



Professional Standards Councils  
**Annual Report 2009-10**

Australian Capital Territory | New South Wales | Northern Territory | Queensland  
South Australia | Tasmania | Victoria | Western Australia





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## ACRONYMS, ABBREVIATIONS AND DEFINITIONS

<b>ACT</b>	Australian Capital Territory
<b>ACS</b>	Australian Computer Society
<b>ARMC</b>	Audit and Risk Management Committee
<b>APESB</b>	Accounting Professional and Ethical Standards Board
<b>APRA</b>	Australian Prudential Regulation Authority
<b>ASIC</b>	Australian Securities and Investments Commission
<b>AVI</b>	Australian Valuers Institute (formerly Institute of Consulting Valuers)
<b>CALD</b>	culturally and linguistically diverse
<b>CCP</b>	Certified Computer Professional
<b>CIRCEA</b>	College of Investigative and Remedial Consulting Engineers of Australia
<b>COAG</b>	Council of Australian Governments
<b>COE</b>	continuing occupational education
<b>CPA Australia</b>	Certified Practising Accountants Australia
<b>CPD</b>	continuing professional development
<b>Cth</b>	Commonwealth
<b>Engineers Australia</b>	The Institution of Engineers Australia
<b>FARMCs</b>	Finance, Audit and Risk Management Committees
<b>FOI</b>	Freedom of information legislation
<b>ICA</b>	Insurance Council of Australia
<b>ICAA</b>	Institute of Chartered Accountants in Australia
<b>IFAC</b>	International Federation of Accountants
<b>IRMP</b>	Internal Risk Management Plan
<b>LIV</b>	Law Institute of Victoria
<b>LRSG</b>	Liability Reform Steering Group
<b>LSC</b>	Legal Services Commissioner
<b>LSNSW</b>	The Law Society of New South Wales
<b>MCLE</b>	mandatory continuing legal education
<b>NIA</b>	National Institute of Accountants
<b>NSW</b>	New South Wales
<b>NSW Bar</b>	New South Wales Bar Association
<b>NSW DJAG</b>	New South Wales Department of Justice and Attorney General
<b>NT</b>	Northern Territory
<b>OHS</b>	occupational health and safety
<b>OPSC</b>	Office of the Professional Standards Councils – the operational headquarters of the Professional Standards Councils, providing Secretariat services to the Councils.
<b>PII</b>	Professional Indemnity Insurance
<b>PPP</b>	Public Practice Program
<b>PSC</b>	Professional Standards Council
<b>PSL</b>	Professional Standards Legislation

<b>PSLWG</b>	Professional Standards Legislation Working Group
<b>PSOA</b>	Professional Surveyors' Occupational Association
<b>Professional Association</b>	The terms professional association and occupational Association (or simply "association") are used interchangeably in this document
<b>Qld</b>	Queensland
<b>QLS</b>	Queensland Law Society
<b>RMP</b>	Risk Management Plan
<b>SA</b>	South Australia
<b>Schemes</b>	<i>Cover of Excellence</i> <sup>®</sup> Schemes approved and gazetted under professional standards legislation
<b>SCAG</b>	Standing Committee of Attorneys General
<b>Secretariat</b>	The staff of the Office of the Professional Standards Councils, within the NSW DJAG
<b>SIGC</b>	Star Initiative Grant Committee
<b>Tas</b>	Tasmania
<b>The Councils</b>	The Professional Standards Councils of the Australian Capital Territory, New South Wales, the Northern Territory, Queensland, South Australia, Tasmania, Victoria and Western Australia
<b>VCAT</b>	Victorian Civil and Administrative Tribunal
<b>Vic</b>	Victoria
<b>Vic Bar</b>	The Victorian Bar Incorporated
<b>VIPP</b>	Victorian Industry Participation Policy
<b>WA</b>	Western Australia

# THE EVOLUTION OF THE PROFESSIONAL STANDARDS COUNCILS

Year	Event
	Insurance market crisis of the late 1980s
1994	New South Wales enacts the <i>Professional Standards Act 1994</i> (NSW)
1995	The Professional Standards Council of NSW is constituted The first meeting of the Professional Standards Council of NSW is convened NSW enacts the <i>Professional Standards Regulation 1995</i> (NSW)
1996	The first <i>Cover of Excellence</i> <sup>®</sup> Schemes are approved for the CIRCEA and the LSNSW on 5 December 1996
1997	Western Australia enacts the <i>Professional Standards Act 1997</i> (WA) The Professional Standards Council of WA is constituted
1998	The first meeting of the Professional Standards Council of WA is convened Western Australia enacts the <i>Professional Standards Regulation 1998</i> (WA)
2000	The first <i>Cover of Excellence</i> <sup>®</sup> Schemes are renewed for the LSNSW (22 November 2000) and the CIRCEA (5 December 2000)
2001	HIH Insurance collapses
2003	Victoria enacts the <i>Professional Standards Act 2003</i> (Vic)
2004	Queensland enacts the <i>Professional Standards Act 2004</i> (Qld) South Australia enacts the <i>Professional Standards Act 2004</i> (SA) The Northern Territory enacts the <i>Professional Standards Act 2004</i> (NT) The Commonwealth Government enacts the <i>Treasury Legislation Amendment (Professional Standards) Act 2004</i> (Cth) The Australian Capital Territory enacts the <i>Civil Law (Wrongs) Act 2002</i> (ACT) as amended by the <i>Civil Wrongs (Proportionate Liability and Professional Standards Act) 2004</i> (ACT) (commencing in March 2005)
2005	Tasmania enacts the <i>Professional Standards Act 2005</i> (Tas) The Professional Standards Council of Victoria is constituted
2006	South Australia enacts the <i>Professional Standards Act 2006</i> (SA) The Professional Standards Council of the NT is constituted The Professional Standards Council of SA is constituted The Professional Standards Council of Tasmania is constituted The NSW Bar <i>Cover of Excellence</i> <sup>®</sup> Scheme becomes the first Scheme to be prescribed by the Commonwealth of Australia under the <i>Australian Securities and Investments Commission Act 2001</i> (Cth), the <i>Corporations Act 2001</i> (Cth) and the <i>Trade Practices Act 1974</i> (Cth)

Year	Event
2007	<p>The Professional Standards Council of the ACT is constituted</p> <p>Queensland enacts the <i>Professional Standards Regulation 2007</i> (Qld)</p> <p>Victoria enacts the <i>Professional Standards Regulation 2007</i> (Vic)</p> <p>The Northern Territory enacts the <i>Professional Standards Regulation 2007</i> (NT)</p> <p>The Professional Standards Council of Queensland is constituted</p> <p>New South Wales enacts mutual recognition legislation under the <i>Professional Standards Amendment (Mutual Recognition) Act 2007</i> (NSW)</p> <p>ICAA (NSW and WA), CPA Australia (NSW), Engineers Australia (NSW), LSNSW (NSW), CIRCEA (NSW) and AVI (NSW) <i>Cover of Excellence</i><sup>®</sup> Schemes are prescribed under the <i>Trade Practices Act 1974</i> (Cth)</p>
2008	<p>The Northern Territory enacts mutual recognition legislation under the <i>Professional Standards Amendment (Mutual Recognition) Act 2008</i> (NT)</p> <p>13 <i>Cover of Excellence</i><sup>®</sup> Schemes are prescribed by the Commonwealth operating in several States and Territories: ICAA (Vic, SA, NT, ACT, Qld), CPA Australia (Vic, SA, WA, NT, ACT, Qld), Vic Bar (Vic) and PSOA (NSW)</p> <p>The ACT enacts mutual recognition legislation under the <i>Justice and Community Safety Legislation Amendment Act 2008</i> (ACT)</p> <p>Queensland enacts mutual recognition legislation under the <i>Justice and Other Legislation Amendment Act 2008</i> (Qld)</p> <p>Retirement of the inaugural Commonwealth representative on the Professional Standards Councils – Mr Warwick Wilkinson, AO</p>
2009	<p>Commonwealth prescription under the <i>Trade Practices Act 1974</i> (Cth) for Engineers Australia (NSW, ACT, WA, NT, Qld); CPA Australia (NT, SA, ACT, Qld, Vic, WA); ICAA (ACT, NT, Qld, SA, Vic); PSOA; and Vic Bar until June 2011</p> <p>First <i>Cover of Excellence</i><sup>®</sup> Scheme commenced in Tasmania on 1 June 2009</p> <p><i>Cover of Excellence</i><sup>®</sup> Schemes present in all States and Territories of Australia</p> <p>Appointment (and departure) of new Commonwealth representative to the Professional Standards Councils</p> <p>Over 38,000 professionals covered, Australia wide, by <i>Cover of Excellence</i><sup>®</sup> Schemes</p> <p>Western Australia conducts consultation process for the review of the <i>Professional Standards Act 1997</i> (WA)</p> <p>The PSOA Scheme is amended to be mutually recognised in Vic, NT, ACT and Qld</p> <p>The <i>Professional Standards Regulation 1995</i> (NSW) is replaced by the <i>Professional Standards Regulation 2009</i> (NSW), commencing on 1 September</p> <p>Deputy Chairman and Council member Mr Steven Cole retires from the PSCs</p> <p>Development of new Communications and Marketing Strategy 2009-10 for the PSCs</p>

Year	Event
2010	<p>The PSCs' new five year Strategic Plan begins, focussing on a demonstrated impact of schemes, leadership in professional standards and an expanded role for the PSCs</p> <p>The PSCs' Comprehensive Research Strategy: Assessment of the Impacts of Professional Standards Legislation, is developed and commences</p> <p>The Star Initiative Grants Committee is re-constituted, with a redefined mandate and new members</p> <p>Mutual Recognition amendments are passed in Western Australia through the <i>Professional Standards Amendment Act 2010 (WA)</i>, commencing on 8 April</p> <p>Establishment of an Operations Committee within the Professional Standards Councils</p> <p>The inaugural Stakeholder Survey is conducted</p> <p>The Professional Standards Councils Inter-Departmental Service Agreement between NSW DJAG and the Departments of Justice/Attorney General in the eight States and Territories is renegotiated and set to commence on 1 July</p> <p>The Professional Standards Councils and Departmental Procurement of Services Agreement between the Professional Standards Councils and the Departments of Justice/Attorney General in the eight States and Territories is renegotiated and set to commence on 1 July</p> <p>The Vic Bar Scheme is amended to be mutually recognised in NSW, NT, ACT and Qld</p> <p>The ACS Scheme commences in NSW 1 January, and is mutually recognised in Vic, NT, ACT and Qld</p> <p>The QLS Scheme is approved to commence in Qld on 1 July</p> <p>The NSW Bar Scheme is amended to be mutually recognised in Vic, NT, ACT, WA and Qld, to commence 1 July</p> <p>The LIV Scheme is approved to commence in Vic on 1 July</p>



# EXECUTIVE SUMMARY

The Professional Standards Councils are now fully operational in the eight States and Territories of Australia. The Councils have achieved financial independence and there are now a growing number of *Cover of Excellence*<sup>®</sup> Schemes in place. The Councils are responsible for the promotion of consumer protection and excellence in professional standards by encouraging the self-regulation of occupational groups through the implementation of *Cover of Excellence*<sup>®</sup> Schemes.

Schemes allow participating members of occupational associations who carry professional indemnity insurance and/or business assets to the limitation of liability amount, and who implement robust risk management strategies to limit occupational liability. In turn, the Schemes entitle members of the occupational association to enjoy the reputation of the *Cover of Excellence*<sup>®</sup> logo, while creating better risk management practices, for the benefit of consumers.

This 2009-10 annual report covers the operations and work of all the Professional Standards Councils across Australia. It includes information about the financial performance of the Councils and provides, in the Addenda, audited financial statements of the Professional Standards Councils of Queensland, South Australia, Victoria and Western Australia.

Associations that have *Cover of Excellence*<sup>®</sup> Schemes are required to annually submit risk management reports to the Councils, outlining their performance over the previous calendar year. In the 2009-10 reporting period, a record number of reports were received in each of the States and Territories. Through the risk management reports, the Councils continued to monitor the effectiveness of participating associations' self-regulation.

Detailed risk management reports of participating associations with Schemes are included in the "Schemes in Focus 2009" section of this report.

## Approval of Schemes and Prescription

This annual report outlines in detail the achievements of the Councils by way of approving new Schemes, mutually recognised Schemes and prescription of Schemes in the 2009-10 financial year. Significantly, 17 new Schemes are now operating by way of mutual recognition legislation. Western Australia also became the sixth State to implement mutual recognition amendments, with only two remaining States – South Australia and Tasmania – yet to implement equivalent amendments. The adoption of mutual recognition provides a more seamless national system of professional standards legislation and encourages take-up of Schemes.

Specific information about Schemes in each State and Territory is included in the "*Cover of Excellence*<sup>®</sup> Schemes" section of this report.

## Legislative Reform

Legislative reform in the professional standards regime continued during this period, with several jurisdictions commencing a review of the legislation with a view to increasing its consistency and efficiency across the jurisdictions, as well as improving the existing legislative framework. Details of legislative changes can be found in the "Major Legislative Changes" section of the Statutory Reporting chapter of this report.

## Significant Projects and Plans

The 2009-10 reporting period saw the Councils not only lay the ground work for future success in providing Schemes, but also begin critical research to measure the impacts of professional standards legislation. The Councils adopted a new five-year Strategic Plan, Communications and Marketing Plan and participated in consultation and public debate concerning matters affecting professional standards and their key stakeholders. These activities highlight the Professional Standards Councils' efforts to improve the professional standards regime, enhance consumer protection and establish themselves as thought-leaders in these areas.

# MAJOR ACHIEVEMENTS OF THE PROFESSIONAL STANDARDS COUNCILS FOR 2009-10

The 2009-10 financial year saw positive advances in the work of the Professional Standards Councils, even though the Councils were operating in a tightened insurance market, and a less than favourable economic environment.

## Mutual Recognition:

Of major significance during 2009-10, the take-up of mutual recognition opportunities markedly increased, with 17 Schemes now operating by way of mutual recognition legislation.

*Cover of Excellence*<sup>®</sup> Schemes by way of mutual recognition commenced for the following associations:

- The NSW Bar Association: (Vic, WA, NT, ACT and Qld);
- The Victorian Bar Incorporated (NSW, NT, ACT and Qld);
- The Australian Computers Society (Vic, NT, ACT and Qld); and
- The Professional Surveyors Occupational Association (Vic, NT, ACT and Qld).

The Councils believe that amendments to professional standards legislation (PSL) to encompass mutual recognition of Schemes in other jurisdictions in Australia is a positive step towards reducing inefficiencies in achieving the objects of the legislation nationally. Western Australia became the sixth State to implement mutual recognition amendments to the *Professional Standards Act 1997* (WA) in April 2010.

## New Schemes:

In addition to the Schemes that commenced by way of mutual recognition, several new schemes came into operation:

- The Australian Computer Society Scheme (NSW), commencing 1 January 2010;
- The Queensland Law Society Scheme (Qld), to commence on 1 July 2010; and
- The Law Institute of Victoria Scheme (Vic), to commence on 1 July 2010.

## Co-operation Amongst Jurisdictions:

The Professional Standards Councils continued to work in co-operation with the Commonwealth Treasury regarding the prescription of *Cover of Excellence*<sup>®</sup> Schemes under the *Trade Practices Act 1974* (Cth). The following Schemes were most recently prescribed by the Commonwealth, on 8 June 2010:

- The Law Institute of Victoria (Vic);
- The Engineers Australia (Vic, SA, Tas);
- The Australian Computer Society (NSW); and
- The Professional Surveyors Occupational Association (NSW).

In consultation with all State and Territory justice departments, the Councils prepared new service agreements – the “Professional Standards Councils Inter-Departmental Service Agreement” and the “Professional Standards Councils and Departmental Procurement of Services Agreement 2010”. These new service agreements were considered and approved by the Councils and all the State and Territory justice departments, and will commence on 1 July 2010 for a two-year period.

Both Agreements include amended provisions to ensure that effective secretariat support is provided to the Councils, and that the Councils' resources are properly managed and protected.

### Legislative Amendments

Continual improvement of the legislative framework is important to ensure effective administration of Schemes and the monitoring of participating occupational associations' professional standards and risk management regimes. Legislative amendments also ensure that professional standards legislation is consistent across all jurisdictions.

The major legislative amendments that occurred this year are the following;

- Replacement of the NSW *Professional Standards Regulation 1995* with a revised regulation, the *Professional Standards Regulation 2009* (NSW). Amendments included changes to the way application fees are calculated, clarification as to the power of the Council and the delegation of the Executive Officer, and simplification of the disclosure notice required by participating Scheme members.
- Amendment of the WA *Professional Standards Act 1997*. The amendments introduced a suite of improvements to the Act in order to make the WA legislation consistent with most other PSL nationally – these included the introduction of mutual recognition, the removal of the restriction placed on legal practitioners working on personal injury matters, and clarification that a defence-costs inclusive insurance policy is an acceptable policy for the purpose of the legislation.

### Significant Projects

Another major achievement for the Councils during the period was the ambitious development and commencement of the "Comprehensive Research Strategy: Assessment of the Impacts of Professional Standards Legislation". This research will be carried out over a period of three years and aims to collect evidence and measure the impact of PSL. It is hoped that this research will stimulate further research into aspects of the Australian tort law reforms. Phases 1 and 2 of the 10-stage research plan are now complete, coinciding with the inaugural Annual Stakeholder Survey conducted by the Office of the Professional Standards Councils.

### Policy and Engagement

The Councils also raised awareness of professional standards and *Cover of Excellence*<sup>®</sup> Schemes by engaging in public debate through submissions to the Australian Prudential and Regulation Authority (APRA) and the Council of Australian Governments (COAG), as well as preparing submissions for the review of PSL in Western Australia and Victoria. Similarly, the Councils continued to raise their profile and promote the self-regulation of professionals, with stakeholder information events in Adelaide and Sydney.

### Risk Management

Improvements were made to the annual risk management and compliance reporting process for associations with Schemes, during the 2008-09 period. In 2009-10 the Councils saw the benefit of these improvements through clearer reporting by associations with Schemes, and the enhanced ability to monitor risk management strategies of associations with multi-jurisdictional Schemes.

# SIGNIFICANT ISSUES IMPACTING THE PROFESSIONAL STANDARDS COUNCILS

This is the first year that the Professional Standards Councils have included commentary on external issues affecting their performance. There are now Councils constituted in each of the States and Territories, all of which have achieved financial independence. *Cover of Excellence*<sup>®</sup> Schemes are now present in each State and Territory, and a number of these Schemes are mutually recognised across multiple jurisdictions. These factors combined have increased both the reporting obligations of associations and the volume of the reporting obligations. It is anticipated that in future years, the Councils will continue to review the reporting methods of associations in order to ensure that the Councils can most effectively monitor an association's compliance with their statutory obligations.

## **Economic Downturn and Insurance Markets**

The continuing economic downturn, although stabilising in the latter part of the financial year, remained a constant factor affecting the work of the Councils. As a result, activity in insurance markets was of importance to the Councils during the period as it was anticipated that professional indemnity insurance (PII) premiums would rise, while the number of underwriters offering PII would decrease. This was also the expectation of most professionals and insurance providers. It was reported in the media that in some professional sectors, such as financial planners, PII premiums increased significantly. However, as the risk management reports of associations indicate, those associations with Schemes were still able to readily access PII providers.

Nonetheless, this period did provide an opportunity for the Councils to scrutinise Scheme applications to consider whether those proposed by applicants were suitable given the economic and insurance markets. Further, such a period allows a more robust testing of risk management strategies of associations with Schemes.

## **Operating within a Public Sector Framework**

Due to the unfavourable economic climate, recruitment of specialists to the Office of the Professional Standard Councils (OPSC), which provides crucial support to the operations of the Councils, continued to be restricted. The NSW Government placed a freeze on public sector employment, which made it difficult for the OPSC to appoint suitable employees and offer competitive employment packages during 2009-10. As a provisional solution, temporary positions were advertised for the Communications and Marketing Officer, Research Officer and Senior Legal Officer. By the end of the financial year, these positions were again vacant. The impact of this situation is that projects have stalled while recruitment for permanent employees in these positions takes place, delaying important work of the Councils. Consultation with the NSW Department of Justice and Attorney General (DJAG) which provides human resources services to the Councils, will enable these recruitment issues to be resolved.

## Commonwealth Policy

*Cover of Excellence*® Schemes can be prescribed by the Commonwealth under the *Trade Practices Act 1974* (Cth), the *Corporations Act 2001* (Cth) and the *Australian Securities and Investment Commission Act 2001* (Cth). The effect of such prescription allows associations to have limited civil liability under certain provisions in these Acts. Associations with Schemes consider Commonwealth prescription to be highly beneficial.

There are currently 30 Schemes, across all States and Territories, which have been prescribed under the *Trade Practices Act 1974* (Cth). However, during 2009-10, the Commonwealth expressed caution in relation to prescription of Schemes under the *Corporations Act 2001* (Cth) and the *Australian Securities and Investments Commission Act 2001* (Cth). The Councils anticipate that this will present challenges for some participating associations, and have expressed concern that this will have an impact on the take-up of Schemes by some associations.

## Emerging Issues for the Professional Standards Councils

The Councils recognise that many of the presently operating Schemes are from large established associations. The Councils see that there is now an interest in Schemes being expressed by smaller, specialist or newly emerging occupational associations. The Councils consider this to be a positive opportunity to extend the current reach of Schemes beyond the occupational groups conventionally understood to be professional; for this reason, developments in the interpretation of what is a "professional/occupational association" will play an important part in future growth.

The Councils hope to see all States and Territories enact mutual recognition legislation in the coming years. At present there remain only two jurisdictions that do not have mutual

recognition provisions in their professional standards legislation: South Australia and Tasmania. Further, and because the current legislation provides some limitations to a number of interested associations, the Councils will seek improvements in the legislation, where necessary, through consultation with the Professional Standards Legislation Working Group (PSLWG) in order to facilitate the achievement of the objects of the legislation.

The major Research project begun this period, to measure the impact of professional standards legislation, is expected to provide the Councils with valuable information about the nature and impact of Schemes. The Councils hope to use this information to improve processes and systems, to inform decisions about capping liability, to streamline the monitoring of associations with Schemes, and to enliven public debate in this area.



# ROLE OF THE PROFESSIONAL STANDARDS COUNCILS



Back (L to R): Robert Beaton, Warwick Wilkinson (retired Dec 08), Madeleine Ogilvie, Steven Cole, Iain Summers, Terry Evans  
Front (L to R): Joanne Metcalfe, Esther Alter, Brian Rayment, Philippa Seagrave, Ronald Farrell. Missing from the photo are Council members Hugh Plaistowe and Lisa Hunt (resigned Oct 09)

## OUR VISION:

### PROFESSIONAL EXCELLENCE – CONSUMER PROTECTION

## OUR MISSION:

The Professional Standards Councils' mission is to promote consumer protection and excellence in professional standards by encouraging the self-regulation of occupational groups through the implementation of *Cover of Excellence*® Schemes. *Cover of Excellence*® Schemes operate for participating members of occupational associations, and:

- Recognise those who implement robust risk management strategies such as complaints and discipline systems, codes of ethics, and continuing occupational education,
- Limit occupational liability for members of occupational associations who carry professional indemnity insurance and/or business assets to the limitation of liability amount, and
- Entitle members of the occupational association to enjoy the reputation of the *Cover of Excellence*® logo.

