



**Professional  
Standards Councils  
Annual Report 2018–19  
Highlights**  
Protecting consumers  
by improving  
professional standards

# Our vision, mission and mandate

## Our vision

Professional and occupational associations lead the way in advancing the highest standards of professional services to Australian consumers.

## Our mission

To regulate occupational associations to facilitate and promote consumer protection through improvement in professional standards under professional standards schemes.

## Our mandate

To lead the national system of professional standards regulation by enabling the creation of professional standards schemes, and by assisting and supervising their operation, balancing the interests of consumers of professional services and of self-regulating professions and occupations.

### Protect consumers

Our goal is to protect consumers of professional services by demanding high levels of professional standards from those who participate in professional standards schemes. Regulated occupational associations and their members have committed to ensuring competent and ethical conduct in providing services and ensuring avenues of resolution and redress are available to consumers.

### Improve professional standards

Our goal is to improve professional standards, including encouraging and assisting occupational associations to develop self-regulatory capacity and to implement risk management strategies and professional integrity systems.

It also involves promoting professional standards and practices through research, developing policies and regulatory guidance, and delivering forums to promote discussion and change in the areas of professional standards, codes of ethics and practice, and risk management.

### Help associations

Our objective is to approve and supervise professional standards schemes and assist occupational associations in the development of self-regulation of professional standards.

Schemes allow limits to be placed on the civil liability of professionals who are members of an association and ensure there will be compensation available to consumers up to that limit.





# Highlights



## Schemes

- › 7 schemes approved
- › 1 scheme amendment approved
- › 7 public notifications
- › 3 fee waiver determinations

Approved new professional standards schemes for the Australian Computer Society, Bar Association of Queensland, Chartered Accountants Australia and New Zealand, CPA Australia, Institute of Public Accountants, Law Society of Western Australia and Victorian Bar Association.

Members covered by schemes increased by 6.8% to a total of 77,885.



## Publishing advice and information

Launched the Councils' Research Library on Modern Professionalism in December 2018, providing over 40 articles on professionalism and regulation.



## Monitoring the compliance of associations

100% of regulated associations submitted their Professional Standards Improvement Program reports on time.

Introduction of root cause analysis reporting.



## Providing assistance and advice to associations

Delivered three risk management workshops targeted to senior managers and directors and tailored to meet the needs of associations.

Cooperated with the New South Wales Crown Solicitor's Office to update and publish the summary of cases where courts have considered the professional standards legislation.



## Assisting with improving occupational standards of members of occupational associations

Delivered the inaugural Professional Standards Forum in April 2019. The Forum brought together regulated occupational associations, prospective occupational associations and sector leaders to improve professional standards and consumer experiences.

Councils' first Risk Appetite Statement published setting out the amount of risk Councils are willing to accept or retain to achieve their statutory objectives and strategic goals.





Looking back over the past year, there is much that has been accomplished through the collective efforts of the Councils, the Professional Standards Authority, the participating jurisdictional Departments and the regulated associations. Australian consumers and professions continue to benefit from the operation of professional standards schemes.

The reporting period began with Councils publishing *Strategy 2021*, our statement of intent for ensuring the national system of professional standards regulation is contemporary, robust and focused on consumer protection.

**John Vines OAM**

Chair

Professional Standards Councils

# Professional Standards Councils Strategy 2021

## Strategic goals

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Make a practical and transparent change to Councils' regulatory focus to enable schemes, including for occupational groups

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Drive improvements in professional standards for better consumer protection

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Build an evidence base to demonstrate effectiveness

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Ensure the regulatory system is robust and protects consumers

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Make the regulatory system easy to deal with

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It has been another successful year for the Professional Standards Authority, the national regulatory agency of the Councils. As stewards of the national regulatory system, we are committed to supporting Councils in advancing the objects of the professional standards legislation and ensuring our regulatory practices deliver positive outcomes.

**Roxane Marcelle-Shaw**  
Chief Executive Officer  
Professional Standards Authority

## Achievements



Promoted self regulatory responses to government in submissions to the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry.



Engaged with Consumer Affairs officials and financial services regulators on areas of common regulatory interest.



Bolstered regulatory and reporting capability with the establishment of a supervision team.



Encouraged occupational groups in the built environment and financial services sector to consider the benefits of professional standardsschemes.



Secured improved compliance by two legal profession associations resulting in a 21% increase in members covered by schemes.



Convened the Professional Standards Officers Meeting quarterly to work with all jurisdictions on issues requiring consideration at a national level.

## **Amending a scheme by introducing a new risk-based monetary limit**

On 12 April 2019, the Professional Standards Council of New South Wales approved the application by Australian Property Institute Valuers Ltd for an amendment to create a new monetary limit based on a type of lower risk work.

The scheme applies to all 4,855 members of the Australian Property Institute Valuers Ltd. As it initially operated, there is a range of monetary compensation limits and the relevant monetary limit applicable to a member is determined by the highest valuation performed in the most recent 12-month period, defined as the “Upper End Value”. The monetary limits ranged from \$1 million to \$10 million, according to the Upper End Value.

The scheme provided a discretionary authority for the Australian Property Institute Valuers Ltd to approve a higher monetary limit than would otherwise apply to a member, upon application by the member and subject to the consideration by the association, up to a maximum of \$20 million.

### **The nature and significance of the amendment**

The amendment introduced a “Low Risk Valuation” monetary limit into the scheme and the Australian Property Institute Valuers Ltd’s insurance standards. This has an applicable monetary limit of \$1 million in respect of each claim arising under this type of work and is exempt from the Upper End Value mechanism. Otherwise, the other monetary limits in the scheme remained unchanged.

The amendment introduced a type of work applying a risk-based methodology to determine the applicable monetary limit for those members who undertake valuations that have a low incidence of claims or have claims of a lower value, measured by reference to the valuation figure.

The amendment encourages members of Australian Property Institute Valuers Ltd to consider the risks inherent in their valuation work and use this to inform their professional indemnity insurance requirements.

The association advocated that the new monetary limit in the scheme would foster an increasing culture of risk management and awareness of risks by the members, which represents a significant advancement in the development of occupational standards and consumers’ protection.