltd	\$1,872.04
	\$147.63	Clearing-Corp Credit	\$147.63

** The expenditure shown is the WA Professional Standards Council's share (6.16%) of the consolidated pool of expenses shared by all eight Councils which is based on each individual Council's revenue compared to total revenue.

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 (DotAG) and pursuant to the *State Records Act 2000* (WA).

Staff have completed DotAG's online Record Keeping Awareness training courses. All records are maintained, stored and retrieved in accordance with DotAG's record keeping policies and procedures.

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 2015–16 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 11.

TABLE 11. REPORT OF ANNUAL PERFORMANCE AGAINST TARGETS

Measure	Actual results		Results against target	
	2013–14 ⁽¹⁾	2015–16 ⁽¹⁾	Target	Comment on result
Number of fatalities	0	0	0	
Lost time injury and/or disease incidence rate	0	0	0 or 10% reduction ⁽²⁾	
Lost time injury and/or disease severity rate	0	0	0 or 10% reduction	
Percentage of injured workers returned to work:			(i) 100%	
➤ (i) within 13 weeks	(i) N/A ⁽³⁾	(i) N/A ⁽³⁾	(ii) Greater than	
➤ (ii) within 26 weeks	(ii) N/A ⁽³⁾	(ii) N/A ⁽³⁾	or equal to	
			80%	
Percentage of managers trained in occupational safety, health and injury management responsibilities		100%	Greater than or equal to 80%	

(1) This is a three year trend, ie, the year is to be three years prior to the current reporting year, eg, the current year is 2015–16 and the comparable year is 2013–14.

(2) The reduction may be calculated over a three year period.

(3) There were no injured workers during this reporting year.

Other legal requirements – Section 40 estimates

In accordance with Treasurer's Instruction 953, the Section 40 estimates for 2016–17, as submitted to the Hon. Attorney General, are shown below. These estimates do not form part of the 2015–16 financial statements and are not subject to audit.

TABLE 12. SECTION 40 ESTIMATES 2016–2017

	2014–15	2015–16	2016–17
	Actuals	Estimated	Section 40
	\$'000	actuals	estimates
		\$'000	\$'000
Statement of Comprehensive Income			
COST OF SERVICES			
Expenses			
Supplies and services	221	309	319
Other expenses	–	–	–
Total cost of services	221	309	319
INCOME			
Income from other than State Government			
Other revenue	233	252	255
Total income from other than State Government	233	252	255
Income from State Government			
Resources received free of charge	35	89	89
Total income from State Government	35	89	89
SURPLUS/(DEFICIT) FOR THE PERIOD	47	32	25

	2014-15	2015-16	2016-17
	Actuals \$'000	Estimated actuals \$'000	Section 40 estimates \$'000
Statement of Financial Position			
Current assets			
Cash and cash equivalents	591	574	609
Receivables	12	7	8
Total current assets	603	581	617
TOTAL ASSETS	603	581	617
Current liabilities			
Payables	97	44	55
Revenue received in advance	36	35	35
Total current liabilities	133	79	90
Non-current liabilities			
	-	-	-
TOTAL LIABILITIES	133	79	90
NET ASSETS	470	502	527
EQUITY			
Contributed equity			
Accumulated surplus/(deficit)	470	502	527
TOTAL EQUITY	470	502	527
Statement of Changes in Equity			
Contributed equity at start of period	-	-	-
Equity contributions during the period	-	-	-
Contributed equity at the end of the period	-	-	-
ACCUMULATED SURPLUS			
Balance at start of period	423	470	502
Surplus/(deficit) or profit/(loss) for period	47	32	25
Accumulated surplus at the end of the period	470	502	527
Balance of equity at end of period	470	502	527

	2014-15	2015-16	2016-17
	Actuals	Estimated	Section 40
	\$'000	actuals	estimates
		\$'000	\$'000
Statement of Cash Flows			
CASH FLOWS FROM STATE GOVERNMENT			
Appropriation	-	-	-
Net cash provided by State Government	-	-	-
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Supplies and services	211	268	220
GST payments on purchases	21	27	22
Receipts			
Other receipts	232	251	255
GST receipts from taxation authority	23	27	22
Net cash provided by/(used in) operating activities	23	(17)	35
Net increase/(decrease) in cash held	23	(17)	35
Cash assets at the beginning of the financial year	568	591	574
CASH & CASH EQUIVALENTS AT THE END OF PERIOD	591	574	609

Acronyms, abbreviations and definitions

ACT	Australian Capital Territory
ACS	Australian Computer Society
APIV	Australian Property Institute Valuers Limited
ATMA	Association of Taxation & Management Accountants
BAQ	Bar Association of Queensland
CA ANZ	Chartered Accountants Australia and New Zealand (formerly Institute of Chartered Accountants in Australia)
CIRCEA	College of Investigative and Remedial Consulting Engineers of Australia
CTH/Cth	Commonwealth
CPA	CPA Australia Limited
DFSI	NSW Department of Finance, Services and Innovation
EA	Engineers Australia
GIPA	<i>Government Information (Public Access) Act 2009</i>
IPA	Institute of Public Accountants
LSWA	Law Society of Western Australia
LIV	Law Institute of Victoria
LSNSW	Law Society of New South Wales
LSSA	Law Society of South Australia
NSW	New South Wales
NSW Bar	New South Wales Bar Association
NSW DoJ	New South Wales Department of Justice
NT	Northern Territory
PSA	Professional Standards Authority located within the NSW Department of Finance, Services and Innovation which provides services and support to the Professional Standards Councils
PSIP	Professional Standards Improvement Program
PSLWG	Professional Standards Legislation Working Group
PSOA	Professional Surveyors Occupational Association
Professional association	The terms 'professional association' and 'occupational association' (or 'association') are used interchangeably within this document
QLD/Qld	Queensland
QLS	Queensland Law Society
RICSV	RICS Valuers Ltd
SA	South Australia
SA BA	South Australian Bar Association
Schemes	Professional Standards Schemes approved and gazetted under Professional Standards Legislation
TAS/Tas	Tasmania
The Councils	The Professional Standards Councils of the Australian Capital Territory, New South Wales, the Northern Territory, Queensland, South Australia, Tasmania, Victoria and Western Australia
VIC/Vic	Victoria
Vic Bar	The Victoria Bar Inc
WA	Western Australia
WA BA	Western Australian Bar Association

ANNUAL REPORT 2015–2016

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Print version 1326-1770 Online version 2205-8184
Published in September 2016 by the Professional Standards Councils.

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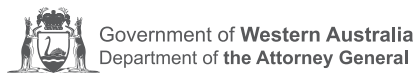
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