### History and Profile of the Professional Standards Councils

The NSW Attorney General established the Professional Standards Council of New South Wales in 1995 under section 39 of the *Professional Standards Act 1994* (NSW). It was created to help professional and other occupational associations improve the regulation of their members so that consumers of their services would be better protected. Similar Councils were subsequently created in other Australian jurisdictions.

The Professional Standards Council of Western Australia was established in 1997 under section 8 of the *Professional Standards Act 1997* (WA). Professional standards legislation was passed in the remaining jurisdictions after 2003. In 2005, the Professional Standards Council of Victoria was established under section 42 of the *Professional Standards Act 2003* (Vic). In

2006, the Professional Standards Council of Tasmania was established under section 43 of the *Professional Standards Act 2005* (Tas), the Professional Standards Council of the Northern Territory under section 41 of the *Professional Standards Act 2005* (NT) and the Professional Standards Council of South Australia under section 42 of the *Professional Standards Act 2004* (SA).

The Professional Standards Council of the Australian Capital Territory was formed in 2007 under section 4.36 of the *Civil Law (Wrongs) Act 2002* (ACT) and finally, to complete arrangements in all States and Territories, the Professional Standards Council of Queensland was established under section 41 of the *Professional Standards Act 2004* (Qld).

The Attorneys General of each of the States and Territories, through the Standing Committee of Attorneys General (SCAG), the

Commonwealth Minister for Revenue and the Commonwealth Assistant Treasurer signed the *Professional Standards Agreement 2005* in October 2005. Under this agreement, all States and Territories have agreed to appoint the same members to each of the eight Professional Standards Councils.

Each of the Councils are represented by 11 members in total – these being the same members for each jurisdiction. New South Wales and Victoria have nominated two members each; the other States and Territories and the Commonwealth have nominated one member each. The Professional Standards Councils approve and monitor *Cover of Excellence*<sup>®</sup> Schemes, which aim to improve professional standards, protect consumers and limit the civil liability of professional and other occupational groups in certain circumstances.

Under the supervision of the Councils, the OPSC monitors occupational associations in the preparation of Scheme applications, administers the annual risk management reporting of occupational associations and, on occasion, conducts research and forums to facilitate the improvement of professional standards of associations.

The Councils have been self-funding for the last three financial years, with revenue derived from application fees and annual fees paid by associations in respect of those of their members to whom Schemes apply. Seed funding, which was available to those jurisdictions that did not generate sufficient income to cover operational expenses, ceased to be available at the end of 2008-09. Seed funds, provided by Tasmania and the Northern Territory justice departments, were returned to these departments during the 2008-09 financial year. The finances of the Councils have been separated from the NSW DJAG early in the 2009-10 financial year.

### **Cover of Excellence<sup>®</sup> Schemes**

The Professional Standards Councils are responsible for approving and monitoring associations' *Cover of Excellence*<sup>®</sup> Schemes. Schemes limit the civil liability of members of associations that have the benefit of an insurance policy and/or business assets to the

level of the limitation of liability. Participating associations are also required to meet a range of criteria, including implementing and monitoring codes of ethics, codes of conduct, and complaints and disciplinary mechanisms. In addition, each association has a standard of insurance with which its members must comply. Finally, annual risk management and compliance reporting is required of associations with *Cover of Excellence*<sup>®</sup> Schemes, for the life of the Scheme.

### **Approving Cover of Excellence<sup>®</sup> Schemes**

Before approving a *Cover of Excellence*<sup>®</sup> Scheme, Councils must consider:

- the position of consumers who may be affected by limiting the occupational liability of members of the association,
- the nature and level of claims relating to occupational liability made against members of the association seeking a *Cover of Excellence*<sup>®</sup> Scheme,
- the association's standards of insurance,
- the cost and availability of insurance,
- the association's risk management strategies and how those strategies are intended to be implemented, and
- public comments and submissions made in response to the public notification of a proposed *Cover of Excellence*<sup>®</sup> Scheme.

### **Determining Limits of Liability**

The Professional Standards Councils are responsible for determining the limitation of liability under *Cover of Excellence*<sup>®</sup> Schemes. When doing so, the Councils must consider the nature and level of claims made against members of the association and the need to adequately protect consumers, that is, the risk that consumers may have to bear as a result of a certain level of capped liability being approved.

### **Monitoring Associations' Risk Management Strategies**

Associations must demonstrate that they have the capacity to implement risk management strategies and to administer their *Cover of Excellence*<sup>®</sup> Schemes for the benefit of consumer protection. Participating

associations must report annually to the Councils about the mechanisms used to implement their risk management strategies as well as the effectiveness of such strategies in improving the professional standards of individual practitioners.

### Improving Professional Standards

The Professional Standards Councils work with associations to develop self-regulation mechanisms in order that they improve the standard of service received by consumers. 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 the new five-year Strategic Plan of the Councils, a further goal of the Councils is to be thought-leaders in the field of professional standards. In so doing, the Councils hope to continue to engage public debate and awareness regarding professional standards and limitation of liability schemes, as well as the *Cover of Excellence*<sup>®</sup> logo and consumer protection. During the reporting period, the Councils have had representatives present at an Ethics Forum, various CPD events, and prepared submissions on important policy issues affecting professional standards and the operations of Councils.

### Protecting Consumers

The Councils' goals are to protect consumers by demanding high levels of professional standards and practices from members of occupational associations that have Schemes, and to promote self-regulation across occupational groups.

Once a particular *Cover of Excellence*<sup>®</sup> Scheme is approved, the Councils allow members of the association to use the *Cover of Excellence*<sup>®</sup> logo as a mark of the quality standards and practices that consumers can expect to receive. Each *Cover of Excellence*<sup>®</sup> Scheme has a maximum duration of five years, after which time a new application must be submitted for a new Scheme. The limited duration of a *Cover of Excellence*<sup>®</sup> Scheme helps ensure robust mechanisms are in place to protect consumers and meet the evolving higher standards expected of professionals.

### Co-operation with the Commonwealth

The *Treasury Legislation Amendment (Professional Standards) Act 2004* (Cth) permits the Commonwealth to prescribe *Cover of Excellence*<sup>®</sup> Schemes so as to limit the liabilities of occupational associations under the *Trade Practices Act 1974* (Cth), the *Corporations Act 2001* (Cth) and the *Australian Securities and Investments Commission Act 2001* (Cth). The New South Wales Bar Association *Cover of Excellence*<sup>®</sup> Scheme was the first Scheme to be prescribed under the *Australian Securities and Investments Commission Act 2001* (Cth), the *Corporations Act 2001* (Cth) and the *Treasury Legislation Amendment (Professional Standards) Act 2004* (Cth) in May 2006.

The Engineers Australia NSW *Cover of Excellence*<sup>®</sup> Scheme was prescribed under the *Trade Practices Act 1974* (Cth) in April 2007, followed by Schemes for the NSW Law Society and the College of Investigative and Remedial Consulting Engineers of Australia (CIRCEA) in July 2007, and the Australian Valuers Institute (AVI), the Institute of Chartered Accountants Australia (ICAA) NSW and WA, and Certified Practising Accountants Australia (CPA Australia) NSW in October 2007. All of these Schemes were prescribed for a period of five years.

A further 13 Schemes were prescribed in 2008 and, in 2009 prescription was renewed for 18 *Cover of Excellence*<sup>®</sup> Schemes until June 2011. As at 30 June 2010, regulations were in place prescribing 30 Schemes under the *Trade Practices Act 1974* (Cth) – including a Scheme for the Law Institute of Victoria (LIV), which is due to commence on 1 July 2010.



# CHAIRMAN'S REPORT



Brian Rayment

Dear Ministers,

The Professional Standards Councils have continued to thrive, making 2009-10 one of the most positive years for the Councils to date.

In carrying out our mandate of promoting consumer protection and excellence in professional standards, the Councils have embarked upon several exciting projects throughout the year that will be of benefit to occupational associations with Schemes, future scheme holders, and consumers.

The most significant of these projects was the commencement of the "Comprehensive Research Strategy: Assessment of the Impacts of Professional Standards Legislation". This research recognises that, to date, there has been no quantitative evaluation of the effect of Schemes on professionals, consumers, or insurers, and it seeks to address this by collecting evidence over a number of years in order to measure the impact of professional standards legislation. It is the first of its kind nationally – and internationally – so the Councils are eagerly anticipating the possibilities that this research will provide to enrich *Cover of Excellence*<sup>®</sup> Schemes and promote further scholarship in tort law reform. Likewise, the Councils envisage that this research will be of benefit to SCAG when it undertakes its review of the professional standards regime. At the time of writing, the initial two phases of the 10-phase research strategy have been completed.

The compact between the Councils and the Commonwealth regarding Commonwealth prescription of Schemes continued this year, with a further six applications for

prescription under the *Trade Practices Act 1974* (Cth) being processed. However, the Commonwealth's recent caution in relation to prescription of Schemes under the *Corporations Act 2001* (Cth) and the *ASIC Act 2001* (Cth) will present challenges for some participating associations, and the Councils will seek to discuss this aspect of prescription with the Commonwealth.

Importantly, 2009-10 demonstrated the benefits of mutual recognition of *Cover of Excellence* Schemes<sup>®</sup>, with 17 new Schemes operating by way of the mutual recognition provisions of the legislation. Western Australia became the sixth State to implement mutual recognition amendments, in its *Professional Standards Act 1997* (WA), in April 2010. This is a positive step towards a more seamless national system of professional standards legislation, and it will doubtless encourage the take-up of Schemes.

The Professional Standards Councils were saddened by the retirement of Mr Steven Cole, the Deputy Chair of the Professional Standards Councils, Council member (1997-09) and Chairman of the Audit and Risk Management Committees (2004-09). His contributions were instrumental to the art and science of determining liability caps and assisting the Councils achieve financial viability.

The Councils hope to receive nominations for the office of Deputy Chairperson, and the Commonwealth and Queensland representatives from the relevant Ministers in the coming year.

As in previous years, the Professional Standards Councils were assisted by the diligent efforts of their Secretariat, under the leadership of Ms Philippa Seagrave, who remains as Acting Executive Officer.

Ms Seagrave and her team continue to make outstanding contributions, particularly in light of NSW public sector staffing constraints, complex financial requirements, gazettal processes and legislative differences between jurisdictions. Ms Seagrave will continue to lead the Secretariat while Dr Kate Sainsbury remains on extended leave.

I am pleased to submit the attached Councils' Annual Report to you, which contains full details of the above.

Yours faithfully,



Brian Rayment QC  
Chairman of the Professional Standards Councils

# OFFICE OF THE PROFESSIONAL STANDARDS COUNCILS REPORT



OPSC staff (L to R): Robert Lawson, Hau Wong, Elizabeth Rysiok, Philippa Seagrave and Seniz Salih. Missing: Mary Abi-Younes, Mary McCrudden, Paul Murton, Nicole Maxwell, Naomi Degabriele

During 2009-10 the Office of the Professional Standards Councils (OPSC) has focused on processing Scheme applications for new and existing clients, and the Councils' Comprehensive Research Strategy. The OPSC also finalised the "Framework for Compliance under Professional Standards Legislation".

The OPSC has undertaken significant work in building stakeholder relationships through increased face-to-face meetings and this has coincided with the employment of a specialised Marketing and Communications Officer to the OPSC. Council meetings and forums were arranged in Adelaide, Sydney and Melbourne to meet existing and prospective stakeholders.

## Structure and Staffing within the OPSC

The OPSC is managed by an Executive Officer who has dual reporting lines to both the NSW Department of Justice and Attorney General, as well as the eight Professional Standards Councils. The Executive Officer is supported by a team of 4.4 Policy Officers, a part-time Senior Legal Officer, part-time Assistant Legal Officer, Research Officer, Marketing and Communications Officer and Administrative support. The OPSC continued to participate in the NSW DJAG's Graduate Program for part of the year.

During 2009-10 the Executive Officer remained on extended leave, with Acting Executive Officer arrangements continuing. Two Policy officers went on maternity leave. An Assistant Research Officer position has been created to support the Research Officer, and advertising for this position will begin

in the latter part of 2010. The recruitment "freeze", effective from June 2009 across the NSW public sector, did affect the time within which the new positions could be filled and, as a consequence, these positions were filled by temporary employees. As a result, by June 2010 the Marketing and Communications Officer, Research Officer and Senior Legal Officer positions were vacant. To avoid unnecessary turnover, the positions will be advertised again during August 2010 as permanent employment positions.

## Co-operation with the Professional Standards Legislation Working Group (PSLWG)

The PSLWG met with representatives of the OPSC to discuss the re-negotiation and development of new Service Agreements between the Councils, the justice departments in each jurisdiction and the NSW DJAG. The extension of the former agreements expired on 30 June 2010. The new "Professional Standards Councils and Departmental Procurement of Services Agreement", and the "Professional Standards Councils Inter-departmental Service Agreement" will begin on 1 July 2010 for a period of two years.

## Policy Development

The OPSC conducted research and worked with clients to assist the Councils to review and develop a number of their policies to better achieve the aims of the legislation and to meet their clients' needs more effectively. As a result, the "Framework for Compliance under Professional Standards Legislation" was extensively revised. This policy document outlines a compliance program designed to

assist associations to meet their reporting obligations. Compliance programs are important elements of corporate governance in Australia, providing an opportunity to, not only improve an organisation's performance, but also to reduce the cost of failing to meet legal and other obligations.

The consultancy work on the fees modeling policy, completed in June 2009, required further review and development in order to properly consider fee structures that are appropriate to the necessary growth of the Councils, in order to meet their full functional mandate. This work will inform a future proposal for consistent national regulatory amendment.

With the assistance of the Communications and Marketing Officer a New Business Strategy was developed to assist the Councils identify prospective professionals and associations that may benefit from *Cover of Excellence*<sup>®</sup> Schemes. The plan includes strategies for stakeholder engagement and management. This plan is also linked to the Communications and Marketing Strategy which includes better use of the website, and development of brochures and newsletters.

### Plans for 2010-11

Key initiatives for the OPSC during the year ahead include:

- Continuation of the Research Strategy for the assessment of the impact of professional standards legislation;
- Forums and information sessions to be held in at least two States/Territories to meet existing and prospective stakeholders;
- Implementation of the Communications and Marketing Strategy;
- Identifying and working with associations and professions who do not have Schemes and/or professional standards;
- Office accommodation refit to meet resource and recruitment needs; and
- Finalisation of outstanding recruitment.



Philippa Seagrave  
Acting Executive Officer

# THE PROFESSIONAL STANDARDS COUNCILS



Brian Rayment



Esther Alter

## APPOINTMENT TO COUNCILS

The Attorneys General of each State and Territory appoint members to the Professional Standards Councils who have the skills, qualifications, experience and ability to contribute to the work of the Councils. The current Council members provide a solid base of experience in the fields of law, accounting, insurance, consumer affairs, corporate governance, auditing and architecture.

All States and Territories have agreed to appoint the same 11 members to each Council. The *Professional Standards Agreement 2005* allows each State and Territory (other than New South Wales and Victoria) and the Commonwealth to nominate one member. New South Wales and Victoria are entitled to nominate two members each to the Councils. The *Professional Standards Agreement 2005* also entitles New South Wales and Victoria to nominate the Chairperson and Deputy Chairperson on an alternating basis.

In October 2009 Ms Lisa Hunt, nominated as the Commonwealth representative, resigned from the Councils and in December 2009 Mr Steven Cole (Deputy Chairman of the Councils, Chairman of ARMC and Councillor for Western Australian) retired from the Councils. Mr Hugh Plaistowe was appointed as Council member for Western Australia from 1 January 2010 to December 2012. His appointment has also been confirmed for the Professional Standards Council of The Northern Territory, and Tasmania. Mr Plaistowe's appointment to all remaining Professional Standards Councils is expected to be completed in the latter part of 2010. All remaining State and Territory Council members have been nominated for office until 31 December 2011.

The position of Commonwealth representative currently remains vacant, as does the position of Queensland Council member and Deputy Chairperson of the Professional Standards Councils.

## MEMBERSHIP OF COUNCILS

### **Brian Rayment QC, BA, LLB: Chairman (nominated by New South Wales)**

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

### **Esther Alter BEc, LLB, MBA, MAICD (nominated by Victoria)**

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 a range of 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. Previously, Esther has held the position of Board member of the Osteopaths Registration Board of Victoria. She is currently a Board member of the Chiropractor Registration Board of Victoria, the Pharmacy Board of Victoria and the Chiropractors Board of Australia.





Robert Beaton



Steven Cole



Terry Evans



Ronald Farrell

**Robert Beaton LLB, BArch (Hons), BSc (Arch), RAIA, ANZIIF (Senior Associate (nominated by New South Wales))**

Robert Beaton retired from a career in insurance in mid 2010, following more than 34 years involvement with professional indemnity insurance. Before he retired, Robert was the National Product and Underwriting Manager at CGU Professional Risks Insurance. Also, for many years, Robert was the chairman of the Professional Indemnity Committee of the Insurance Council of Australia (ICA), and was involved with several other ad hoc committees and task forces set up by ICA in respect to amendments to the *Insurance Contracts Act 1984* (Cth), and also by the Australian Prudential Regulation Authority (APRA) in respect of the National Claims and Policies Database.

**Steven Cole LLB (Hons), FAICD: Deputy Chairman (nominated by Western Australia) (Retired December 2009)**

Steven Cole is a non-executive independent director and corporate consultant. He holds appointments as Chairman and Deputy Chairman on a number of Australian Stock Exchange, private and not-for-profit Boards. Until recently, Steven was a Senior Partner of Allens Arthur Robinson Lawyers. His experience includes corporate and strategic management within professional and general industry environments. Steven is also active in professional, business and community affairs, including the Australian Institute of Company Directors, the Chamber of Commerce and Industry (WA) and not-for-profit community-based organisations.

**Terry Evans LLM (nominated by South Australia)**

Terry Evans is engaged as Special Counsel for Minter Ellison Adelaide. Prior to that, he was the Deputy Chief Executive and then Acting Chief Executive for the Justice Department and South Australian Attorney General's Department (2004-06). He was the Chief Commercial Counsel for the Crown Solicitor's Office from 1996-2004. Before that, Terry was a Partner with Minter Ellison. Terry holds a number of Board positions in the corporate, government and not-for-profit sectors.

**Ronald Farrell (nominated by Victoria)**

Ronald Farrell provides professional advice to both the public and private sectors. Ronald's current positions include Member of the Municipal Association of Victoria Insurance Committee of Management, and is an Australian Securities and Investments Commission (ASIC) 'Responsible Officer' for MAV Financial Services Licence. He was a Board member of the Victorian Managed Insurance Authority including the Risk and Audit Committee 1996-2008, Metropolitan Fire and Emergency Services Board and Audit and Remuneration Committees 1994-2003. Various other insurance activities and board positions have been undertaken. He was General Manager of the Australian Eagle Insurance Group (General Division) until 1992, including directorships of subsidiary companies. During a 38-year professional career in the insurance industry he was also involved in various Insurance industry committees and the establishment of a rural industry Occupational Superannuation Fund.



Joanne Metcalfe



Madeleine Ogilvie



Hugh Plaistowe

**Joanne Metcalfe BLArch (Hons), MBA,  
Grad Dip Asset Mgt  
(nominated by The Australian  
Capital Territory)**

Joanne Metcalfe is the Business Group Manager for Management and Property of GHD's Canberra office. Joanne has been an active member of the property industry in the Canberra region for the past 10 years, currently holding the position of Vice-President of the Property Council of Australia, ACT. She represents the Property Council on government-industry bodies such as the Industry Monitoring and the Industry Reference Groups in the ACT. She has formerly worked in landscape architecture with Team Design Australia and was a Managing Principal at the architectural firm peckvonthartel (formerly Robert Peckvonthartel Trethowan). She has also served in the National Communications Unit and as State Manager of the ACT branch of the Australian Institute of Architects.

**Madeleine Ogilvie BA LLB, Grad  
Certificate of Business (AGSM), MAICD  
(nominated by Tasmania)**

Madeleine Ogilvie is a Tasmanian based barrister. Madeleine has a wide range of professional experience in Australia and internationally, including the provision of legal and strategic management advice to key private and public sector organisations. She has held senior roles in business, general management and the legal profession. Madeleine has particular expertise in infrastructure and major commercial contracts. Her key areas of professional interest are in the fields of telecommunications, the arts and intellectual property commercialisation.

Madeleine is the Deputy Chair of the Tasmanian Council of Professional Bodies, member and Company Secretary of the Tasmanian Community Foundation, Chair of the Infrastructure Panel of the Tasmanian Arts Advisory Board, Director of the Salamanca Arts Centre Ltd, member of the Board of Kidsafe (Tas), Founder of Early Years Parents & Friends (Tas), member and Deputy Chair of Taskforce on Care Costs, member of the Tasmanian Symphony Orchestra Ball Committee, member of Eat Well Inc Board and provides pro-bono support to a range of Tasmanian not-for-profit and arts organisations.

**Hugh Plaistowe, FCPA AICA  
(Nominated by Western Australia)**

Hugh Plaistowe has been a partner of Owen and Plaistowe Certified Practising Accountants for the past 33 years. A registered tax agent and a registered company auditor, Hugh's professional memberships include a Fellow of the CPA Australia, an Associate of the Institute of Chartered Accountants and a Fellow of the Taxation Institute of Australia. Hugh's extensive involvement in CPA Australia includes being a past State President of the Association, past member of the National Council of the Association, and past Chairman of the various committees of the Association. Hugh has presented papers in practice management, budgeting, ethical and professional standards, for CPA Australia and at professional seminars. Hugh is also an avid sportsman and a member of the Board of Trustees, Fremantle Sailing Club. He is also the Chairman of the Bright Water Group Audit and Risk Management Committee.



Iain Summers



Lisa Hunt

**Iain Summers BComm, LLB (Hons), Grad Diploma Management Psychology, FCA FCPA FAICD FAIM  
(nominated by the Northern Territory)**

Iain Summers provides governance and management advice and assistance to community services, public sector entities, and small to medium-sized commercial enterprises. He was a partner of the chartered accountancy firm Pannell Kerr Forster in Darwin from 1982-92, and the General Manager of Corporate Services for the Northern Territory Tourist Commission from 1993-94. From 1995 to 2002 he was the Northern Territory Auditor-General. He is a company director of commercial and community sector entities and a member of audit committees for private and public sector entities.

**Lisa Hunt BA LLB  
(nominated by the Commonwealth)  
(Resigned October 2009)**

Lisa Hunt has a background in law and 12 years experience in infrastructure development and operations. She has advised Australian governments at the highest levels on regulatory policy, project development and delivery, and risk management. She has developed strong executive management skills as a former executive with one of Australia's top 40 Australian Stock Exchange listed companies. She is an experienced director who has served on government and private sector boards.



# OPERATIONS OF THE PROFESSIONAL STANDARDS COUNCILS



## RESEARCH AND DEVELOPMENT

### Long Term Impacts of Professional Standards Legislation

As part of the Councils' own risk management processes, the Councils have identified the need to document and describe the impact of professional standards legislation in a complex and changing economic, insurance and legislative environment. This year, the Councils endorsed the "Comprehensive Research Strategy: Assessment of the Impacts of Professional Standards Legislation" to underpin a 10-phase in-depth qualitative and quantitative research project. The assessment of the impact of professional standards legislation is an ongoing long-term project to provide evidence by effective data collection, analysis and benchmarking. The first two phases of the research strategy have been implemented with the inaugural survey to stakeholders taking place in 2010. Recruitment of a permanent Research Officer has been identified as critical for the success of this project.

### Guidelines for Associations' Annual Reporting

2009-10 was the second year that Associations were required to report using the revised reporting guidelines that were introduced in 2008-09. These annual reporting requirements incorporate risk management reporting and ensure compliance with Risk Management Standard AS/NZ/ISO 31000:2009. The reports facilitate the creation of time-series data so that the Councils and the associations themselves can use them to compare against each association's initial five-year risk management plans.

The revised risk reporting guidelines are now incorporated into the Councils' publication, "A Framework for Compliance under Professional Standards Legislation", which was published by the Councils in September 2009. The changes reflect the multi-jurisdictional nature of a number of the Schemes (through mutual recognition) and focus on 'life of scheme risk management'.

To date, the Councils have found that the use of the revised reporting guidelines has been positive and has assisted both the Councils and associations to better monitor and track performance and Scheme maintenance.

### Star Initiative Grants Program: Providing Associations with Financial Assistance

Historically (2002-05), the Professional Standards Council of New South Wales offered grants to associations in NSW with Schemes, and their members, to undertake activities and research that contributed to the improvement of professional standards and consumer protection. Grants were awarded under the Star Initiative Grants Program.

Grants were not offered between 2005-09 while professional standards legislation was being implemented nationally.

In 2009-10, the Councils approved the re-commencement of the Star Initiative Grants Program for the 2010-11 financial year. An internal Council committee – The Star Initiative Grants Committee (SIGC), manages the Star Initiative Grants Program. The Committee was established in May 2010 with a revised mandate and vision. The first meeting of the SIGC is expected in July 2010.

Through the Star Initiative Grants Program, all members of associations who are covered by Schemes have the opportunity to develop a proposal for programs that improve professional standards and the protection of consumers – be it within their own associations or across professions. The Committee will assess the proposals and determine the successful applications.

For the 2010-11 financial year, an initial sum of \$50,000 has been allocated for grants.

## EXCHANGING KNOWLEDGE

### The Professional Standards Councils' Website [www.psc.gov.au](http://www.psc.gov.au)

Information about the Professional Standards Councils is disseminated through its website, which publishes all current *Cover of Excellence*® Schemes. The website also contains information about the Councils' policies, as well as links to current and historical copies of publications, including Annual Reports and consultative papers.

The more succinct website address ([www.psc.gov.au](http://www.psc.gov.au)) replaced [www.professionalstandardscouncil.gov.au](http://www.professionalstandardscouncil.gov.au) in 2008-09, and active promotion of the new address occurred in 2009-10. The existing domain name will continue to operate until it expires in 2010.



Representatives of the Liability Reform Steering Group

During the reporting period, the former Website Strategy was reviewed and expanded upon in the Professional Standards Councils Communication and Marketing Plan. The Plan includes a number of proposed activities relating to the content, structure and design of the website, each of which links into the broader goals of improving and maintaining awareness among professions, consumers, industry and government agencies about *Cover of Excellence*® Schemes. Likewise website development is linked to outcomes in the Professional Standards Councils Strategic Plan 2010-15.

### Meeting with Stakeholders

The OPSC meets regularly with the Councils' stakeholder associations, both those who have Schemes in place, and also those who may benefit from the development of a Scheme for their association in the future. One information session, focused on the research strategy to be implemented by the Professional Standards Councils was held in Sydney in 2010. Also, several meetings were convened with stakeholder associations throughout the year to discuss how they could better report on their risk management strategies and encourage membership take-up.

The Professional Standards Councils hosted information events in Adelaide and Sydney where current and potential stakeholder associations were invited to learn about the work of the Councils and *Cover of Excellence*® Schemes. The Councils also have regular meetings with the Liability Reform Steering Group (LRSG) to discuss how professional standards legislation can assist with tort liability reform. The Office of the Professional Standards Councils is developing a number of stakeholder information forums to be held in 2010-11.

## CORPORATE GOVERNANCE

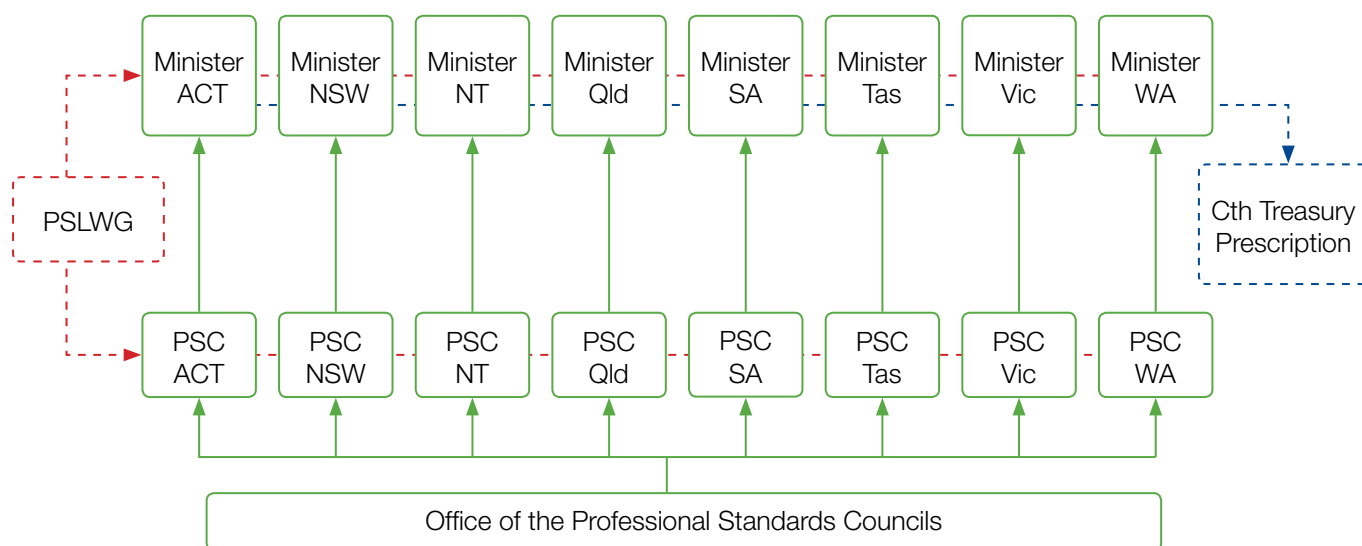
### Organisational Structure

The structure and reporting lines of the Professional Standards Councils Australia wide is represented in Figure 1. This shows the Office of the Professional Standards Councils receiving *Cover of Excellence*<sup>®</sup> Scheme applications on behalf of the Councils and providing secretariat support to each of the eight Councils. Once a Council makes a decision to recommend or amend a Scheme the relevant Minister is informed. With the authorisation of the Minister, an approved Scheme is then published in the Government Gazette.

If an association seeks Commonwealth prescription of its Scheme, under the *Trade Practices Act 1974 (Cth)*, *Corporations Act 2001 (Cth)* or the *Australian Securities and Investments Commission Act 2001 (Cth)*, then a Council will make a recommendation in this respect, to the relevant Minister. The Minister will then seek Commonwealth prescription.

The PSLWG consists of policy officers in each of the State and Territory departments of justice/Attorney General where a Professional Standards Council is constituted. The PSLWG communicates to each of the Councils and to the relevant State and Territory Ministers about professional standards legislation reform, review and Scheme issues.

Figure 1: Organisational Structure and Reporting Lines on National Level



### Internal Structure of the Professional Standards Councils

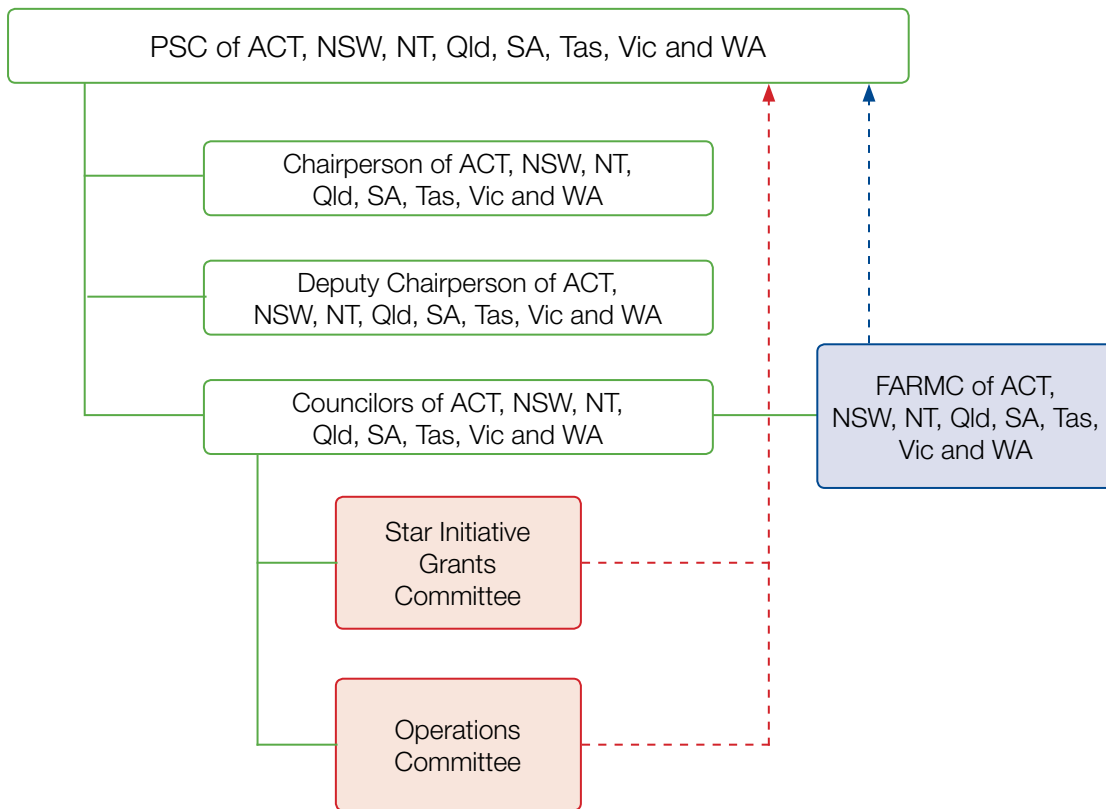
The internal structure of each of the eight Professional Standards Councils is represented in Figure 2. Figure 2 shows that each of the Professional Standards Councils has a Chairperson, Deputy Chairperson and Councilors (see Terms of Office and Remuneration for more information about these offices).

Each of the eight Councils has a Finance, Audit and Risk Management Committee (FARMC) constituted of Council members.

The FARMCs are answerable to each of the Councils.

Two new committees were formed during 2009-10: the Star Initiative Grants Committee (SIGC) and the Operations Committee. These committees are constituted of Council members, but unlike the FARMCs, there is only one SIGC and one Operations Committee which make recommendations to all eight Professional Standards Councils.

Figure 2: Internal Organisational Structure of the Professional Standards Councils



## Terms of Office and Remuneration

The Professional Standards Councils' members are appointed for a term of up to three years, and are eligible for reappointment at the expiration of their term. In October 2009 Ms Lisa Hunt, nominated as the Commonwealth representative resigned from the Councils and in December 2009 Mr Steven Cole (Deputy Chair of the Councils, Chair of ARMC and Councilor for Western Australian) retired from the Councils. The position of Commonwealth representative currently remains vacant, as do the positions of Queensland Council member and Deputy Chairperson of the Professional Standards Councils.

Mr Hugh Plaistowe was appointed as Council member for Western Australia from 1 January 2010 to 31 December 2012. His appointment has also been confirmed for the Professional Standards Councils of the Northern Territory and Tasmania. Mr Plaistowe's appointment to all remaining Professional Standards Councils is expected to be completed in the latter part of 2010. All remaining State and Territory Council members have been nominated for office until 31 December 2011.

An allowance/sitting fee for Council members is paid for attendance at Council, advisory group and committee meetings. This sitting fee is based on the NSW Premier's Department *Guidelines for NSW Board and Committee Members*. The remuneration of Council members consists of the following:

Table 1: Remuneration of Council Members

	Meetings up to 4 hrs	Each hour thereafter
<b>Chairperson</b>	\$593.00	\$125.00
<b>Council Member</b>	\$361.00	\$75.00

The Chairman is also paid a retainer of \$2,575.00 per annum for out-of-session work and Council related activities.

The average sitting time of Council meetings during the period was approximately 3.72 hours. The Councils also undertook 1.5 hours of training during 2009-10.

## Procedures

Provisions in professional standards legislation in each jurisdiction guide procedures for Council meetings. Policies developed since the Councils were established provide additional guidance for the operation of meetings. Policies include: Roles of Visitors, Declaration of Conflicts of Interest (declared at each meeting), and procedural arrangements to ensure dissemination of information in sufficient time for consideration of the meeting material.

## Meetings of the Councils

The number of meetings held and attendance information can be found under the jurisdiction-specific pages in this report.

## Committees

The Professional Standards Councils can establish committees to assist the Councils in their work. During the 2009-10 financial year, the Financial Audit and Risk Management Committees (FARMCs) (previously known as the ARMC) continued to meet in order to discuss operations and risk management issues facing the Professional Standards Councils.

Specifically, the FARMCs consider the Professional Standards Councils' financial position, budget management, risk management strategies, internal controls, and business plans.

Like the Professional Standards Councils, the FARMCs have common membership across all States and Territories. The members of the FARMCs during the 2009-10 financial year were:

- Steven Cole (Chairman to 31 December 2009)
- Iain Summers (Chairman from 1 January 2010)
- Esther Alter
- Ronald Farrell, and
- Joanne Metcalfe (from 1 January 2010)

The Executive Officer is secretary of the committee.



Appointment to the FARMCs is on an annual basis, and members may be re-appointed. The retirement of Mr Steven Cole resulted in new appointments to the committees. The average sitting time of FARMCs meetings during the period was approximately 2.33 hours.

Two additional committees were established during 2009-10. The Star Initiative Grants Committee (SIGC), to manage the Councils' grants program, and the Operations Committee, whose purpose is to ensure consistency with strategic direction of resourcing and prioritisation of the Councils' business plan. Both these committees will hold their first meetings in the latter part of 2010.

Membership of the SIGC consists of:

- Madeleine Ogilvie (Chairperson)
- Joanne Metcalfe and
- Hugh Plaistowe

The Executive Officer is secretary of the committee.

Membership of the Operations Committee consists of:

- Terry Evans (Chairman)
- Joanne Metcalfe

The Executive Officer is secretary of the committee.

### **Risk Management Program**

The Professional Standards Councils have implemented an Internal Risk Management Program (IRMP), based on the Risk Management Standard AS/NZ/ISO 31000:2009. The new IRMP was finalised in September 2009 by the Councils, the FARMCs and the OPSC.

The IRMP assists the Councils to identify and resolve diverse risks, such as commercial and legal risks, corporate knowledge management, financial administration and audit arrangements.

### **FINANCIAL PERFORMANCE OF THE COUNCILS**

All Professional Standards Councils operated with the assistance of the OPSC, a business unit of the NSW Department of Justice and Attorney General. The financial performance report of each Council can be found in the Financial and Statutory Reporting section of this Annual Report. The revenue received by each Council and its proportion of the expenditure are reported for each Council. The Professional Standards Council of Queensland, Victoria, South Australia and Western Australia each require individual financial audits. These audited financials are included as addenda to the 2009-10 Annual Report of the Professional Standards Councils and are published when they are finalised.



Representatives from the three Council Committees:  
(L to R) Iain Summers Chairman of FARMCs (from 1 Jan 2010), Terry Evans Chairman of the Operations Committee and Joanne Metcalfe representative of the Star Initiative Grants Committee

# CO-OPERATION BETWEEN JURISDICTIONS



## Inter-Governmental Agreement

The *Professional Standards Agreement 2005* was endorsed and executed by the Standing Committee of Attorneys General (SCAG). The Agreement allows common membership of all State and Territory Professional Standards Councils, and the use by each Council of common Secretariat support, provided by the Office of the Professional Standards Councils (OPSC) within the NSW DJAG. During 2009-10, there was continued support for the Professional Standards Agreement 2005. There will be consideration in any review of this Agreement of the new “Professional Standards Councils and Departmental Procurement of Services Agreement”, and the “Professional Standards Councils Inter-Departmental Service Agreement 2010” which both come into effect from 1 July 2010. (See below for further detail).

## Inter-Departmental Service Agreements

During the 2009-10 financial year, all States and Territories were signatories to the above mentioned service agreements with the Councils and the NSW DJAG. These agreements enable co-operation between the States and Territories by ensuring that the expenditure incurred pertaining to the operation of the OPSC and the Councils is allocated and borne by the jurisdictions in an equitable manner. The current agreements expire on 30 June 2010 and the new agreements (the “Professional Standards Councils and Departmental Procurement of Services Agreement” and the “Professional Standards Councils Inter-Departmental Service Agreement 2010”) will take effect from 1 July 2010.

## Legislative Change

The Professional Standards Councils are responsible for giving advice on the operation of professional standards legislation to the Attorneys General and, in Tasmania, the Minister for Corrections and Consumer Protection. The Councils have taken an active role in promoting consistency in professional standards legislation across Australia. In particular, the Councils addressed the matters of legislative amendments to provide for defence-costs inclusive insurance arrangements, and mutual recognition of schemes across jurisdictions. For details of the major legislative changes that have taken place in each State or Territory, see the individual sections allocated to each Professional Standards Council under “Major Legislative Changes”.

## Defence-Costs Inclusive Insurance Amendment

In 2004-05, the Attorneys General were informed by the Councils of advice they had received that professional standards legislation may not allow a person to whom a Scheme applies to rely on a defence-costs inclusive insurance policy. Many professionals who had the benefit of a Scheme typically held the more readily available costs-inclusive cover.

An amendment was requested to clarify that both costs-inclusive and costs-in-addition insurance policies could be used for the purposes of limiting liability under professional standards legislation. Amendments to the legislation were adopted in Victoria on 11 October 2006, in New South Wales on 27 October 2006, in Tasmania on 18 December 2006, in South Australia on 18 January 2007, in the Northern Territory on 4 April 2007,



L to R: Brian Rayment (Chairman)  
Steven Cole (Deputy Chairman – retired  
Dec 09)

in Queensland on 27 August 2007, in the Australian Capital Territory on 6 May 2008, and in Western Australia on 8 April 2010.

### Mutual Recognition of Schemes

In acknowledgement of the fact that professionals may work across borders, the Councils identified the need for an amendment to professional standards legislation to allow mutual recognition of Schemes between jurisdictions. This amendment was intended to facilitate the efficient operation of the legislation at a national level. Amendments commenced in New South Wales on 15 June 2007, in the Northern Territory on 1 April 2008, in the Australian Capital Territory on 18 May 2008, in Queensland on 25 November 2008, in Victoria on 11 December 2008, and in Western Australia on 7 April 2010. Similar amendments are expected to be made in South Australia and Tasmania in due course.

### Commonwealth Co-operation

On 5 April 2009 the Honourable Chris Bowen MP, Assistant Treasurer and Minister for Competition Policy and Consumer Affairs nominated Ms Lisa Hunt to be the Commonwealth representative on all Professional Standards Councils. The position had been vacant since the retirement of Mr Warwick Wilkinson in December 2008. Ms Hunt was subsequently appointed to the Councils. Ms Hunt advised of her intention to resign her position at the Council meeting of 30 October 2009. A new Commonwealth representative is yet to be nominated.

Once a Scheme is approved by the Council(s) and gazetted by the relevant State and Territories, the Office of the Professional Standards Councils asks the

Commonwealth to make regulations as required under the *Trade Practices Act 1974* (Cth), the *Corporations Act 2001* (Cth) and the *Australian Securities and Investments Commission Act 2001* (Cth), if requested to do so by an occupational association. The purpose of Commonwealth prescription is to prevent the liability caps approved by the States and Territories being circumvented by alternative actions under Commonwealth law.

The Commonwealth has advised that it will no longer prescribe schemes under the ASIC or Corporations Acts, as a result of a perceived conflict between the aims of these Acts and professional standards legislation.

The current Commonwealth regulations under the *Trade Practices Act 1974* (Cth) prescribe 30 Schemes – most recently (from 8 June 2010) for the Australian Computer Society, the South Australian, Tasmanian and Victorian Schemes for the Institution of Engineers in Australia (commonly known as “Engineers Australia”), and the Law Institute of Victoria (to commence on 1 July 2010). While the Commonwealth is cautious about prescribing Schemes under the *Corporations Act 2001* (Cth) and the *Australian Securities and Investment Commission Act 2001* (Cth), prescription under the *Trade Practices Act 1974* (Cth) is still an important initiative for the proper effect and administration of Schemes.

Pending a review of the professional standards regime, to be undertaken by the Standing Committee of Attorneys General in the near future, Schemes have been prescribed for a period of two years.



# COVER OF EXCELLENCE<sup>®</sup> SCHEMES



With the commencement of the Engineers Australia Scheme in Tasmania, there are now *Cover of Excellence*<sup>®</sup> Schemes in all States and Territories. Table 2 sets out the occupational associations and the jurisdictions under which there were Schemes in operation during 2009-10.

Table 2: *Cover of Excellence*<sup>®</sup> Schemes by Jurisdiction

Scheme	ACT	NSW	NT	QLD	SA	TAS	VIC	WA
<b>Accountants</b>								
ICAA	Scheme operative in this State/Territory	Scheme operative in this State/Territory	Scheme operative in this State/Territory	Scheme operative in this State/Territory	Scheme operative in this State/Territory		Scheme operative in this State/Territory	Scheme operative in this State/Territory
	Scheme is Prescribed by the Commonwealth	Scheme is Prescribed by the Commonwealth	Scheme is Prescribed by the Commonwealth	Scheme is Prescribed by the Commonwealth	Scheme is Prescribed by the Commonwealth		Scheme is Prescribed by the Commonwealth	Scheme is Prescribed by the Commonwealth
CPA Australia	Scheme operative in this State/Territory	Scheme operative in this State/Territory	Scheme operative in this State/Territory	Scheme operative in this State/Territory	Scheme operative in this State/Territory		Scheme operative in this State/Territory	Scheme operative in this State/Territory
	Scheme is Prescribed by the Commonwealth	Scheme is Prescribed by the Commonwealth	Scheme is Prescribed by the Commonwealth	Scheme is Prescribed by the Commonwealth	Scheme is Prescribed by the Commonwealth		Scheme is Prescribed by the Commonwealth	Scheme is Prescribed by the Commonwealth
NIA		Scheme operative in this State/Territory						
<b>Barristers</b>								
NSW Bar Assoc		Scheme operative in this State/Territory	Mutual Recognition of scheme in this State/Territory	Mutual Recognition of scheme in this State/Territory			Mutual Recognition of scheme in this State/Territory	Mutual Recognition of scheme in this State/Territory
		Scheme is Prescribed by the Commonwealth						
Vic Bar Inc		Mutual Recognition of scheme in this State/Territory	Mutual Recognition of scheme in this State/Territory	Mutual Recognition of scheme in this State/Territory			Scheme operative in this State/Territory	
							Scheme is Prescribed by the Commonwealth	
<b>Lawyers</b>								
NSW Law Society		Scheme operative in this State/Territory						
		Scheme is Prescribed by the Commonwealth						
Law Institute of Victoria							Scheme operative in this State/Territory	
							Scheme is Prescribed by the Commonwealth	
Queensland Law Society				Scheme operative in this State/Territory				
				Scheme awaiting Prescription by the Commonwealth				
<b>Engineers</b>								
Engineers Australia	Scheme operative in this State/Territory	Scheme operative in this State/Territory	Scheme operative in this State/Territory	Scheme operative in this State/Territory	Scheme operative in this State/Territory	Scheme operative in this State/Territory	Scheme operative in this State/Territory	Scheme operative in this State/Territory
	Scheme is Prescribed by the Commonwealth	Scheme is Prescribed by the Commonwealth	Scheme is Prescribed by the Commonwealth	Scheme is Prescribed by the Commonwealth	Scheme is Prescribed by the Commonwealth	Scheme is Prescribed by the Commonwealth	Scheme is Prescribed by the Commonwealth	Scheme is Prescribed by the Commonwealth

COVER OF EXCELLENCE® SCHEMES *continued*

Table 2: Cover of Excellence® Schemes by Jurisdiction

Scheme	ACT	NSW	NT	QLD	SA	TAS	VIC	WA
CIRCEA								
<b>IT Professionals</b>								
ACS								
<b>Surveyors</b>								
PSOA								
<b>Valuers</b>								
AVI								

Table 3 shows the number of members of associations to whom a Scheme applied in all jurisdictions for the 2009-10 financial year as at 30 June 2009.

Table 3: Cover of Excellence® Scheme Participation by Jurisdiction

Association	ACT	NSW	NT	QLD	SA	TAS	VIC	WA
ACS (Australian Computer Society)	n/a	0	n/a	n/a	n/a	n/a	n/a	n/a
AVI (Australian Valuers Institute)	n/a	23	n/a	n/a	n/a	n/a	n/a	n/a
CIRCEA (College of Investigative and Remedial Engineers of Australia)	n/a	28	n/a	n/a	n/a	n/a	n/a	n/a
CPA Australia (Certified Practising Accountants Australia)	82	1,474	26	1,077	245	n/a	2,046	743
EA (Engineers Australia)	0	1	0	2	0	0	1	1
ICAA (Institute of Chartered Accountants in Australia)	513	8,990	121	3,463	1,563	n/a	5,785	2,144
LSNSW (Law Society of NSW)	n/a	7,708	n/a	n/a	n/a	n/a	n/a	n/a
NIA (National Institute of Accountants)	n/a	1,087	n/a	n/a	n/a	n/a	n/a	n/a
NSW Bar (NSW Bar Association)	n/a	2,007	n/a	n/a	n/a	n/a	n/a	n/a
PSOA (Professional Surveyors Occupational Association)	n/a	34	n/a	n/a	n/a	n/a	n/a	n/a
Vic Bar (The Victoria Bar)	n/a	n/a	n/a	n/a	n/a	n/a	568	n/a

Table 4 sets out the total number of members of participating associations to whom a Scheme applied for 2009-10 and previous years.

Table 4: Historical and Current *Cover of Excellence*® Scheme Participation by Association and Year

Association	2009/10	2008/09	2007/08	2006/07	2005/06	2004/05	2003/04	2002/03	2001/02
ACS	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
AVI	23	18	27	45	48	85	85	64	57
CIRCEA	28	27	25	25	13	13	13	14	14
CPA Australia	5,693	5,519	5,337	1,350	1,337	1,278	1,262	1,135	1,114
Engineers Australia	5	1	0	0	n/a	n/a	n/a	n/a	n/a
ICAA	22,579	21,135	18,146	7,370	7,326	7,320	6,830	6,715	6,752
LSNSW	7,708	7,898	7,962	8,097	7,309	7,505	8,618	9,079	8,547
NIA	1,087	1,030	975	961	874	773	710	633	n/a
NSW Bar	2,007	1,971	1,968	1,982	1,978	2,000	n/a	n/a	n/a
PSOA	34	34	18	67	67	89	102	101	94
Vic Bar	581	527	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>TOTAL</b>	<b>39,745</b>	<b>38,160</b>	<b>34,458</b>	<b>19,897</b>	<b>18,952</b>	<b>19,063</b>	<b>17,620</b>	<b>17,741</b>	<b>16,578</b>

Note that until September 2007, Schemes were in force in New South Wales only. From 2007/08, the figures in Table 4 are inclusive of all States and Territories in Australia. Note also that from 2008/09, the Councils were prepared to consider applications from firm-only occupational associations, which resulted in the PSOA Scheme amendment. As can be seen this had the effect of decreasing the number of recorded members participating in the PSOA Scheme.

Figure 3 demonstrates the rapid growth in the number of professionals covered by a Scheme, particularly since the commencement of Schemes in all mainland States and Territories.

Figure 3: Number of Professionals Covered by a Scheme 2001-10

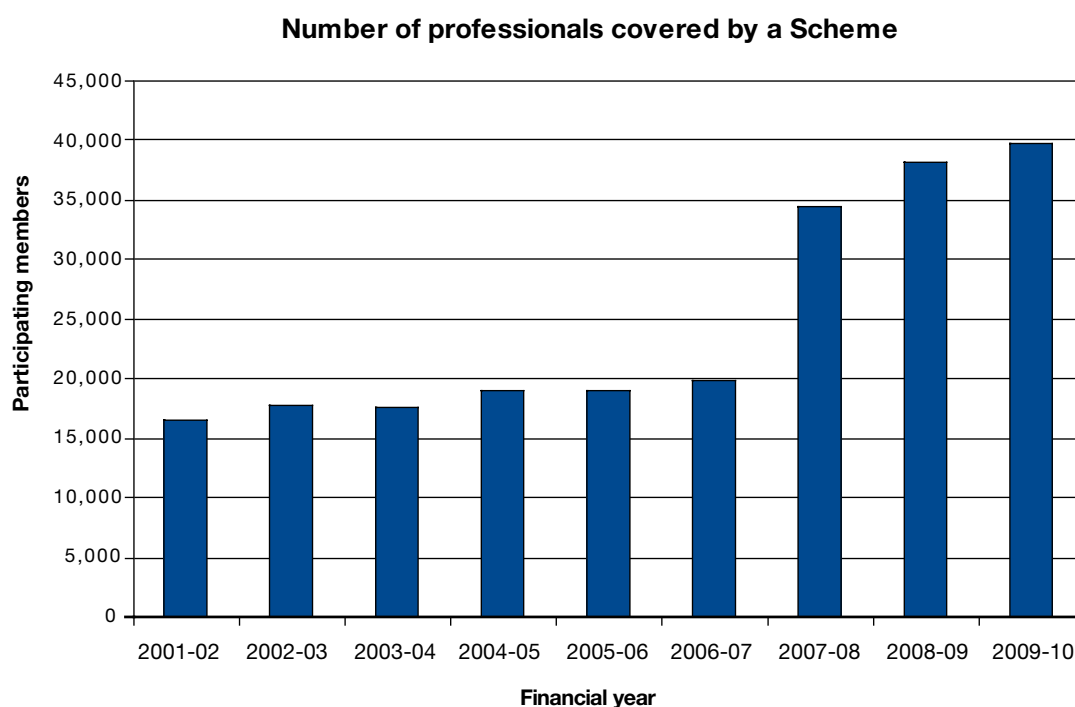
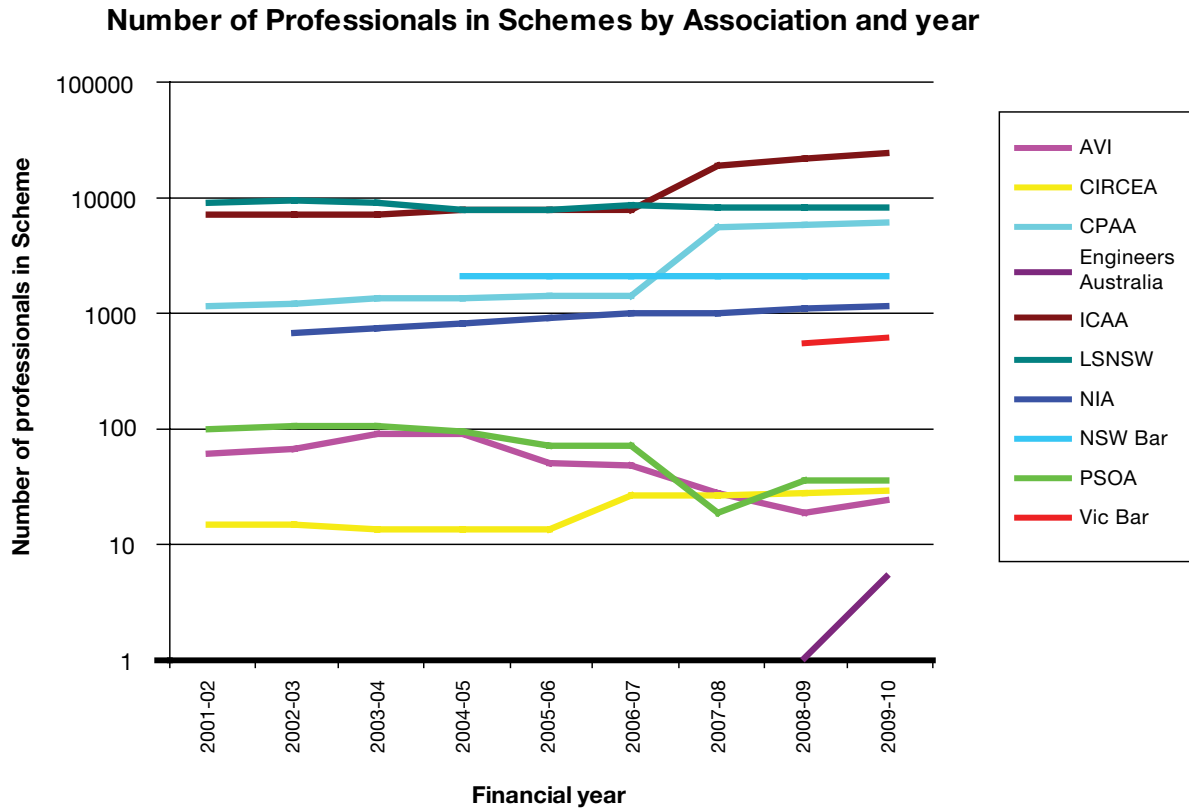


Figure 4 shows the number of professionals covered by Schemes in each association over time. (Note that ACS does not currently have any members in its Scheme and does not appear in Figure 4).

Figure 4: Number of Professionals Covered by a Scheme by Association 2001-10



## SCHEMES IN THE AUSTRALIAN CAPITAL TERRITORY

There are currently six Schemes in operation in the Australian Capital Territory, covering five occupational groups. In 2009-10, three Schemes became operational under mutual recognition in the Australian Capital Territory for; the Victorian Bar Incorporated, the Australian Computer Society, and the Professional Surveyors Occupational Association.

Table 5 sets out the persons to whom each Scheme applies, the limitation of liability, and the start and expiry dates of the Scheme.

Table 5: *Cover of Excellence*® Schemes in the Australian Capital Territory

Association	Scheme applies to:	Limit of liability	Start	Finish
CPA Australia (ACT)	All members of CPA Australia ordinarily resident in the Australian Capital Territory who hold a current Public Practice Certificate and who have not been exempted	\$1million to \$75 million. Reasonable charge of services x 10	01/02/2008	31/01/2013
ICAA (ACT)	All members of ICAA ordinarily resident in the Australian Capital Territory who hold a current Certificate of Public Practice and who have not been exempted	\$1million to \$75 million. Reasonable charge of services x 10	01/02/2008	31/01/2013
Engineers Australia (ACT)	Members of Engineers Australia who are also members of the Engineering Science and Technology Professional Standards Society	\$1.5 million to \$20 million	01/01/2009	31/12/2013

The Professional Standards Council of the Australian Capital Territory approves Schemes under the *Civil Law (Wrongs) Act 2002 (ACT)*. The first annual risk management and compliance reports for the Schemes approved in 2007-08 were due on 31 March 2009. The report for Engineers Australia was due on 31 March 2010. Information regarding the risk management strategies for these Schemes is included in this Annual Report in the “Schemes in Focus” section.

## SCHEMES IN NEW SOUTH WALES

There are currently 10 Schemes in operation in New South Wales, covering 10 occupational associations and six occupations. In 2009-10, the Vic Bar Scheme became operational under mutual recognition in New South Wales.

Table 6 sets out the persons to whom each Scheme applies, the limitation of liability, and the start and expiry dates of the Scheme.

Table 6: *Cover of Excellence*® Schemes in New South Wales

Association	Scheme applies to:	Limit of liability	Start	Finish
ACS	All members of the ACS professional division with Certified Computer Professional (CCP) status	\$1.5million to \$10 million	01/01/2010	31/12/2014
AVI	All members of the AVI ordinarily resident in New South Wales and who hold a current Public Practice Certificate issued by AVI	\$1million for commercial and \$500,000 for work relating to residential property	26/07/2007	25/07/2012
NSW Bar	All members of the NSW Bar who hold a current NSW Barrister's Practising Certificate	\$1million for all members	19/01/2005	30/06/2010
CIRCEA	All ordinary and retired members of CIRCEA	\$1million for ordinary members, \$5 million for members who provide advice predominantly on geotechnical engineering, \$10 million on application of member	05/12/2006	04/12/2011
CPA Australia (NSW)	All members of CPA Australia ordinarily resident in New South Wales who hold a current Public Practice Certificate and who have not been exempted	\$1million to \$75 million. Reasonable charge of services x 10	08/10/2007	07/10/2012
ICAA (NSW)	All members of ICAA ordinarily resident in New South Wales who hold a current Certificate of Public Practice and who have not been exempted	\$1 million to \$75 million. Reasonable charge of services x 10	08/10/2007	07/10/2012
Engineers Australia (NSW)	Members of Engineers Australia who are also members of the Engineering Science and Technology Professional Standards Society	\$1.5 million to \$20 million depending on total annual fee income of partnership, corporation or sole trader	24/02/2007	23/02/2012
LSNSW	All solicitor and life members of the LSNSW who hold a current Public Practice Certificate and have not been exempted	\$1.5 million to \$20 million depending on the number of principals; up to \$200million, as determined by the LSNSW, on application by a member	22/11/2006	21/11/2011

Association	Scheme applies to:	Limit of liability	Start	Finish
NIA	All members of NIA ordinarily resident in New South Wales who hold a current Public Practice Certificate issued by the NIA unless exempted	\$500,000 to \$20 million. Reasonable charge of services x 10	30/01/2007	29/01/2012
PSOA	All members of the PSOA	\$1million to \$5 million depending on the firms' total annual gross fee income. Higher amount to \$10 million if selected	12/11/2007	11/11/2012

The Professional Standards Council of New South Wales has approved Schemes under the *Professional Standards Act 1994* (NSW). All associations with Schemes under this Act have submitted annual risk management and compliance reports in which they reported on the implementation and monitoring of their risk management strategies, claims and insurance data, members' compliance with the use of *Cover of Excellence*<sup>®</sup> logo and disclosure of limited liability. Refer to the "Schemes in Focus" section of this Report for further details.

## SCHEMES IN THE NORTHERN TERRITORY

There are currently three Schemes in operation in the Northern Territory, covering three occupational associations and two occupational groups. In 2009-10, one Scheme became operational under mutual recognition in the Northern Territory for the Australian Computer Society, with three Schemes operational under mutual recognition pending authorisation in the *Government Gazette*.

Two Schemes had commenced in 2007-08: CPA Australia and ICAA. The Engineers Australia (Northern Territory) Scheme commenced in 2008-09.

Table 7 sets out the persons to whom each Scheme applies, the limitation of liability, and the start and expiry dates of the Scheme.

Table 7: *Cover of Excellence*® Schemes in the Northern Territory

Association	Scheme applies to:	Limit of liability	Start	Finish
CPA Australia (NT)	All members of CPA Australia ordinarily resident in the Northern Territory who hold a current Public Practice Certificate and who have not been exempted	\$1million to \$75 million. Reasonable charge of services x 10	26/05/2008	25/05/2013
ICAA (NT)	All members of ICAA ordinarily resident in the Northern Territory who hold a current Certificate of Public Practice and who have not been exempted	\$1million to \$75 million. Reasonable charge of services x 10	07/01/2008	06/01/2013
Engineers Australia (NT)	Members of Engineers Australia who are also members of Engineering Science and Technology Professional Standards Society	\$1.5 million to \$20 million	01/01/2009	31/12/2013

The Professional Standards Council of the Northern Territory has approved Schemes under the *Professional Standards Act 2004* (NT). The first annual risk management and compliance reports for Schemes commencing in 2007-08 were due on 31 March 2009. The report for Engineers Australia was due on 31 March 2010. Information regarding the risk management strategies under these Schemes is included in this Annual Report in the “Schemes in Focus” section.



## SCHEMES IN QUEENSLAND

There are currently three Schemes in operation in Queensland, covering three occupational associations and two occupations. In 2009-10, the Australian Computer Society Scheme became operational under mutual recognition in Queensland, with three Schemes operational under mutual recognition pending notification in the *Government Gazette*.

Two Schemes had commenced in 2007-08: CPA Australia and the ICAA. In 2008-09, the Engineers Australia (Queensland) Scheme commenced.

Table 8 sets out the persons to whom each Scheme applies, the limitation of liability, and the start and expiry dates of the Scheme.

Table 8: *Cover of Excellence*® Schemes in Queensland

Association	Scheme applies to:	Limit of liability	Start	Finish
CPA Australia (Qld)	All members of CPA Australia ordinarily resident in Queensland who hold a current Public Practice Certificate and who have not been exempted	\$1million to \$75 million. Reasonable charge of services x 10	25/03/2008	24/03/2013
ICAA (Qld)	All members of ICAA ordinarily resident in Queensland who hold a current Certificate of Public Practice and who have not been exempted	\$1million to \$75 million. Reasonable charge of services x 10	01/02/2008	31/01/2013
Engineers Australia (Qld)	Member of Engineers Australia who are also members of Engineering Science and Technology Professional Standards Society	\$1.5 million to \$20 million	01/01/2009	31/12/2013

The Professional Standards Council of Queensland approved Schemes under the *Professional Standards Act 2004* (Qld). The first annual risk management and compliance reports for Schemes which commenced in 2007-08 were due on 31 March 2009. The report for Engineers Australia was due on 31 March 2010. Information regarding the risk management strategies under these Schemes is included in this Annual Report in the “Schemes in Focus” section.

## SCHEMES IN SOUTH AUSTRALIA

There are currently three Schemes in operation in South Australia. Two Schemes had commenced in 2007-08: CPA Australia and the ICAA. Engineers Australia (South Australia) Scheme commenced in 2009-10.

Table 9 sets out the persons to whom each Scheme applies, the limitation of liability, and the start and expiry dates of the Scheme.

Table 9: *Cover of Excellence*® Schemes in South Australia

Association	Scheme applies to:	Limit of liability	Start	Finish
CPA Australia (SA)	All members of CPA Australia ordinarily resident in South Australia who hold a current Public Practice Certificate and who have not been exempted	\$1 million to \$75 million. Reasonable charge of services x 10	14/04/2008	13/04/2013
ICAA (SA)	All members of ICAA ordinarily resident in South Australia who hold a current Certificate of Public Practice and who have not been exempted	\$1 million to \$75 million. Reasonable charge of services x 10	20/02/2008	19/02/2013
Engineers Australia (SA)	Members of Engineers Australia who are also members of Engineering Science and Technology Professional Standards Society	\$1.5 million to 20 million	01/01/2009	31/12/2013

The Professional Standards Council of South Australia has approved Schemes under the *Professional Standards Act 2004 (SA)*. The first annual risk management and compliance reports for the Schemes which commenced in 2007-08 were due on 31 March 2009. The report for Engineers Australia was due on 31 March 2010. Information regarding the risk management strategies under these Schemes is included in this Annual Report in the "Schemes in Focus" section.

## SCHEMES IN TASMANIA

In 2008-09, one new Scheme commenced, for Engineers Australia (Tasmania).

Table 10 sets out the persons to whom the Scheme applies, the limitation of liability, and the start and expiry dates of the Scheme.

Table 10: *Cover of Excellence*<sup>®</sup> Scheme in Tasmania

Association	Scheme applies to:	Limit of liability	Start	Finish
Engineers Australia (Tas)	Members of Engineers Australia who are also members of the Engineering Science and Technology Professional Standards Society	\$1.5 million to \$20 million	01/06/2009	31/05/2014

The first annual risk management and compliance report for the Engineers Australia Scheme (Tasmania) was due on 31 March 2010.

## SCHEMES IN VICTORIA

There are currently four Schemes in operation in Victoria, covering four occupational associations and three occupations. In 2009-10, the Engineers Australia (Victoria) Scheme commenced. In 2009-10, two Schemes became operational under mutual recognition in Victoria for the Australian Computer Society and PSOA, with one Scheme operational under mutual recognition pending publication in the *Government Gazette*.

Two Schemes had commenced in 2007-08: CPA Australia and the ICAA. In 2008-09 the Victorian Bar Incorporated Scheme commenced.

Table 11 sets out the persons to whom each Scheme applies, the limitation of liability, and the start and expiry dates of the Scheme.

Table 11: *Cover of Excellence*® Schemes in Victoria

Association	Scheme applies to:	Limit of liability	Start	Finish
CPA Australia (Vic)	All members of CPA Australia ordinarily resident in Victoria who hold a current Public Practice Certificate and who have not been exempted	\$1 million to \$75 million. Reasonable charge of services x 10	21/04/2008	20/04/2013
Engineers Australia (Vic)	Members of Engineers Australia who are also members of the Engineering Science and Technology Professional Standards Society	\$1.5 million to \$20 million	19/01/2010	18/01/2015
ICAA (Vic)	All members of ICAA ordinarily resident in Victoria who hold a current Certificate of Public Practice and who have not been exempted	\$1 million to \$75 million. Reasonable charge of services x 10	03/03/2008	02/03/2013
Vic Bar	All participating members holding a current Victorian barrister's practicing certificate	\$2 million	01/07/2008	30/06/2013

The Professional Standards Council of Victoria has approved Schemes under the *Professional Standards Act 2003* (Vic). The first annual risk management and compliance reports for Schemes approved in 2007-08 were due on 31 March 2009. The report for Engineers Australia was due on 31 March 2010. Information regarding the risk management strategies under these Schemes is included in this Annual Report in the "Schemes in Focus" section.

## SCHEMES IN WESTERN AUSTRALIA

There are currently three Schemes in operation in Western Australia, covering three occupational associations and two occupations.

During 2008–09, one Scheme commenced, for Engineers Australia (Western Australia). Two Schemes had commenced in 2007-08: CPA Australia and the ICAA. Table 12 sets out the persons to whom each Scheme applies, the limitation of liability, and the start and expiry dates of the Scheme.

Table 12: *Cover of Excellence*® Schemes in Western Australia

Association	Scheme applies to:	Limit of liability	Start	Finish
CPA Australia (WA)	All members of CPA Australia ordinarily resident in Western Australia who hold a current Public Practice Certificate and who have not been exempted	\$1 million to \$75 million. Reasonable charge of services x 10	01/04/2008	31/03/2013
ICAA (WA)	All members of ICAA ordinarily resident in Western Australia who hold a current Certificate of Public Practice and who have not been exempted	\$1 million to \$75 million. Reasonable charge of services x 10	08/10/2007	07/10/2012
Engineers Australia (WA)	Members of Engineers Australia also members of Engineering Science and Technology Professional Standards Society	\$1.5 million to \$20 million	01/01/2009	31/12/2013

The Professional Standards Council of Western Australia has approved Schemes under the *Professional Standards Act 1997 (WA)*. The first annual risk management and compliance reports for Schemes approved in 2007-08 were due on 31 March 2009. The report for Engineers Australia was due on 31 March 2010. Information regarding the risk management strategies under these Schemes is included in this Annual Report in the “Schemes in Focus” section.

# SCHEMES IN FOCUS 2009

## ANNUAL RISK MANAGEMENT AND COMPLIANCE REPORTS

Occupational associations with *Cover of Excellence*<sup>®</sup> Schemes are required to report annually to their State/Territory-based Council on the implementation of the five-year risk management plan that formed part of their original application for a Scheme, detailing the effects of their strategies in mitigating risks, improving standards, and enhancing consumer protection. The reporting period for Schemes is 1 January to 31 December, with the report required to be submitted to Council by 31 March the following year. Therefore, the reporting period covered in this report is 1 January 2009 to 31 December 2009. Each State/Territory-based Council reports on the performance of the participating associations in relation to such risks each year in the Councils' Annual Report.

Reporting ensures that an occupational association makes constant and timely improvement to its practices, for the benefit of consumers of its services. The obligation to report is a statutory requirement and is fundamental to the role of the Professional Standards Councils in all jurisdictions. Examining the strategies and risks of professional associations allows the Councils to consider whether a limitation on occupational liability requires adjustment, as a consequence of changes in risks faced by members of an association. It also provides the Councils with the opportunity to assess the long-term impact of professional standards legislation from the perspective of their stakeholder associations.

In September 2009, the Councils published *A Framework for Compliance under Professional Standards Legislation* as a resource for Scheme Administrators. This document provides details of all statutory obligations, including annual risk management reporting and claims monitoring, together with suggested formats for reporting to the Councils. The *Framework for Compliance* is available on the Professional Standards Councils' website <http://www.psc.gov.au/>

### Who Reports Where?

The 2009 reporting year represents the second year in which there have been reporting obligations in all jurisdictions. Table 13 identifies the reporting obligations on a State/Territory basis for the 2009 reporting year.



Table 13: Summary of Risk Management and Compliance Reporting Obligations by Jurisdiction.

Association	ACT	NSW	NT	Qld	SA	Tas	Vic	WA
ACS* (Australian Computer Society)		✓						
AVI (Australian Valuers Institute)		✓						
CIRCEA (College of Investigative and Remedial Engineers of Australia)		✓						
CPA Australia (Certified Practising Accountants Australia)	✓	✓	✓	✓	✓		✓	✓
Engineers Australia**	✓	✓	✓	✓	✓	✓	✓	✓
ICAA (Institute of Chartered Accountants in Australia)	✓	✓	✓	✓	✓		✓	✓
LSNSW (Law Society of NSW)		✓						
NIA (National Institute of Accountants)		✓						
NSW Bar (NSW Bar Association)		✓						
PSOA (Professional Surveyors Occupational Association)		✓						
Vic Bar (The Victorian Bar)							✓	

\* Note that because the ACS Scheme only commenced on 18 December 2009, there were no reporting obligations for the 2009 reporting year.

\*\* Note that because Engineers Australia Victorian Scheme only commenced on 19 January 2010, there were no reporting obligations for the 2009 reporting year.

### Who Reports on What?

Professional standards legislation mandates that an association report annually on the implementation and monitoring of their risk management strategies, the effect of those strategies, and any changes made (or proposed to be made) to them. Regardless of the particular strategies adopted and reported on, the Councils' policy position requires that associations report each year on their claims and insurance monitoring, complaints and discipline, and continuing occupational education, together with compliance with disclosure of limitation of liability and use of the Councils' trade mark.

Table 14 summarises compliance with the compulsory risk management reporting categories for the 2009 reporting year by all occupational associations.

Table 14: Association Reporting Categories 2009

Association	Compulsory Reporting Categories			
	Claims and Insurance Monitoring	Complaints and Discipline	Continuing Occupational Education	Compliance with Disclosure and use of Trade Mark
AVI	✓	✓	✓	✓
CIRCEA	✓	✓	✓	✓
CPA Australia	✓	✓	✓	✓
Engineers Australia	✓	✓	✓	✓
ICAA	✓	✓	✓	✓
NIA	✓	✓	✓	✓
NSW Bar	✓	✓	✓	✓
LSNSW	✓	✓	✓	✓
PSOA	✓	✓	✓	✓
Vic Bar	✓	✓	✓	✓

Each association also provides to the Councils additional information about non-compulsory categories of risk management reporting based on the associations' five-year risk management plans submitted as part of the original application process. The information is noted and reviewed by the Professional Standards Councils but, for the sake of brevity, these additional categories are not included in this section.

## REPORTS FROM ASSOCIATIONS WITH SCHEMES IN THE AUSTRALIAN CAPITAL TERRITORY

There were three associations with Schemes operating in the Australian Capital Territory during the reporting period – CPA Australia, Engineers Australia and ICAA. This is the second year that CPA Australia and ICAA have provided risk management and compliance reports for the Australian Capital Territory. The Engineers Australia (Australian Capital Territory) Scheme commenced on 1 January 2009; it is the first year that a report was required in the Australian Capital Territory.

### CPA Australia Risk Management and Compliance Report

Table 15: CPA Australia (Australian Capital Territory) Claims and Insurance Monitoring 2008-09

Year	Commentary
2009	<ul style="list-style-type: none"> <li>The minimum PII, required by members and available to consumers has doubled to \$1 million from the amount required at the commencement of the Scheme.</li> <li>There were 0 insurance claims and 1 claim notification in the reporting period for the Australian Capital Territory.</li> <li>The availability of insurance underwriters has drastically increased over the last 12 months and the market is competitive resulting in a reduction in the cost of premiums. There are in excess of 35 underwriters willing to provide PII for CPA Australia accountants.</li> </ul>
2008	<ul style="list-style-type: none"> <li>CPA Australia reported 1 insurance claim notification for the Australian Capital Territory Scheme during the reporting period.</li> <li>During the reporting period the market remained stable but increasingly competitive.</li> <li>There are in excess of 27 underwriters who are willing to provide PII for CPA Australia accountants.</li> </ul>

Table 16: CPA Australia (Australian Capital Territory) Complaints and Discipline 2008-09

Year	Strategy	Effects of Strategy
2009	Continual improvement in the investigation and disciplinary process.	<b>Outcome:</b> The outcome of any complaint referred to a disciplinary tribunal is published on the CPA Australia website.
2008	Continual improvements in investigation and disciplinary processes.	<p><b>Action:</b> An external independent reviewer examined all aspects of the disciplinary process and made recommendations.</p> <p><b>Outcome:</b> In 2008, there were 163 externally initiated complaints investigated across Australia along with previous complaints carried over from 2007.</p> <p><b>Outcome:</b> 42 members appeared before a disciplinary tribunal, with the outcomes reported on the website. There were 0 in the ACT.</p>

Table 17: CPA Australia (Australian Capital Territory) Continuing Occupational Education 2008-09

Year	Strategy	Effects of Strategy
2009	Continual revision and improvement of <i>CPA Program</i> .	<p><b>Action:</b> <i>CPA Program</i> and <i>Public Practice Program</i> reviewed and revised regularly (at least twice yearly) to enhance learning outcomes.</p> <p><b>Action:</b> Development of a new <i>Practical Experience Requirement</i> (PER) to replace existing <i>Mentor Program</i> from Jan 1 2010, based on member and participant feedback.</p> <p><b>Action:</b> Ongoing development of solutions for training to meet member needs (webinars, social networking etc).</p>
2008	Continuation of <i>CPA Program</i> .	<p><b>Action:</b> The Education Advisory Committee meets 4 times a year to provide strategic oversight and quality assurance for the <i>CPA Program</i>.</p> <p><b>Outcome:</b> Eight-unit conversion courses now available to be accredited. The first course was accredited in late 2008.</p> <p><b>Action:</b> In 2010, CPA Australia will also launch a series of 8 <i>Foundations Exams</i> to access the core knowledge as an alternative pathway to commencing the <i>CPA Program</i>.</p>

Table 18: CPA Australia (Australian Capital Territory) Compliance with Disclosure and *Cover of Excellence*® Logo Requirements 2008-09

Year	Commentary
2009	<ul style="list-style-type: none"> <li>CPA Australia has provided a quality review framework for implementing and assessing compliance with disclosure of limited liability and <i>Cover of Excellence</i>® logo requirements.</li> <li>There is a 5-year (ie 20% annually) review cycle as part of the quality assurance program.</li> <li>Audit includes a review of letterhead, company structures, quality control and risk management.</li> </ul>
2008	<ul style="list-style-type: none"> <li>CPA Australia has provided a quality review framework for implementing and assessing compliance with disclosure of limited liability and <i>Cover of Excellence</i>® logo requirements.</li> <li>There is a 5-year (ie 20% annually) review cycle as part of the quality assurance program.</li> <li>Audit includes a review of letterhead, company structures, quality control and risk management.</li> </ul>

## Engineers Australia Risk Management and Compliance Report

Table 19: Engineers Australia (Australian Capital Territory) Claims and Insurance Monitoring 2009

Year	Commentary
2009	Insufficient members of Engineers Australia participating in the Scheme to supply meaningful data at this stage.

Table 20: Engineers Australia (Australian Capital Territory) Complaints and Discipline 2009

Year	Strategy	Effects of Strategy
2009	Improve efficiency of complaints handling and disciplinary system.	<p><b>Action:</b> Code of Ethics and Disciplinary Regulations under review.</p> <p><b>Action:</b> Consultation draft revised Code of Ethics being validated by broad cross-section of engineering and ethics experts for approval by National Congress July 2010.</p> <p><b>Outcome:</b> Regular review of complaints handling policy and procedures.</p> <p><b>Outcome:</b> 10 new complaints (nationally) against members. Complaints continue to be primarily about domestic housing projects.</p> <p><b>Action:</b> Ethics awareness program under development.</p>

Table 21: Engineers Australia (Australian Capital Territory) Continuing Occupational Education 2009

Year	Strategy	Effects of Strategy
2009	To expend avenues available to members for education and learning throughout their careers.	<p><b>Outcome:</b> New website launched in September 2009 with enhanced events, course and publication search facilities for members.</p> <p><b>Action:</b> Target continuing professional development programs in accordance with new national priorities for all career stages.</p> <p><b>Action:</b> Develop an annual schedule of national publications and courses available to members.</p> <p><b>Outcome:</b> In Canberra, 68 technical meetings held plus 2 site visits.</p> <p><b>Outcome:</b> Improved CPD delivery/participation rates.</p>

Table 22: Engineers Australia (Australian Capital Territory) Compliance with Disclosure and *Cover of Excellence*® Logo Requirements 2009

Year	Commentary
2009	<ul style="list-style-type: none"> <li>• Provide educational material to members on professional standards compliance requirements through Engineers Australia magazine and with renewal applications.</li> <li>• Require members to complete a self-assessment form regarding compliance disclosure requirements.</li> <li>• No report available as annual renewals not within the risk management reporting period.</li> </ul>

## ICAA Risk Management and Compliance Report

Table 23: ICAA (Australian Capital Territory) Claims and Insurance Monitoring 2008-09

Year	Commentary
2009	<ul style="list-style-type: none"> <li>• Minimum PII cover requirements increased in 2009 for the second consecutive year.</li> <li>• Annual survey of members reported a relatively soft market for PII with no sustained pressure on premiums and excesses. Survey evidence suggests the quality and level of cover held by members continues to improve, which provides better protection to consumers.</li> <li>• The Institute sought information regarding any formal claim in excess of \$500,000 lodged against members or firms in the 2009 calendar year.</li> <li>• For the Australian Capital Territory there were 0 reported claims.</li> </ul>
2008	<ul style="list-style-type: none"> <li>• The institute does not recommend, mandate, or limit broker choice for members seeking PII cover.</li> <li>• Members were asked to identify the broker who had arranged their PII. 67.21% of brokers nominated by members have undertaken to comply with the institute's PII regulations.</li> <li>• The Institute sought information regarding any formal claim in excess of \$500,000 lodged against members or firms in the 2007 or 2008 calendar year.</li> <li>• For the Australian Capital Territory there were 0 reported claims.</li> <li>• Feedback from brokers and insurers indicates that, after several years of soft market for insurance, Australia is likely to see a hardening of the PII market. One of the key factors is expected to be an increase in claims arising from losses incurred as part of the global financial crisis.</li> </ul>

SCHEMES IN FOCUS 2009-10 *continued*

Table 24: ICAA (Australian Capital Territory) Complaints and Discipline 2008-09

Year	Strategy	Effects of Strategy
2009	<p>Discipline of members under the Institute's Supplemental Charter, by-laws and Regulations.</p> <p>Regulation 9/1220 requires members in practice to have complaints handling policies and processes in place.</p>	<p><b>Action:</b> Professional Conduct Tribunal outcomes published on the Institute's website or in Charter publication.</p> <p><b>Action:</b> During 2009 calendar year the Professional Conduct team conducted 290 investigations into formal complaints. There were 13 national tribunal hearings.</p> <p>The most frequent issues were related to the Global Financial Crisis. This trend is likely to continue due to lag effects of referral from courts and regulators.</p>
2008	<p>Ongoing compliance with Statement of Membership Obligation (SMO 6): Investigation and Discipline.</p>	<p><b>Action:</b> During the 2007-08 financial year the Professional Conduct team initiated investigations into 259 formal complaints nationally. This was a decrease from 317 in the previous year.</p> <p><b>Action:</b> Professional Conduct Tribunal outcomes published on the Institute's website or in Charter publication.</p>

Table 25: ICAA (Australian Capital Territory) Continuing Occupational Education 2008-09

Year	Strategy	Effects of Strategy
2009	<p>Institute requires 120 hours per triennium Training and Development.</p>	<p><b>Action:</b> <i>Public Practice Program</i> (PPP) content and syllabus reviewed annually including Ethics modules.</p> <p><b>Outcome:</b> New PPP launched in March 2009.</p> <p><b>Action:</b> Annual Training and Development audit conducted nationally. All non-compliance is followed-up and resolved.</p>
2008	<p>Ongoing development and revision of training products and services to ensure value for members.</p>	<p><b>Action:</b> Training and development primarily focused on delivering training across Tax, Accounting, Audit, and Superannuation topics. Issues and topics are selected from member requirements identified by the Institute and member technical specialists as well as feedback from external regulators.</p> <p><b>Action:</b> Audit training was delivered to attendees Australia-wide.</p>

Table 26: ICAA (Australian Capital Territory) Compliance with Disclosure and *Cover of Excellence*® Logo Requirements 2008-09

Year	Commentary
2009	<ul style="list-style-type: none"> <li>All member practices were provided with information on disclosure requirements and compliance with use of logo.</li> <li>A national survey revealed that the use of the <i>Cover of Excellence</i>® logo was confirmed by 13% of the members responding to the survey. State specific results show an increasing awareness of the logo and reporting requirements. Additionally, 87.03% of respondents provided information on disclosure of limitation of liability.</li> <li>In the ACT, 5.66% of respondents were using the <i>Cover of Excellence</i>® logo.</li> <li>In the ACT 86.79% of members responding to a survey were complying with the disclosure of their limitation of liability.</li> </ul>
2008	<ul style="list-style-type: none"> <li>All member practices were requested to confirm that they are complying with the disclosure of their limitation of liability in accordance with the requirements of the professional standards legislation and regulation.</li> <li>In the ACT, 85.45% of respondents to a members' survey confirmed compliance with disclosure requirements.</li> <li>7.27% of respondents confirmed that they were using the optional <i>Cover of Excellence</i>® logo.</li> <li>ICAA will target communications to raise awareness if the disclosure requirements in those States/Territories which have new schemes.</li> </ul>



## REPORTS FROM ASSOCIATIONS WITH SCHEMES IN NEW SOUTH WALES

New South Wales has the highest number of Schemes operating. During the reporting period there were 10 associations with Schemes operating in New South Wales.

### AVI Risk Management and Compliance Report

The AVI Scheme commenced on 26 July 2007. AVI was not required to report for the 2007 reporting year.

Table 27: AVI Claims and Insurance Monitoring 2008-09

Year	Commentary
2009	<ul style="list-style-type: none"> <li>No claims reported.</li> <li>Insurance is freely available to members.</li> </ul>
2008	<ul style="list-style-type: none"> <li>No claims reported.</li> <li>The Board (of AVI) is proud of its excellent claims history and believes that it is an industry benchmark. The average cost of insurance is 5% of gross fees. Because of affordability of insurance it can be inferred to be reasonably available.</li> <li>Approximately 50% of AVI members use the same insurer.</li> </ul>

Table 28: AVI Complaints and Discipline 2008-09

Year	Strategy	Effects of Strategy
2009	All members are required to adhere to AVI's complaints procedures.	<b>Outcome:</b> During the reporting period no complaints were received about current members.
2008	All members are required to adhere to AVI's complaints procedures.	<b>Outcome:</b> During the reporting period no complaints were received about current members.

Table 29: AVI Continuing Occupational Education 2008-09

Year	Strategy	Effects of Strategy
2009	<p>Mandatory 40 hours continuing occupational education each year.</p> <p>Members required to do 20 hours structured learning and 20 hours self-regulated study.</p>	<b>Action:</b> Membership applications and renewals of practicing certificates reviewed for compliance with continuing occupational education obligations.
2008	<p>Mandatory 40 hours continuing occupational education each year.</p> <p>Members required to do 20 hours structured learning and 20 hours self-regulated study.</p>	<p><b>Outcome:</b> 100% of selected random sample audited demonstrated compliance with CPD requirements.</p> <p><b>Outcome:</b> 29 members attended the AVI annual conference held in June 2008. This represents approximately 40% of current membership (10% above the Institute's KPI).</p>

Table 30: AVI Compliance with Disclosure and *Cover of Excellence*® Logo Requirements 2008-09

Year	Commentary
2009	<ul style="list-style-type: none"> <li>Members surveyed for their knowledge of compliance program requirements as part of application/renewal processes.</li> <li>Anecdotally, it was reported that few members use the voluntary logo.</li> <li>Compliance statements are used by members who have adopted the Scheme.</li> </ul>
2008	<ul style="list-style-type: none"> <li>A random sample of members participating in the AVI Scheme was selected to provide evidence of compliance with disclosure policy. 100% of members chosen were able to satisfy the AVI Board that requirements were being adhered to.</li> </ul>

### NSW Bar Association Risk Management and Compliance Report

The NSW Bar Association's Scheme commenced on 19 January 2005. This is the last reporting period for this Scheme before a new Scheme commences on 1 July 2010. The current Scheme operates in New South Wales only. In future years it is anticipated that NSW Bar Association (along with all other participating associations) will provide data for the entire reporting period of 1 January to 31 December.

Table 31: NSW Bar Association Claims and Insurance Monitoring 2006-09

Year	Commentary
2008-09	<ul style="list-style-type: none"> <li>Annual Insurance policy type and coverage approved by the NSW Attorney General under section 403(2) of the <i>Legal Profession Act 2004</i> (NSW).</li> <li>The NSW Bar Association reports that claims do not appear to be increasing against members, continuing the trend of the last 5 years.</li> <li>The total number of claims for the 2008-09 financial year was estimated at 21. The 2007-08 claims figures have been revised to 26 claims.</li> </ul>
2007-08	<ul style="list-style-type: none"> <li>The NSW Bar Association is in a unique situation for an occupational association with a Scheme, where the type of policy and the level of cover provided is prescribed by the NSW Attorney General pursuant to section 403 (2) of the <i>Legal Profession Act 2004</i> (NSW).</li> <li>The NSW Bar Association reports that claims do not appear to be increasing against members, continuing the trend of the last 4 years.</li> <li>The total number of claims for the 2007-08 financial year is estimated at 23 claims. The major areas of claims or notifications were commercial (11) and professional conduct/discipline (5).</li> <li>All 4 insurers offering professional indemnity insurance to barristers now offer automatic 7-year run-off cover for barristers who retire whilst insured with them.</li> </ul>
2006-07	<ul style="list-style-type: none"> <li>The NSW Bar Association reported that claims do not appear to be increasing against its members, continuing a trend of the last few years. Additionally, the numbers of claims relative to the number of barristers is quite low.</li> <li>The total number of insurance claims in the 2006-07 financial year was finalised at 23. The major areas of claims or notifications reported were in professional conduct (7), commercial (7), personal injury (5) and family law (3).</li> <li>A significant improvement in insurance coverage has been successfully negotiated for barristers with 1 insurer commencing to offer run-on cover for those barristers no longer insured with them.</li> </ul>
2005-06	<ul style="list-style-type: none"> <li>The NSW Bar Association reported claims do not appear to be increasing against its members. The number of claims made in 2005-06 was 13 and the number of notifications was 95.</li> <li>Claims against barristers remained stable or declined slightly over the last few years. There is a decrease in the number of notifications, from 87 in 2004-05. Major areas of claims or notifications were in professional conduct, commercial, personal injuries and family. No claim approached the limitation of liability.</li> </ul>

Table 32: NSW Bar Association Complaints and Discipline 2006-09

Year	Strategy	Effects of Strategy
2008-09	Meet statutory obligations with respect to complaints and notifications and other disclosure requirements under the <i>Legal Profession Act 2004</i> (NSW).	<p><b>Outcome:</b> in the 12 months to 30 June 2009: 49 conduct complaints were referred to the Legal Services Commissioner (LSC) for investigation.</p> <ul style="list-style-type: none"> <li>• 11 complaints were made by the Bar Council.</li> <li>• in addition, 54 investigations that had commenced before 1 July 2008, were ongoing.</li> </ul> <p><b>Action:</b> Member feedback advised the association of a need for better understanding of the complaints and discipline process.</p> <p><b>Outcome:</b> A seminar was designed to address this issue and offered in Feb 2009.</p>
2007-08	For the Bar to properly exercise its statutory obligations under the <i>Legal Profession Act 2004</i> (NSW) in respect of claims and notifications.	<p><b>Outcome:</b> In the 12 months to 30 June 2008: 41 complaints were referred by the LSC for investigation 11 new complaints were made by the Bar Council.</p>
2006-07	Meet statutory obligations with respect to complaints and notifications and other disclosure requirements under the <i>Legal Profession Act 2004</i> (NSW).	<p><b>Outcome:</b> In 12 months to 30 June 2007:</p> <ul style="list-style-type: none"> <li>• 45 complaints were referred by the LSC and</li> <li>• 4 new complaints were made by the Bar Council.</li> </ul> <p><b>Action:</b> After a review, new procedures for the Professional Conduct Committee were developed and implemented.</p>
2005-06	Meet statutory obligations with respect to complaints and notifications and other disclosure requirements under the <i>Legal Profession Act 2004</i> (NSW) and associated regulations.	<p><b>Outcome:</b> 55 new complaints were referred by the LSC to 30 June 2006 and 7 complaints were made by the Bar Council.</p>

Table 33: NSW Bar Association Continuing Occupational Education 2006-09

Year	Strategy	Effects of Strategy
2008-09	Mandatory continuing professional education (10 CPD points) prior to issuing annual practicing certificate.	<p><b>Outcome:</b> Renewal process identified a very small number of practitioners with insufficient CPD who were given conditional practising certificates subject to undertaking CPD within specified timeframes.</p> <p><b>Action:</b> Additional specialist conferences will be organised in 2010 dependant on demand (eg tax, personal injury).</p>
2007-08	Mandatory continuing professional education (10 CPD points) prior to issuing annual practicing certificate.	<p><b>Action:</b> In February 2009 a one-off specialist conference was organised (personal injury). Further specialist conferences are being planned for 2009.</p> <p><b>Outcome:</b> Renewal process identified practitioners with insufficient CPD who were given conditional practising certificates subject to undertaking CPD within specified timeframes.</p>
2006-07	Mandatory continuing professional education (10 CPD points) prior to issuing annual practicing certificate.	<p><b>Outcome:</b> Renewal process identified practitioners with insufficient CPD where were given conditional practising certificates subject to undertaking CPD within specified timeframes.</p> <p><b>Action:</b> Implementation of <i>Rhetoric Series</i> to create professional dialogue on the role of rhetoric and persuasion in the legal profession.</p>
2005-06	Mandatory continuing professional education (10 CPD points) prior to issuing annual practicing certificate.	<p><b>Action:</b> New barristers are required to pass an ethics exam, with a mark of 75% or more.</p> <p><b>Action:</b> Bar Practice Course contains an ethics element; Ethics and Regulation included in the compulsory COE program.</p> <p><b>Action:</b> Course material regularly reviewed by participants and evaluators to ensure currency.</p>

Table 34: NSW Bar Association Compliance with Disclosure and *Cover of Excellence*<sup>®</sup> Logo Requirements 2006-09

Year	Commentary
2008-09	<ul style="list-style-type: none"> <li>The NSW Bar notifies new members, in writing, of their obligations under the <i>Cover of Excellence</i><sup>®</sup> Scheme, including disclosure requirements and the Professional Standards Council's Policy Statement on Disclosure of Limited Liability.</li> <li>NSW Bar members require a "Declaration of Compliance Disclosure" as part of the renewal of practising certificates.</li> <li>15 members were randomly audited to provide documentary evidence supporting the disclosure statement and logo.</li> <li>All members audited are now complying with the terms of the disclosure statement or using the trademark as licensed.</li> </ul>
2007-08	<ul style="list-style-type: none"> <li>NSW Bar members require a "Declaration of Compliance Disclosure" as part of the renewal of practising certificates.</li> <li>15 members were randomly audited to provide documentary evidence supporting the correct use of the logo.</li> <li>All members audited are complying with the use of disclosure statement and the optional use of the logo.</li> </ul>
2006-07	<ul style="list-style-type: none"> <li>The NSW Bar notifies new members, in writing, of their obligations under the <i>Cover of Excellence</i><sup>®</sup> Scheme, including disclosure requirements and the Professional Standards Council's <i>Policy Statement on Disclosure of Limited Liability</i>.</li> <li>NSW Bar members require a "Declaration of Compliance Disclosure" as part of the renewal of practising certificates.</li> <li>Of the 15 members that were randomly audited, 100% provided documentary evidence supporting the correct use of disclosure according to the <i>Cover of Excellence</i><sup>®</sup> Scheme.</li> </ul>
2005-06	<ul style="list-style-type: none"> <li>The NSW Bar reported that 3 barristers were not complying with the disclosure statement.</li> <li>All barristers not complying were followed-up to ensure that they were using the statement as required before the practising certificate was issued.</li> <li>The NSW Bar audited 10 members randomly to provide samples of documents on which they used disclosure statements. All who were audited were using the statement correctly.</li> <li>Five of the 22 members who declared they were using the <i>Cover of Excellence</i><sup>®</sup> logo were audited. All those audited were using the logo correctly.</li> </ul>

## CIRCEA Risk Management and Compliance Report

Table 35: CIRCEA Claims and Insurance Monitoring 2006-09

Year	Commentary
2009	<ul style="list-style-type: none"> <li>CIRCEA noted that there were no claims against its members for the reporting period.</li> <li>During 2009 gross premiums ranged from \$3,500 to approximately \$29,000 for cover up to \$5,000,000 and it was reported that excesses have stabilised at \$5,000.</li> <li>Insurance cover was written more readily in 2008 and 2009 than in previous years.</li> </ul>
2008	<ul style="list-style-type: none"> <li>CIRCEA noted that there were no claims against its members for the reporting period.</li> <li>Gross premiums ranged from \$3,500 to approximately \$29,000 for cover up to \$5,000,000 and it was reported that excesses have stabilised at \$5,000.</li> </ul>
2007	<ul style="list-style-type: none"> <li>CIRCEA noted that there were no insurance claims against their members reported this year.</li> <li>Insurance cover has been more readily available in 2006-07 than in the previous 2 years, and premiums appear to have stabilised.</li> </ul>
2006	<ul style="list-style-type: none"> <li>CIRCEA reported that they have had no claims against their members, continuing a trend of the previous few years.</li> </ul>

Table 36: CIRCEA Complaints and Discipline 2006-09

Year	Strategy	Effects of Strategy
2009	Each stage of the complaints and discipline procedure is documented to ensure adherence to the procedures set out.	<b>Outcome:</b> No complaints were received for the reporting period. <b>Action:</b> Complaints procedure is checked against Engineers Australia's system for consistency. <b>Action:</b> Review rescheduled to 2010.
2008	Each stage of the complaints and discipline procedure is documented to ensure adherence to the procedures set out.	<b>Outcome:</b> No complaints were received for the reporting period. <b>Action:</b> Review of the complaints and discipline system is now scheduled for 2009.
2007	Not reported in the Council's published Annual Report.	Not reported in the Council's published Annual Report.
2006	CIRCEA Board (Management Committee) maintain commitments to the complaints and discipline process.	<b>Outcome:</b> No complaints were received at the most recent annual general meeting of CIRCEA. <b>Action:</b> Restatement of commitment of Board members to complaints and discipline procedures.

Table 37: CIRCEA Continuing Occupational Education 2006-09

Year	Strategy	Effects of Strategy
2009	Members are to complete 150 hours CPD over a 3-year period.	<b>Outcome:</b> Audit by CIRCEA indicates 100% compliance by members with CIRCEA and Engineers Australia CPD requirements (compliance was 95% in 2002).
2008	Members are to complete 150 hours CPD over a 3-year period.  The CIRCEA-run seminar program provides recognised CPD hours annually.  Members must certify their CPD compliance according to personal records association performance audit.	<b>Outcome:</b> Audit indicates 100% compliance of CIRCEA members with association requirements.  <b>Action:</b> Topics of seminars analysed against nature of complaints to assess whether a reduction in complaints has occurred in areas where CPD has been provided.
2007	Not reported in the Council's published Annual Report.	Not reported in the Council's published Annual Report.
2006	Not reported in the Council's published Annual Report.	Not reported in the Council's published Annual Report.

Table 38: CIRCEA Compliance with Disclosure and *Cover of Excellence*® Logo Requirements 2006-09

Year	Commentary
2009	<ul style="list-style-type: none"> <li>Not noted in CIRCEA's report.</li> </ul>
2008	<ul style="list-style-type: none"> <li>All members are required to adhere to strict compliance with disclosure and <i>Cover of Excellence</i>® logo requirements as part of membership renewal.</li> </ul>
2007	<ul style="list-style-type: none"> <li>Not reported in the Councils' published Annual Report</li> </ul>
2006	<ul style="list-style-type: none"> <li>Not reported in the Councils' published Annual Report</li> </ul>

## CPA Australia Risk Management and Compliance Report

Table 39: CPA Australia (New South Wales) Claims and Insurance Monitoring 2006-09

Year	Commentary
2009	<ul style="list-style-type: none"> <li>The minimum PII, required by members and available to consumers has doubled to \$1 million from the amount required at the commencement of the scheme.</li> <li>There were 4 insurance claims and 12 claim notifications in the reporting period for NSW.</li> <li>The availability of insurance underwriters has drastically increased over the last 12 months and the market is competitive resulting in a reduction in the cost of premiums. There are in excess of 35 underwriters willing to provide PII for CPA Australia accountants.</li> </ul>
2008	<ul style="list-style-type: none"> <li>There were 3 insurance claims and 5 claim notifications in the reporting period for NSW.</li> <li>During the reporting period the market remained stable but increasingly competitive.</li> <li>There are in excess of 27 underwriters willing to provide PII for CPA Australia accountants.</li> </ul>
2007	<ul style="list-style-type: none"> <li>There were 1 insurance claim and 4 claims notifications in the reporting period for NSW members. This is significantly lower than the previous reporting year (5 claims) but continues a long-term trend where the number of claims and the severity of claims are low by historical standards.</li> <li>There are in excess of 23 underwriters willing to provide PII for CPA Australia members, with the majority of members having cover from overseas providers.</li> </ul>
2006	<ul style="list-style-type: none"> <li>There were 2 insurance claims and 9 claim notifications in the reporting period. This is consistent with the previous year's experience where the number and severity of claims is low by historical standards.</li> </ul>

Table 40: CPA Australia (New South Wales) Complaints and Discipline 2006-09

Year	Strategy	Effects of Strategy
2009	Continual improvement in the investigation and disciplinary process.	<b>Action:</b> The outcome of any complaint referred to a disciplinary tribunal is published on the CPA Australia website.
2008	Continual improvement in the investigation and disciplinary process.	<p><b>Action:</b> An external independent reviewer examined all aspects of the disciplinary process and made recommendations.</p> <p><b>Outcome:</b> In 2008, there were 163 externally initiated complaints investigated across Australia, along with previous complaints carried over from 2007.</p> <p><b>Outcome:</b> 42 members appeared before a disciplinary tribunal with outcomes reported on the CPA Australia website.</p>
2007	Continual improvement in the investigation and disciplinary process.	<p><b>Outcome:</b> There was a slight increase in complaints from 145 externally initiated complaints to 169, Australia wide in 2007.</p> <p><b>Outcome:</b> 67 members appeared before a disciplinary tribunal with outcomes reported on the CPA Australia website.</p>
2006	<p>Adoption and implementation of a new case management model for complaints and investigation.</p> <p>Continual improvement in the investigation and disciplinary process and operational efficiency of CPA Australia.</p>	<p><b>Action:</b> Independent review of new model undertaken by the Financial Report Councils.</p> <p><b>Action:</b> Investigation of breaches of standards by Quality Assurance Unit.</p> <p><b>Action:</b> Investigation of any formal complaint against a member.</p> <p><b>Outcome:</b> 145 externally initiated complaints were investigated. The outcomes appear on CPA Australia's website.</p>



Table 41: CPA Australia (New South Wales) Continuing Occupational Education 2006-09

Year	Strategy	Effects of Strategy
2009	Continual revision and improvement of <i>CPA Program</i> .	<p><b>Action:</b> <i>CPA Program</i>, <i>Public Practice Program</i> and <i>Public Practice Program Residential</i> reviewed and revised regularly (at least twice yearly) to enhance learning outcomes.</p> <p><b>Action:</b> Development of a new <i>Practical Experience Requirement (PER)</i> to replace the existing <i>Mentor Program</i> from Jan 1 2010, based on member and participant feedback.</p> <p><b>Action:</b> Ongoing development of solutions for training to meet member needs (webinars, social networking etc).</p>
2008	Continuation of <i>CPA Program</i> .  Development of a new educational pathway for membership development.	<p><b>Action:</b> The Education Advisory Committee meets 4 times a year to provide strategic oversight and quality assurance for the <i>CPA program</i>.</p> <p><b>Outcome:</b> Eight-unit conversion courses are now able to be accredited. First courses will be accredited in late 2008.</p> <p><b>Action:</b> In 2010, CPA Australia will also launch a series of 8 Foundation Exams designed to access core knowledge as an alternative pathway to commencing the <i>CPA program</i>.</p>
2007	Development of mandatory CPD competency requirements for auditors and self-managed superannuation funds (in conjunction with ICAA and NIA).  Provide easily accessible relevant continuing occupational education (COE).	<p><b>Action:</b> Identification of key knowledge and skills required for undertaking audit and development of competency-based standards on these skills.</p> <p><b>Outcome:</b> New standards launched in February 2008.</p> <p><b>Action:</b> Strategic investment in course management software to improve content delivery across multiple delivery modes.</p> <p><b>Outcome:</b> <i>My Online Learning</i> launched September 2007 to provide members with more choice and flexibility in undertaking and tracking their development.</p>
2006	Provide easily accessible relevant continuing education.  Review the COE Program.	<p><b>Action:</b> Seminars for the Public Practice series held in regional NSW.</p> <p><b>Outcome:</b> 3% increase in attendance at training workshop.</p> <p><b>Outcome:</b> Members report satisfaction levels (on average) of 4.22 out of 5 (slight increase from 4.21 last reporting year).</p>

Table 42: CPA Australia (New South Wales) Compliance with Disclosure and *Cover of Excellence*® Logo Requirements 2006-09

Year	Commentary
2009	<ul style="list-style-type: none"> <li>CPA Australia has provided a quality review framework for implementing and assessing compliance with disclosure of limited liability and <i>Cover of Excellence</i>® logo requirements.</li> <li>There is a 5-year (ie 20% annually) review cycle as part of the quality assurance program.</li> <li>Audit includes a review of letterhead, company structures, quality control and risk management.</li> </ul>
2008	<ul style="list-style-type: none"> <li>CPA Australia has provided a quality review framework for implementing and assessing compliance with disclosure of limited liability and <i>Cover of Excellence</i>® logo requirements.</li> <li>There is a 5-year (ie 20% annually) review cycle as part of the quality assurance program.</li> <li>Audit includes a review of letterhead, company structures, quality control and risk management.</li> </ul>
2007	<ul style="list-style-type: none"> <li>CPA Australia provided a quality review framework for implementing and assessing compliance with disclosure of limited liability and <i>Cover of Excellence</i>® logo requirements.</li> </ul>
2006	<ul style="list-style-type: none"> <li>CPA Australia provided a quality review framework that underlies their compliance program. This quality review framework includes a 5-year review cycle, reported against annually.</li> </ul>

**Engineers Australia Risk Management and Compliance Report**

Table 43: Engineers Australia (New South Wales) Claims and Insurance Monitoring 2009

Year	Commentary
2009	Insufficient members of Engineers Australia participating in the Scheme to supply meaningful data at this stage.

Table 44: Engineers Australia (New South Wales) Complaints and Discipline 2008-09

Year	Strategy	Effects of Strategy
2009	Improve efficiency of complaints handling and disciplinary system.	<p><b>Action:</b> Code of Ethics and Disciplinary Regulations under review.</p> <p><b>Action:</b> Consultation draft revised Code of Ethics being validated by broad cross-section of engineering and ethics experts for approval by National Congress July 2010.</p> <p><b>Outcome:</b> Regular review of complaints handling policy and procedures.</p> <p><b>Outcome:</b> 10 new complaints (nationally) against members. Complaints continue to be primarily about domestic housing projects.</p> <p><b>Action:</b> Ethics awareness program under development.</p>
2008	Improve the efficiency of the complaints and disciplinary system.	<p><b>Action:</b> Ethics Awareness program and review Code of Ethics.</p> <p><b>Outcome:</b> Development of on-line learning modules about ethics for incorporation into Engineering Education Australia's Graduate Program.</p>

Table 45: Engineers Australia (New South Wales) Continuing Occupational Education 2008-09

Year	Strategy	Effects of Strategy
2009	To expand avenues available to members for education and learning throughout their careers.	<p><b>Outcome:</b> New website launched in September 2009 with enhanced events, course and publication search facilities for members.</p> <p><b>Action:</b> Target continuing professional development programs in accordance with new national priorities for all career stages.</p> <p><b>Action:</b> Develop an annual schedule of national publications and courses available to members.</p> <p><b>Outcome:</b> Approximately 220 presentations delivered to members in Sydney, and regional groups. Over 7,000 attendees and in excess 15,000 hours of CPD undertaken.</p> <p>In Newcastle, 147 hours of CPD offered with a total of 1,870 attendees.</p> <p><b>Outcome:</b> Improved CPD delivery/participation rates.</p>
2008	Develop annual schedule of national publications and courses available to members.	<p><b>Outcome:</b> New application introduced for Engineers Australia staff to use and manage and organise events, enhancing web accessibility of members to CPD activities.</p> <p>An increasing number of suitable events continue to be recorded and video access for members provided.</p> <p><b>Outcome:</b> Career Breaks Policy approved in September 2008.</p> <p><b>Outcome:</b> 22 national and international conferences during 2007-08; with nearly 100 keynote and invited speakers and around 2,000 technical sessions, attracting over 6,000 delegates.</p>

Table 46: Engineers Australia (New South Wales) Compliance with Disclosure and *Cover of Excellence*® Logo Requirements 2008-09

Year	Commentary
2009	<ul style="list-style-type: none"> <li>• Provide educational material to members on PSC compliance requirements through Engineers Australia magazine and with renewal applications.</li> <li>• Require members to complete a self-assessment form regarding compliance disclosure requirements.</li> <li>• No report available as annual renewals not within reporting period.</li> </ul>
2008	<ul style="list-style-type: none"> <li>• Provide educational material to members on PSC compliance requirements through Engineers Australia magazine and with renewal applications.</li> <li>• Promotion of Engineers Australia Scheme to members in the Engineers Australia magazine. CD of Professional Standards Council <i>Cover of Excellence</i>® Logo provided to members upon joining. Website for Engineers Australia Professional Standards Scheme enhanced with multi-media presentation.</li> <li>• Members encouraged to complete self-assessment forms, concerning compliance with disclosure requirements with renewal of membership applications.</li> </ul>

## ICAA Risk Management and Compliance Report

Table 47: ICAA (New South Wales) Claims and Insurance Monitoring 2006-09

Year	Commentary
2009	<ul style="list-style-type: none"> <li>• Minimum PII cover requirements increased in 2009 for the second consecutive year.</li> <li>• Annual survey of members reported a relatively soft market for PII with no sustained pressure on premiums and excesses. Survey evidence suggests the quality and level of cover held by members continues to improve, which provides better protection to consumers.</li> <li>• The Institute sought information regarding any formal claim in excess of \$500,000 lodged against members or firms in the 2009 calendar year.</li> <li>• For NSW there were 8 reported claims over the \$500,000 threshold.</li> </ul>
2008	<ul style="list-style-type: none"> <li>• The Institute does not recommend, mandate, or limit broker choice for members seeking PII cover.</li> <li>• Members were asked to identify the broker who had arranged their PII. 67.21% of brokers nominated by members have undertaken to comply with the Institute's PII Regulations.</li> <li>• The Institute sought information regarding any formal claim in excess of \$500,000 lodged against members or firms in the 2007 or 2008 calendar year.</li> <li>• For NSW there were 6 reported claims.</li> <li>• Feedback from brokers and insurers indicates that, after several years of soft market for insurance, Australia is likely to see a hardening of the PII market. One of the key factors is expected to be an increase in claims arising from losses incurred as part of the Global Financial Crisis.</li> </ul>
2007	<ul style="list-style-type: none"> <li>• There was 1 insurance claim for the 2007 reporting period, identified under the ICAA audit program.</li> </ul>
2006	<ul style="list-style-type: none"> <li>• ICAA has reported no specific claims data for the 2006 reporting year but has provided information regarding historical claims as part of its application for the renewal of its Scheme. However, as part of a random audit of members, only 1 claim in excess of a \$350,000 benchmark was identified.</li> </ul>

SCHEMES IN FOCUS 2009-10 *continued*

Table 48: ICAA (New South Wales) Complaints and Discipline 2006-09

Year	Strategy	Effects of Strategy
2009	Discipline of members under the Institute's Supplemental Charter, by-laws and Regulations.  Regulation 9/1220 requires members in practice to have complaints handling policies and processes in place.	<b>Action:</b> Professional Conduct Tribunal outcomes published on the Institute's website or in Charter publication.  <b>Action:</b> During 2009 calendar year the Professional Conduct team conducted 290 investigations. There were 13 national tribunal hearings.  The most frequent issues were related to the Global Financial Crisis. This trend is likely to continue due to lag effects of referral from courts and regulators.
2008	Ongoing compliance with Statement of Membership Obligation (SMO 6): Investigation and Discipline.	<b>Outcome:</b> During the 2007-08 financial year, the Professional Conduct team initiated investigations into 259 formal complaints. This was a decrease from 317 the previous year.  <b>Action:</b> Professional Conduct Tribunal outcomes published on Institute website or the Charter publication.
2007	Ongoing compliance with Statement of Membership Obligation (SMO 6): Investigation and Discipline.	<b>Outcome:</b> During the 2006-07 financial year the Professional Conduct team initiated investigations into 317 formal complaints.  <b>Action:</b> Significant amendments were made to Member Complaints and Discipline sections of the website including:  Information on complaints and processes, Online complaint processes, and Improved access to reports of professional conduct tribunals.

Table 49: ICAA (New South Wales) Continuing Occupational Education 2006-09

Year	Strategy	Effects of Strategy
2009	Institute requires 120 hours per triennium Training and Development.	<b>Action:</b> <i>Public Practice Program</i> (PPP) content and syllabus reviewed annually including Ethics modules <b>Outcome:</b> New PPP launched in March 2009. <b>Action:</b> Annual Training and Development audit conducted nationally. All non-compliance is followed up and resolved.
2008	Ongoing development of and revision of training products and services to ensure value to members.  Monitor compliance of members to meet COE statutory requirements (eg company auditors, company liquidators, tax agents, licensed municipal auditors etc).	<b>Action:</b> Training and Development primarily focused on delivering training across Tax, Accounting, Audit and Superannuation topics. Issues and topics are selected on the basis of member requirements identified by the Institute and member technical specialists as well as feedback from external regulators.  <b>Action:</b> Audit training was delivered to attendees Australia-wide.
2007	Monitor compliance of members to meet COE statutory requirements (eg company auditors, company liquidators, tax agents, licensed municipal auditors etc).  Implementation of training toolkits and guidance notes.	<b>Action:</b> Focused training on core technical skills. <b>Outcome:</b> Rapid increase in in-house training clients (from 66 to 130) over 1850 hours, which was a 48% increase over the previous year. <b>Action:</b> New guidance notes include a fully updated <i>Quality Control Guide</i> and revised <i>Members Handbook</i> .
2006	Monitor compliance of members to meet COE statutory requirements (eg company auditors, company liquidators, tax agents, licensed municipal auditors etc).	<b>Outcome:</b> Over 80% of members satisfied with COE events and programs but in-house training providers not seen as experts.

Table 50: ICAA (New South Wales) Compliance with Disclosure and *Cover of Excellence*<sup>®</sup> Logo Requirements 2006-09

Year	Commentary
2009	<ul style="list-style-type: none"> <li>All member practices were requested to confirm that they are complying with the disclosure of their limitation of liability in accordance with the requirements of the professional standards legislation and regulation.</li> <li>In NSW 95.83% of respondents to a members' survey confirmed compliance with disclosure requirements.</li> <li>29.39% of respondents confirmed that they were using the optional <i>Cover of Excellence</i><sup>®</sup> logo.</li> </ul>
2008	<ul style="list-style-type: none"> <li>All member practices were requested to confirm that they are complying with the disclosure of their limitation of liability in accordance with the requirements of the professional standards legislation and regulation.</li> <li>In NSW 93.77% of respondents to a members' survey confirmed compliance with disclosure requirements.</li> <li>27.67% of respondents confirmed that they were using the optional <i>Cover of Excellence</i><sup>®</sup> logo.</li> <li>ICAA will target communications to raise awareness of the disclosure requirements in those States/Territories that have new schemes.</li> </ul>

### Law Society of NSW Risk Management and Compliance Report

Note that in future years it is anticipated that the Law Society of NSW (along with all other participating associations) will provide data for the entire reporting period of 1 January to 31 December.

Table 51: Law Society of NSW Claims and Insurance Monitoring 2006-09

Year	Commentary
30/6/2009	<ul style="list-style-type: none"> <li>The LSNSW reported an expected increase (from litigations initiated in response to the Global Financial Crisis) in insurance claim notifications to 30 June 2009. 620 notifications were reported in this period.</li> <li>The main areas of claims continue to be conveyancing, mortgages and other litigation.</li> <li>Availability and stability of PII remains satisfactory through LawCover for the compulsory insurance. From 1 July 2009 the compulsory PII is \$2 million.</li> </ul>
30/6/2008	<ul style="list-style-type: none"> <li>The LSNSW reported a slight increase in insurance claims from 596 in the last reporting period to 607 notifications in this period. There has been an increase in claims in the area of mortgage and other litigation areas of practice, reflective of the impact of the current financial induced crisis and recessionary environment.</li> <li>The LSNSW also noted the availability of PII is satisfactory up to the compulsory level of \$1.5 million.</li> </ul>
36/6/2007	<ul style="list-style-type: none"> <li>The LSNSW reported a drop in insurance claims from 701 in the last reporting period to 596 claims in this reporting period. The main areas of claims continue to be conveyancing, commercial, out of time personal injury, and other litigation.</li> <li>The LSNSW also noted that the availability of PII is satisfactory up to the compulsory level of \$1.5 million.</li> </ul>

Table 52: Law Society of NSW Complaints and Discipline 2006-09

Year	Strategy	Effects of Strategy
30/06/2009	Decrease in negligence claims and complaints over the long term.	<p><b>Outcome:</b> The Professional Standards Department (of the LSNSW) opened 643 complaints, 10% more than the previous period.</p> <p><b>Outcome:</b> During the same period, the Office of the Legal Services Commissioner (LSC) received 2,641 written complaints (9% more than the previous year).</p> <p><b>Outcome:</b> 9 solicitors were reprimanded, 22 referred to the Administrative Decisions Tribunal, 17 had their practising certificates cancelled or suspended, 11 had names removed from the Supreme Court Roll.</p>
30/6/2008	Decrease in negligence claims and complaints over the long term	<p><b>Outcome:</b> The Professional Standards Department (of the LSNSW) opened 594 complaints, 8% more than the previous period.</p> <p><b>Outcome:</b> During the same period, the Office of the LSC received 2,423 written complaints (64 fewer than the previous year).</p> <p><b>Outcome:</b> 9 solicitors were reprimanded, 22 referred to the Administrative Decisions Tribunal, 10 had their practising certificates cancelled or suspended, 5 had names removed from the Supreme Court Roll.</p>
30/6/2007	Decrease in negligence claims and complaints over the long term.	<p><b>Outcome:</b> The Professional Standards Department (of the LSNSW) opened 540 complaints (19% less than the previous period).</p> <p><b>Outcome:</b> During the same period, the Office of the LSC received 2,487 written complaints (33 fewer than the previous year).</p> <p><b>Outcome:</b> 16 solicitors were reprimanded, 26 referred to the Administrative Decisions Tribunal, 16 had their practising certificates cancelled or suspended, 6 had names removed from the Supreme Court Roll.</p>

Table 53: Law Society of NSW Continuing Occupational Education 2006-09

Year	Strategy	Effects of Strategy
30/6/2009	Annual audit of members to monitor compliance with mandatory continuing professional education requirements.  Course attendance statistics.	<p><b>Action:</b> 661 members randomly audited this year.</p> <p><b>Outcome:</b> Only 1 member had compliance issues – addressed through an extension of time to complete MCLE requirements. MCLE requirements were subsequently completed.</p> <p><b>Outcome:</b> Approximately 55 solicitors accredited during the reporting year in specialist fields.</p> <p><b>Action:</b> The Compliance Analysis Review (CAR) programme introduced in December 2008. It is a voluntary, confidential and free service to assist practitioners to better manage compliance obligations.</p> <p><b>Outcome:</b> To June 2009. 31 reviews were undertaken and the response has been positive.</p>
30/6/2008	Annual audit of members to monitor compliance with mandatory continuing professional education requirements.  Course attendance statistics.	<p><b>Action:</b> 660 members randomly audited this year.</p> <p><b>Outcome:</b> Continued high levels of compliance with only 3 members with compliance issues – addressed through extension of time. 10 members also requested extensions of time to complete the first 3-year cycle of Regulation 176.</p> <p><b>Outcome:</b> Compliance rates (approx 98%) have remained stable since at least 2004.</p> <p><b>Outcome:</b> Approximately 55 solicitors accredited during the reporting year in specialist fields taking total accredited specialists to over 1,400.</p> <p><b>Action:</b> From 1 April 2009 education in three core areas is mandatory in:</p> <ul style="list-style-type: none"> <li>• ethics and professional responsibility</li> <li>• practice management and business skills</li> <li>• professional skills</li> </ul>

30/6/2007	Annual audit of members to monitor compliance with mandatory continuing professional education requirements.  Course attendance statistics.	<p><b>Action:</b> 550 members randomly audited this year.</p> <p><b>Outcome:</b> Continued high level of compliance with less than 2% or 11 practitioners with compliance issues – addressed through extension of time.</p> <p><b>Outcome:</b> Compliance rates (approx 98%) have remained stable since at least 2004.</p> <p><b>Outcome:</b> 100 solicitors accredited during the reporting year in specialist fields such as advocacy, commercial litigation, mediation and taxation law.</p> <p><b>Outcome:</b> During 2006-07, 147 programs were delivered to 3,584 participants by LawCover. More than 35 regional and other seminars were also held.</p>
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Table 54: Law Society of NSW Compliance with Disclosure and *Cover of Excellence*® Logo Requirements 2006-09

Year	Commentary
30/06/2009	<ul style="list-style-type: none"> <li>Firms required to provide evidence of current disclosure at time of renewal.</li> </ul>
30/06/2008	<ul style="list-style-type: none"> <li>Firms required to provide evidence of current disclosure at time of renewal.</li> </ul>
30/06/2007	<ul style="list-style-type: none"> <li>Firms required to provide evidence of current disclosure at time of renewal.</li> </ul>

## NIA Risk Management and Compliance Report

Table 55: NIA Claims and Insurance Monitoring 2007-09

Year	Commentary
2009	<ul style="list-style-type: none"> <li>NIA reported 1 claim.</li> <li>NIA reports that professional indemnity insurance is readily available to its members.</li> <li>According to the Compliance Declaration (signed annually, as part of renewal process) over 60 % of members reporting insurance premiums that are less than 2% of gross fees.</li> </ul>
2008	<ul style="list-style-type: none"> <li>NIA reported 2 claims.</li> <li>NIA reports that professional indemnity insurance is readily available to its members, with more than 50% of members reporting insurance premiums that are less than 1% of gross fees.</li> </ul>
2007	<ul style="list-style-type: none"> <li>NIA reported not being aware of any claims against members.</li> <li>NIA reports that professional indemnity insurance is readily available to its members, with more than 50% of members reporting insurance premiums that are less than 1% of gross fees. The preferred insurance provider reports average costs are 2% of gross fees.</li> </ul>



Table 56: NIA Complaints and Discipline 2007-09

Year	Strategy	Effects of Strategy
2009	Maintain a complaints and disciplinary system which is accessible, open, responsive, and independent.	<p><b>Action:</b> The investigations process is subject to external review by a quality assurance auditor as part of NIA's ISO 2001:0000 accreditation process and by the Financial Reporting Council.</p> <p><b>Outcome:</b> 16 new complaints against NSW members.</p> <p><b>Outcome:</b> Of the 16 matters:</p> <ul style="list-style-type: none"> <li>• 11 were finalised with no case to answer</li> <li>• 4 were referred to Disciplinary Tribunal</li> <li>• 1 matter was ongoing (subject to legal hold)</li> </ul>
2008	Maintain a complaints and disciplinary system which is accessible, open, responsive, and independent.	<p><b>Action:</b> The NIA has a "complaints lodgement" form which is used for all complaints against members.</p> <p><b>Action:</b> The investigations process is subject to external review by a quality assurance auditor as part of NIA's ISO 2001:0000 accreditation process.</p> <p><b>Outcome:</b> 11 new complaints against NSW members.</p> <p><b>Outcome:</b> Complaints data is used to inform the development of training programs. For example, as a result of the 2007 claims data, there have been changes to the Continuing Professional Education program to provide additional courses on Self Managed Superannuation Funds (SMSF) audit and compliance events.</p>
2007	Maintain a complaints and disciplinary system which is accessible, open, responsive, and independent.	<p><b>Action:</b> Additional independent (non-NIA) members added to the Complaints Tribunal and improved streamlined processes.</p> <p><b>Action:</b> Investigation process is subject to annual external review to comply with ISO 9001:2000 accreditation processes.</p> <p><b>Outcome:</b> 12 new complaints against NSW members.</p>

Table 57: NIA Continuing Occupational Education 2007-09

Year	Strategy	Effects of Strategy
2009	Secure members compliance with COE requirements.	<p><b>Action:</b> The NIA undertakes a random bi-annual COE survey of 550 members to ensure compliance with COE obligations.</p> <p><b>Outcome:</b> At the last survey the vast majority of members were found to be compliant. Those not compliant are assisted to ensure they will be compliant for the next period.</p> <p><b>Action:</b> In 2009 the NIA piloted the NIA <i>National Public Practice Symposium</i>, which is set to become a key CPD event.</p>
2008	Secure members compliance with COE requirements.	<p><b>Action:</b> The NIA undertakes a random bi-annual COE survey of 550 members to ensure compliance with COE obligations.</p> <p><b>Outcome:</b> At the last survey the vast majority of members were found to be compliant. Those not compliant are assisted to ensure they will be compliant for the next period.</p>
2007	Secure members compliance with COE requirements.	<p><b>Action:</b> Random audit of members and self-evaluation of compliance.</p> <p><b>Action:</b> Non-complying member may have membership downgraded if they fail to take remedial action.</p> <p><b>Outcome:</b> 1 member was sent for disciplinary review, suspended and fined for defiance in failing to document training adequately undertaken.</p>

Table 58: NIA Compliance with Disclosure and *Cover of Excellence*® Logo Requirements 2007-09

Year	Commentary
2009	<ul style="list-style-type: none"> <li>NIA surveyed 25% of its NSW members for compliance with disclosure obligations.</li> <li>The survey found that 87% of members surveyed were using the prescribed form. Non-compliance is being followed up.</li> <li>Only 36% of members use the <i>Cover of Excellence</i>® logo All members audited to were found to be compliant with proper use of the logo.</li> </ul>
2008	<ul style="list-style-type: none"> <li>NIA surveyed 25% of its NSW members.</li> <li>The survey found that 90% of members surveyed were using the prescribed form. Non-compliance is being followed up.</li> </ul>
2007	<ul style="list-style-type: none"> <li>As in the 2006 reporting period, the NIA surveyed 25% of its NSW members to gauge compliance with <i>Cover of Excellence</i>® disclosure requirements.</li> <li>The survey found there was a 94% compliance rate, with non-compliance being followed up by the NIA.</li> </ul>

## PSOA Risk Management and Compliance Reports

Table 59: PSOA Claims and Insurance Monitoring 2008-09

Year	Commentary
2009	<ul style="list-style-type: none"> <li>Insurance for 94% of all PSOA members provided by one insurer.</li> <li>There have been 6 notifications, with 4 open at the end of the reporting period.</li> <li>Insurer has provided risk management audit program to clients. Satisfactory completion of program results in insurance premium discounts.</li> </ul>
2008	<ul style="list-style-type: none"> <li>Insurance for 94% of all PSOA members provided by one insurer.</li> <li>4 claims settled in this year.</li> </ul>

Table 60: PSOA Complaints and Discipline 2008-09

Year	Strategy	Effects of Strategy
2009	Increase percentage of members that have systems in place.	<b>Outcome:</b> 4 members indicated that they are ISO certified.
2008	Increase number of members that have quality assurance and complaints and discipline systems in place.	<b>Outcome:</b> 3 members (approx 10%) indicated that they have certified QA systems in place.

Table 61: PSOA Continuing Occupational Education 2008-09

2009	Strategy	Effects of Strategy
2009	100% of members to sign renewal declaration form of CPD undertaken.	<b>Outcome:</b> As part of renewal process, 100% of members have advised compliance with COE requirements.
2008	100% of members to sign renewal declaration of CPD undertaken.	<b>Outcome:</b> 100% of members advised that COE.

Table 62: PSOA Compliance with Disclosure and *Cover of Excellence*® Logo Requirements 2008-09

Year	Commentary
2009	<ul style="list-style-type: none"> <li>Applications reviewed by Administrative Officer and Board to ensure compliance.</li> <li>Non-complying members are dealt with according to PSOA policy.</li> <li>All outstanding application/compliance matters have been received and/or resolved. 100% response rate of members noted for completion of Disclosure Statements as part of annual renewal process.</li> </ul>
2008	<ul style="list-style-type: none"> <li>Not reported in the Council's published annual report.</li> </ul>

## REPORTS FROM ASSOCIATIONS WITH SCHEMES IN THE NORTHERN TERRITORY

### CPA Australia Risk Management and Compliance Report

Table 63: CPA Australia (Northern Territory) Claims and Insurance Monitoring 2008-09

Year	Commentary
2009	<ul style="list-style-type: none"> <li>The minimum PII, required by members and available to consumers has doubled to \$1 million from the amount required at the commencement of the scheme.</li> <li>There were 0 insurance claims and 0 claim notifications in the reporting period for the NT.</li> <li>The availability of insurance underwriters has drastically increased over the last 12 months and the market is competitive resulting in a reduction in the cost of premiums. There are in excess of 35 underwriters willing to provide PII for CPA Australia accountants.</li> </ul>
2008	<ul style="list-style-type: none"> <li>There were no insurance claims in the reporting period for the NT.</li> <li>During the reporting period the market remained stable but increasingly competitive.</li> <li>There are in excess of 27 underwriters willing to provide PII for CPA Australia accountants.</li> </ul>

Table 64: CPA Australia (Northern Territory) Complaints and Discipline 2008-09

Year	Strategy	Effects of Strategy
2009	Continual improvement in the investigation and disciplinary process	<b>Action:</b> The outcome of any complaint referred to a Disciplinary Tribunal is published on the CPA Australia website.
2008	Continual improvements in investigation and disciplinary processes	<b>Action:</b> An external independent reviewer examined all aspects of the disciplinary process and made recommendations.

Table 65: CPA Australia (Northern Territory) Continuing Occupational Education 2008-09

Year	Strategy	Effects of Strategy
2009	Continual revision and improvement of <i>CPA Program</i> .	<p><b>Action:</b> <i>CPA Program</i>, Public Practice Program and Public Practice Program Residential reviewed and revised regularly (at least twice yearly) to enhance learning outcomes.</p> <p><b>Action:</b> Development of a new <i>Practical Experience Requirement</i> (PER) to replace the existing <i>Mentor Program</i> from Jan 1 2010, based on member and participant feedback.</p> <p><b>Action:</b> Ongoing development of solutions for training to meet member needs (webinars, social networking etc).</p>
2008	Continuation of <i>CPA Program</i> .	<p><b>Action:</b> The Education Advisory Committee meets 4 times a year to provide strategic oversight and quality assurance for the <i>CPA Program</i>.</p> <p><b>Outcome:</b> Eight-unit conversion courses now available to be accredited. The first course was accredited in late 2008.</p> <p><b>Action:</b> In 2010, CPA Australia will also launch a series of 8 <i>Foundations Exams</i> to access the core knowledge as an alternative pathway to commencing the <i>CPA Program</i>.</p>

Table 66: CPA Australia Northern Territory) Compliance with Disclosure and *Cover of Excellence*® Logo Requirements 2008-09

Year	Commentary
2009	<ul style="list-style-type: none"> <li>CPA Australia has provided a quality review framework for implementing and assessing compliance with disclosure of limited liability and <i>Cover of Excellence</i>® logo requirements.</li> <li>There is a 5-year (ie 20% annually) review cycle as part of the quality assurance program.</li> <li>Audit includes a review of letterhead, company structures, quality control and risk management.</li> </ul>
2008	<ul style="list-style-type: none"> <li>CPA Australia has provided a quality review framework for implementing and assessing compliance with disclosure of limited liability and <i>Cover of Excellence</i>® logo requirements.</li> <li>There is a 5-year (ie 20% annually) review cycle as part of the quality assurance program.</li> <li>Audit includes a review of letterhead, company structures, quality control and risk management.</li> </ul>

## Engineers Australia Risk Management and Compliance Report

This is the first time that Engineers Australia has been required to submit a Risk Management and Compliance Report in the Northern Territory.

Table 67: Engineers Australia (Northern Territory) Claims and Insurance Monitoring 2009

Year	Commentary
2009	<ul style="list-style-type: none"> <li>Insufficient members of Engineers Australia participating in the Scheme to supply meaningful data at this stage.</li> </ul>

Table 68: Engineers Australia (Northern Territory) Complaints and Discipline 2009.

Year	Strategy	Effects of Strategy
2009	Improve efficiency of complaints handling and disciplinary system	<p><b>Action:</b> Code of Ethics and Disciplinary Regulations under review.</p> <p><b>Action:</b> Consultation draft revised Code of Ethics being validated by broad cross-section of engineering and ethics experts for approval by National Congress July 2010.</p> <p><b>Outcome:</b> Regular review of complaints handling policy and procedures.</p> <p><b>Outcome:</b> 10 new complaints (nationally) against members. Complaints continue to be primarily about domestic housing projects.</p> <p><b>Action:</b> Ethics awareness program under development.</p>

Table 69: Engineers Australia (Northern Territory) Continuing Occupational Education 2009

Year	Strategy	Effects of Strategy
2009	To expand avenues available to members for education and learning throughout their careers	<p><b>Outcome:</b> New website launched in September 2009 with enhanced events, course and publication search facilities for members.</p> <p><b>Action:</b> Target continuing professional development programs in accordance with new national priorities for all career stages.</p> <p><b>Action:</b> Develop an annual schedule of national publications and courses available to members.</p> <p><b>Outcome:</b> In Northern Division eminent speaker tours; over 800 CPD attendee hours.</p> <p><b>Outcome:</b> Improved CPD delivery/participation rates.</p>

Table 70: Engineers Australia (Northern Territory) Compliance with Disclosure and *Cover of Excellence*® Logo Requirements 2006-2009

Year	Commentary
2009	<ul style="list-style-type: none"> <li>• Provide educational material to members on PSC compliance requirements through Engineers Australia magazine and with renewal applications.</li> <li>• Require members to complete a self-assessment form regarding compliance disclosure requirements.</li> <li>• No report available as annual renewals not within reporting period.</li> </ul>

## ICAA Risk Management and Compliance Report

Table 71: ICAA (Northern Territory) Claims and Insurance Monitoring 2008-09

Year	Commentary
2009	<ul style="list-style-type: none"> <li>• Minimum PII cover requirements increased in 2009 for the second consecutive year.</li> <li>• Annual survey of members reported a relatively soft market for PII with no sustained pressure on premiums and excesses. Survey evidence suggests the quality and level of cover held by members continues to improve, which provides better protection to consumers.</li> <li>• The Institute sought information regarding any formal claim in excess of \$500,000 lodged against members or firms in the 2009 calendar year.</li> <li>• For NT there were 0 reported claims over the \$500,000 threshold.</li> </ul>
2008	<ul style="list-style-type: none"> <li>• The Institute does not recommend, mandate, or limit broker choice for members seeking PII cover.</li> <li>• Members were asked to identify the broker who had arranged their PII. 67.21% of brokers nominated by members have undertaken to comply with the Institute's PII Regulations.</li> <li>• The Institute sought information regarding any formal claim in excess of \$500,000 lodged against members or firms in the 2007 or 2008 calendar year.</li> <li>• For the NT there were 0 reported claims.</li> <li>• Feedback from brokers and insurers indicates that, after several years of soft market for insurance, Australia is likely to see a hardening of the PII market. One of the key factors is expected to be an increase in claims arising from losses incurred as part of the Global Financial Crisis.</li> </ul>

Table 72: ICAA (Northern Territory) Complaints and Discipline 2008-09

Year	Strategy	Effects of Strategy
2009	<p>Discipline of members under the Institute's Supplemental Charter, by-laws and Regulations.</p> <p>Regulation 9/1220 requires members in practice to have complaints handling policies and processes in place.</p>	<p><b>Action:</b> Professional Conduct Tribunal outcomes published on the Institute's website or in Charter publication.</p> <p><b>Action:</b> During 2009 calendar year the Professional Conduct team conducted 290 investigations. There were 13 national tribunal hearings.</p> <p>The most frequent issues were related to the Global Financial Crisis. This trend is likely to continue due to lag effects of referral from courts and regulation.</p>
2008	<p>Ongoing compliance with Statement of Membership Obligation (SMO 6): Investigation and Discipline.</p>	<p><b>Action:</b> During the 2007-08 financial year the Professional Conduct team initiated investigations into 259 formal complaints nationally. This was a decrease from 317 in the previous year.</p> <p><b>Action:</b> Professional Conduct Tribunal outcomes published on the Institute's website or in Charter publication.</p>

Table 73: ICAA (Northern Territory) Continuing Occupational Education 2008-09

Year	Strategy	Effects of Strategy
2009	The Institute requires 120 hours per triennium Training and Development.	<p><b>Action:</b> <i>Public Practice Program</i> (PPP) content and syllabus reviewed annually including Ethics modules.</p> <p><b>Outcome:</b> New PPP launched in March 2009.</p> <p><b>Action:</b> Annual Training and Development audit conducted nationally. All non-compliance is followed up and resolved.</p>
2008	Ongoing development and revision of training products and services to ensure value for members.	<p><b>Action:</b> Training and development primarily focused on delivering training across Tax, Accounting, Audit, and Superannuation topics. Issues and topics are selected on the basis of member requirements identified by Institute and member technical specialists as well as feedback from external regulators.</p> <p><b>Action:</b> Audit training was delivered to attendees Australia-wide.</p>

Table 74: ICAA (Northern Territory) Compliance with Disclosure and *Cover of Excellence*® Logo Requirements 2008-09

Year	Commentary
2009	<ul style="list-style-type: none"> <li>All member practices were requested to confirm that they are complying with the disclosure of their limitation of liability in accordance with the requirements of the professional standards legislation and regulation.</li> <li>In the NT 78.57% of respondents to a members' survey confirmed compliance with disclosure requirements.</li> <li>0% of respondents were using the optional <i>Cover of Excellence</i>® logo.</li> </ul>
2008	<ul style="list-style-type: none"> <li>All member practices were requested to confirm that they are complying with the disclosure of their limitation of liability in accordance with the requirements of the professional standards legislation and regulation.</li> <li>In the NT, 100% of respondents to a members' survey confirmed compliance with disclosure requirements.</li> <li>5.56% of respondents confirmed that they were using the optional <i>Cover of Excellence</i>® logo.</li> <li>ICAA will target communications to raise awareness if the disclosure requirements in those States/ Territories which have new Schemes.</li> </ul>

## REPORTS FROM ASSOCIATIONS WITH SCHEMES IN QUEENSLAND

### CPA Australia Risk Management and Compliance Report

Table 75: CPA Australia (Queensland) Claims and Insurance Monitoring 2008-09

Year	Commentary
2009	<ul style="list-style-type: none"> <li>The minimum PII, required by members and available to consumers has doubled to \$1million from the amount required at the commencement of the Scheme.</li> <li>There were 1 insurance claim and 14 claim notifications in the reporting period for Qld.</li> <li>The availability of insurance underwriters has drastically increased over the last 12 months and the market is competitive resulting in a reduction in the cost of premiums. There are in excess of 35 underwriters willing to provide PII for CPA Australia accountants.</li> </ul>
2008	<ul style="list-style-type: none"> <li>There were 1 insurance claim and 4 notifications in the reporting period for Qld.</li> <li>During the reporting period the market remained stable but increasingly competitive.</li> <li>There are in excess of 27 underwriters willing to provide PII for CPA Australia accountants.</li> </ul>

Table 76: CPA Australia (Queensland) Complaints and Discipline 2008-09

Year	Strategy	Effects of Strategy
2009	Continual improvement in the investigation and disciplinary process.	<b>Action:</b> The outcome of any complaint referred to a disciplinary tribunal is published on the CPA Australia website.
2008	Continual improvements in investigation and disciplinary processes.	<p><b>Action:</b> An external independent reviewer examined all aspects of the disciplinary process and made recommendations.</p> <p><b>Outcome:</b> In 2008, there were 163 externally initiated complaints investigated across Australia along with previous complaints carried over from 2007.</p> <p><b>Outcome:</b> 42 members appeared before a disciplinary tribunal, with the outcomes reported on the website. 7 members were from Queensland.</p>

Table 77: CPA Australia (Queensland) Continuing Occupational Education 2008-09

Year	Strategy	Effects of Strategy
2009	Continual revision and improvement of CPA Program.	<p><b>Action:</b> CPA Program, Public Practice Program and Public Practice Program Residential reviewed and revised regularly (at least twice yearly) to enhance learning outcomes.</p> <p><b>Action:</b> Development of a new Practical Experience Requirement (PER) to replace the existing Mentor Program from Jan 1 2010, based on member and participant feedback.</p> <p><b>Action:</b> Ongoing development of solutions for training to meet member needs (webinars, social networking etc).</p>
2008	Continuation of CPA Program.	<p><b>Action:</b> The Education Advisory Committee meets 4 times a year to provide strategic oversight and quality assurance for the CPA Program.</p> <p><b>Outcome:</b> Eight-unit conversion courses now available to be accredited. The first course was accredited in late 2008.</p> <p><b>Action:</b> In 2010, CPA Australia will also launch a series of 8 Foundations Exams to access the core knowledge as an alternative pathway to commencing the CPA program.</p>



Table 78: CPA Australia (Queensland) Compliance with Disclosure and *Cover of Excellence*<sup>®</sup> Logo Requirements 2008-09

Year	Commentary
2009	<ul style="list-style-type: none"> <li>CPA Australia has provided a quality review framework for implementing and assessing compliance with disclosure of limited liability and <i>Cover of Excellence</i><sup>®</sup> logo requirements.</li> <li>There is a 5-year (ie 20% annually) review cycle as part of the quality assurance program.</li> <li>Audit includes a review of letterhead, company structures, quality control and risk management.</li> </ul>
2008	<ul style="list-style-type: none"> <li>CPA Australia has provided a quality review framework for implementing and assessing compliance with disclosure of limited liability and <i>Cover of Excellence</i><sup>®</sup> logo requirements.</li> <li>There is a 5-year (ie 20% annually) review cycle as part of the quality assurance program.</li> <li>Audit includes a review of letterhead, company structures, quality control and risk management.</li> </ul>

## Engineers Australia Risk Management and Compliance Report

This is the first time that Engineers Australia has been required to submit a Risk Management Report in Queensland.

Table 79: Engineers Australia (Queensland) Claims and Insurance Monitoring 2009

Year	Commentary
2009	<ul style="list-style-type: none"> <li>Insufficient members of Engineers Australia participating in the Scheme to supply meaningful data at this stage.</li> </ul>

Table 80: Engineers Australia (Queensland) Complaints and Discipline 2008-09

Year	Strategy	Effects of Strategy
2009	Improve efficiency of complaints handling and disciplinary system.	<p><b>Action:</b> Code of Ethics and Disciplinary Regulations under review.</p> <p><b>Action:</b> Consultation draft revised Code of Ethics being validated by broad cross-section of engineering and ethics experts for approval by National Congress July 2010.</p> <p><b>Outcome:</b> Regular review of complaints handling policy and procedures.</p> <p><b>Outcome:</b> 10 new complaints (nationally) against members. Complaints continue to be primarily about domestic housing projects.</p> <p><b>Action:</b> Ethics awareness program under development.</p>

Table 81: Engineers Australia (Queensland) Continuing Occupational Education 2009

Year	Strategy	Effects of Strategy
2009	To expand avenues available to members for education and learning throughout their careers.	<p><b>Outcome:</b> New website launched in September 2009 with enhanced events, course and publication search facilities for members.</p> <p><b>Action:</b> Target continuing professional development programs in accordance with new national priorities for all career stages.</p> <p><b>Action:</b> Develop an annual schedule of national publications and courses available to members.</p> <p><b>Outcome:</b> Excluding local group and corporate events, there were over 7,500 attendees to 104 technical presentations in Qld. 80 technical presentations were made available online.</p> <p><b>Outcome:</b> Improved CPD delivery/participation rates.</p>

Table 82: Engineers Australia (Queensland) Compliance with Disclosure and *Cover of Excellence*® Logo Requirements 2008-09

Year	Commentary
2009	<ul style="list-style-type: none"> <li>• Provide educational material to members on PSC compliance requirements through Engineers Australia magazine and with renewal applications.</li> <li>• Require members to complete a self-assessment form regarding compliance disclosure requirements.</li> <li>• No report available as annual renewals not within reporting period.</li> </ul>

## ICAA Risk Management and Compliance Report

Table 83: ICAA (Queensland) Claims and Insurance Monitoring 2008-09

Year	Commentary
2009	<ul style="list-style-type: none"> <li>• Minimum PII cover requirements increased in 2009 for the second consecutive year.</li> <li>• Annual survey of members reported a relatively soft market for PII with no sustained pressure on premiums and excesses. Survey evidence suggests the quality and level of cover held by members continues to improve, which provides better protection to consumers.</li> <li>• The Institute sought information regarding any formal claim in excess of \$500,000 lodged against members or firms in the 2009 calendar year.</li> <li>• For Qld there were 0 reported claims over the \$500,000 threshold.</li> </ul>
2008	<ul style="list-style-type: none"> <li>• The Institute does not recommend, mandate, or limit broker choice for members seeking PII cover.</li> <li>• Members were asked to identify the broker who had arranged their PII. 67.21% of brokers nominated by members have undertaken to comply with the Institute's PII Regulations.</li> <li>• The Institute sought information regarding any formal claim in excess of \$500,000 lodged against members or firms in the 2007 or 2008 calendar year.</li> <li>• For Qld there were 2 reported claims.</li> <li>• Feedback from brokers and insurers indicates that, after several years of soft market for insurance, Australia is likely to see a hardening of the PII market. One of the key factors is expected to be an increase in claims arising from losses incurred as part of the Global Financial Crisis.</li> </ul>

Table 84: ICAA (Queensland) Complaints and Discipline 2008-09

Year	Strategy	Effects of Strategy
2009	<p>Discipline of members under the Institute's Supplemental Charter, by-laws and Regulations.</p> <p>Regulation 9/1220 requires members in practice to have complaints handling policies and processes in place.</p>	<p><b>Action:</b> Professional Conduct Tribunal outcomes published on the Institute's website or in Charter publication.</p> <p><b>Action:</b> During 2009 calendar year the Professional Conduct team conducted 290 investigations into formal complaints. There were 13 national tribunal hearings.</p> <p>The most frequent issues were related to the Global Financial Crisis. This trend is likely to continue due to lag effects of referral from courts and regulators.</p>
2008	<p>Ongoing compliance with Statement of Membership Obligation (SMO 6): Investigation and Discipline.</p>	<p><b>Action:</b> During the 2007-08 financial year the Professional Conduct team initiated investigations into 259 formal complaints nationally. This was a decrease from 317 in the previous year.</p> <p><b>Action:</b> Professional Conduct Tribunal outcomes published on the Institute's website or in Charter publication</p>

Table 85: ICAA (Queensland) Continuing Occupational Education 2008-09

Year	Strategy	Effects of Strategy
2009	The Institute requires 120 hours per triennium Training and Development.	<p><b>Action:</b> <i>Public Practice Program</i> (PPP) content and syllabus reviewed annually including Ethics modules.</p> <p><b>Outcome:</b> New PPP launched in March 2009.</p> <p><b>Action:</b> Annual Training and Development audit conducted nationally. All non-compliance is followed up and resolved.</p>
2008	Ongoing development and revision of training products and services to ensure value for members.	<p><b>Action:</b> Training and development primarily focused on delivering training across Tax, Accounting, Audit, and Superannuation topics. Issues and topics are selected on the basis of member requirements identified by Institute and member technical specialists as well as feedback from external regulators.</p> <p><b>Action:</b> Audit training was delivered to attendees Australia-wide.</p>

Table 86: ICAA (Queensland) Compliance with Disclosure and *Cover of Excellence*® Logo Requirements 2008-09

Year	Commentary
2009	<ul style="list-style-type: none"> <li>All member practices were requested to confirm that they are complying with the disclosure of their limitation of liability in accordance with the requirements of the professional standards legislation and regulation.</li> <li>In Qld 81.90% of respondents to a members' survey confirmed compliance with disclosure requirements.</li> <li>3.53% of respondents confirmed that they were using the optional <i>Cover of Excellence</i>® logo.</li> </ul>
2008	<ul style="list-style-type: none"> <li>All member practices were requested to confirm that they are complying with the disclosure of their limitation of liability in accordance with the requirements of the professional standards legislation and regulation.</li> <li>In Qld 81.99% of respondents to a members' survey confirmed compliance with disclosure requirements.</li> <li>2.28% of respondents confirmed that they were using the optional <i>Cover of Excellence</i>® logo.</li> <li>ICAA will target communications to raise awareness if the disclosure requirements in those States/Territories which have new schemes.</li> </ul>

## REPORTS FROM ASSOCIATIONS WITH SCHEMES IN SOUTH AUSTRALIA

### CPA Australia Risk Management and Compliance Report

Table 87: CPA Australia (South Australia) Claims and Insurance Monitoring 2008-09

Year	Commentary
2009	<p>The minimum PII, required by members and available to consumers has doubled to \$1million from the amount required at the commencement of the Scheme.</p> <ul style="list-style-type: none"> <li>• There was 1 insurance claims and 10 claim notifications in the reporting period for SA.</li> <li>• The availability of insurance underwriters has drastically increased over the last 12 months and the market is competitive resulting in a reduction in the cost of premiums. There are in excess of 35 underwriters willing to provide PII for CPA Australia accountants.</li> </ul>
2008	<ul style="list-style-type: none"> <li>• There was 1 insurance claim and 2 claim notifications in the reporting period for SA.</li> <li>• During the reporting period the market remained stable but increasingly competitive. There are in excess of 27 underwriters willing to provide PII for CPA Australia accountants.</li> </ul>

Table 88: CPA Australia (South Australia) Complaints and Discipline 2008-09

Year	Strategy	Effects of Strategy
2009	Continual improvement in the investigation and disciplinary process.	<b>Action:</b> The outcome of any complaint referred to a disciplinary tribunal is published on the CPA Australia website.
2008	Continual improvements in investigation and disciplinary processes.	<p><b>Action:</b> An external independent reviewer examined all aspects of the disciplinary process and made recommendations.</p> <p><b>Outcome:</b> In 2008, there were 163 externally initiated complaints investigated across Australia along with previous complaints carried over from 2007.</p> <p><b>Outcome:</b> 42 members appeared before a disciplinary tribunal, with the outcomes reported on the website. 3 members were from South Australia.</p>

Table 89: CPA Australia (South Australia) Continuing Occupational Education 2008-09

Year	Strategy	Effects of Strategy
2009	Continual revision and improvement of <i>CPA Program</i> .	<p><b>Action:</b> <i>CPA Program</i>, <i>Public Practice Program</i> and <i>Public Practice Program Residential</i> reviewed and revised regularly (at least twice yearly) to enhance learning outcomes.</p> <p><b>Action:</b> Development of a new <i>Practical Experience Requirement</i> (PER) to replace the existing <i>Mentor Program</i> from Jan 1 2010, based on member and participant feedback.</p> <p><b>Action:</b> Ongoing development of solutions for training to meet member needs (webinars, social networking etc).</p>
2008	Continuation of <i>CPA Program</i> .	<p><b>Action:</b> The Education Advisory Committee meets 4 times a year to provide strategic oversight and quality assurance for the <i>CPA Program</i>.</p> <p><b>Outcome:</b> Eight-unit conversion courses now available to be accredited. The first course was accredited in late 2008.</p> <p><b>Action:</b> In 2010, CPA Australia will also launch a series of 8 <i>Foundations Exams</i> to access core knowledge as an alternative pathway to commencing the <i>CPA Program</i>.</p>

Table 90: CPA Australia (South Australia) Compliance with Disclosure and *Cover of Excellence*® Logo Requirements 2008-09

Year	Commentary
2009	<ul style="list-style-type: none"> <li>CPA Australia has provided a quality review framework for implementing and assessing compliance with disclosure of limited liability and <i>Cover of Excellence</i>® logo requirements.</li> <li>There is a 5-year (ie 20% annually) review cycle as part of the quality assurance program.</li> <li>Audit includes a review of letterhead, company structures, quality control and risk management.</li> </ul>
2008	<ul style="list-style-type: none"> <li>CPA Australia has provided a quality review framework for implementing and assessing compliance with disclosure of limited liability and <i>Cover of Excellence</i>® logo requirements.</li> <li>There is a 5-year (ie 20% annually) review cycle as part of the quality assurance program.</li> <li>Audit includes a review of letterhead, company structures, quality control and risk management.</li> </ul>

## Engineers Australia Risk Management and Compliance Report

The Engineers Australia Scheme commenced in South Australia on 1 September 2009, hence this is a part-year report.

Table 91: Engineers Australia (South Australia) Claims and Insurance Monitoring 2009

Year	Commentary
2009	<ul style="list-style-type: none"> <li>Insufficient members of Engineers Australia participating in the Scheme to supply meaningful data at this stage.</li> </ul>

Table 92: Engineers Australia (South Australia) Complaints and Discipline 2009

Year	Strategy	Effects of Strategy
2009	Improve efficiency of complaints handling and disciplinary system.	<p><b>Action:</b> Code of Ethics and Disciplinary Regulations under review.</p> <p><b>Action:</b> Consultation draft revised Code of Ethics being validated by broad cross-section of engineering and ethics experts for approval by National Congress July 2010.</p> <p><b>Outcome:</b> Regular review of complaints handling policy and procedures.</p> <p><b>Outcome:</b> 10 new complaints (nationally) against members. Complaints continue to be primarily about domestic housing projects.</p> <p><b>Action:</b> Ethics awareness program under development.</p>

Table 93: Engineers Australia (South Australia) Continuing Occupational Education 2009

Year	Strategy	Effects of Strategy
2009	To expand avenues available to members for education and learning throughout their careers.	<p><b>Outcome:</b> New website launched in September 2009 with enhanced events, course and publication search facilities for members.</p> <p><b>Action:</b> Target continuing professional development programs in accordance with new national priorities for all career stages.</p> <p><b>Action:</b> Develop an annual schedule of national publications and courses available to members.</p> <p><b>Outcome:</b> In Northern Division eminent speaker tours; over 800 CPD attendee hours.</p> <p><b>Outcome:</b> Improved CPD delivery/participation rates.</p>

Table 94: Engineers Australia (South Australia) Compliance with Disclosure and *Cover of Excellence*® Logo Requirements 2009

Year	Commentary
2009	<ul style="list-style-type: none"> <li>• Provide educational material to members on PSC compliance requirements through Engineers Australia magazine and with renewal applications.</li> <li>• Require members to complete a self-assessment form regarding compliance disclosure requirements.</li> <li>• No report available as annual renewals not within reporting period.</li> </ul>

## ICAA Risk Management and Compliance Report

Table 95: ICAA (South Australia) Claims and Insurance Monitoring 2008-09

Year	Commentary
2009	<ul style="list-style-type: none"> <li>• Minimum PII cover requirements increased in 2009 for the second consecutive year.</li> <li>• Annual survey of members reported a relatively soft market for PII with no sustained pressure on premiums and excesses. Survey evidence suggests the quality and level of cover held by members continues to improve, which provides better protection to consumers.</li> <li>• The Institute sought information regarding any formal claim in excess of \$500,000 lodged against members or firms in the 2009 calendar year.</li> <li>• For SA there was 0 reported claims over the \$500,000 threshold.</li> </ul>
2008	<ul style="list-style-type: none"> <li>• The Institute does not recommend, mandate, or limit broker choice for members seeking PII cover.</li> <li>• Members were asked to identify the broker who had arranged their PII. 67.21% of brokers nominated by members have undertaken to comply with the Institute's PII Regulations.</li> <li>• The Institute sought information regarding any formal claim in excess of \$500,000 lodged against members or firms in the 2007 or 2008 calendar year.</li> <li>• For SA there was 0 reported claims.</li> <li>• Feedback from brokers and insurers indicates that, after several years of soft market for insurance, Australia is likely to see a hardening of the PII market. One of the key factors is expected to be an increase in claims arising from losses incurred as part of the Global Financial Crisis.</li> </ul>

Table 96: ICAA (South Australia) Complaints and Discipline 2008-09

Year	Strategy	Effects of Strategy
2009	<p>Discipline of members under the Institute's Supplemental Charter, by-laws and Regulations.</p> <p>Regulation 9/1220 requires members in practice to have complaints handling policies and processes in place.</p>	<p><b>Action:</b> Professional Conduct Tribunal outcomes published on the Institute's website or in Charter publication.</p> <p><b>Action:</b> During 2009 calendar year the Professional Conduct team conducted 290 investigations into formal complaints. There were 13 national tribunal hearings.</p> <p>The most frequent issues were related to the Global Financial Crisis. This trend is likely to continue due to lag effects of referral from courts and regulators.</p>
2008	<p>Ongoing compliance with Statement of Membership Obligation (SMO 6): Investigation and Discipline.</p>	<p><b>Action:</b> During the 2007-08 financial year the Professional Conduct team initiated investigations into 259 formal complaints nationally. This was a decrease from 317 in the previous year.</p> <p><b>Action:</b> Professional Conduct Tribunal outcomes published on the Institute's website or in Charter publication.</p>

Table 97: ICAA (South Australia) Continuing Occupational Education 2008-09

Year	Strategy	Effects of Strategy
2009	The Institute requires 120 hours per triennium Training and Development.	<p><b>Action:</b> <i>Public Practice Program</i> (PPP) content and syllabus reviewed annually including Ethics modules.</p> <p><b>Outcome:</b> New PPP launched in March 2009.</p> <p><b>Action:</b> Annual Training and Development audit conducted nationally. All non-compliance is followed up and resolved.</p>
2008	Ongoing development and revision of training products and services to ensure value for members.	<p><b>Action:</b> Training and development primarily focused on delivering training across Tax, Accounting, Audit, and Superannuation topics. Issues and topics are selected on the basis of member requirements identified by Institute and member technical specialists as well as feedback from external regulators.</p> <p><b>Action:</b> Audit training was delivered to attendees Australia-wide.</p>

Table 98: ICAA (South Australia) Compliance with Disclosure and *Cover of Excellence*® Logo Requirements 2008-09

Year	Commentary
2009	<ul style="list-style-type: none"> <li>All member practices were requested to confirm that they are complying with the disclosure of their limitation of liability in accordance with the requirements of the professional standards legislation and regulation.</li> <li>In SA 83.54% of respondents to a members' survey confirmed compliance with disclosure requirements.</li> <li>3.66% of respondents confirmed that they were using the optional <i>Cover of Excellence</i>® logo.</li> </ul>
2008	<ul style="list-style-type: none"> <li>All member practices were requested to confirm that they are complying with the disclosure of their limitation of liability in accordance with the requirements of the professional standards legislation and regulation.</li> <li>In SA 81.42% of respondents to a members' survey confirmed compliance with disclosure requirements.</li> <li>2.21% of respondents confirmed that they were using the optional <i>Cover of Excellence</i>® logo.</li> <li>ICAA will target communications to raise awareness if the disclosure requirements in those States/Territories which have new schemes.</li> </ul>



## REPORTS FROM ASSOCIATIONS WITH SCHEMES IN TASMANIA

There was only one scheme operating in Tasmania during the reporting period. The Engineers Australia Scheme commenced on 1 July 2009.

### Engineers Australia Risk Management and Compliance Report

Table 99: Engineers Australia (Tasmania) Claims and Insurance Monitoring 2009

Year	Commentary
2009	<ul style="list-style-type: none"> <li>Insufficient members of Engineers Australia participating in the Scheme to supply meaningful data at this stage.</li> </ul>

Table 100: Engineers Australia (Tasmania) Complaints and Discipline 2009

Year	Strategy	Effects of Strategy
2009	Improve efficiency of complaints handling and disciplinary system.	<p><b>Action:</b> Code of Ethics and Disciplinary Regulations under review.</p> <p><b>Action:</b> Consultation draft revised Code of Ethics being validated by broad cross-section of engineering and ethics experts for approval by National Congress July 2010.</p> <p><b>Outcome:</b> Regular review of complaints handling policy and procedures.</p> <p><b>Outcome:</b> 10 new complaints (nationally) against members. Complaints continue to be primarily about domestic housing projects.</p> <p><b>Action:</b> Ethics awareness program under development.</p>

Table 101: Engineers Australia (Tasmania) Continuing Occupational Education 2009

Year	Strategy	Effects of Strategy
2009	To expand avenues available to members for education and learning throughout their careers.	<p><b>Outcome:</b> New website launched in September 2009 with enhanced events, course and publication search facilities for members.</p> <p><b>Action:</b> Target continuing professional development programs in accordance with new national priorities for all career stages.</p> <p><b>Action:</b> Develop an annual schedule of national publications.</p> <p><b>Outcome:</b> In Tasmania information on over 95 events distributed to members; 2 Engineering Education Australia courses well attended.</p> <p><b>Outcome:</b> Improved CPD delivery/participation rates.</p>

Table 102: Engineers Australia (Tasmania) Compliance with Disclosure and *Cover of Excellence*® Logo Requirements 2009

Year	Commentary
2009	<ul style="list-style-type: none"> <li>Provide educational material to members on PSC compliance requirements through Engineers Australia magazine and with renewal applications.</li> <li>Require members to complete a self-assessment form regarding compliance disclosure requirements.</li> <li>No report available as annual renewals not within reporting period.</li> </ul>

## REPORTS FROM ASSOCIATIONS WITH SCHEMES IN VICTORIA

### CPA Australia Risk Management and Compliance Report

Table 103: CPA Australia (Victoria) Claims and Insurance Monitoring 2008-09

Year	Commentary
2009	<ul style="list-style-type: none"> <li>The minimum PII, required by members and available to consumers has doubled to \$1 million from the amount required at the commencement of the scheme.</li> <li>There were 3 insurance claims and 16 claim notifications in the reporting period for NSW.</li> <li>The availability of insurance underwriters has drastically increased over the last 12 months and the market is competitive resulting in a reduction in the cost of premiums. There are in excess of 35 underwriters willing to provide PII for CPA Australia accountants.</li> </ul>
2008	<ul style="list-style-type: none"> <li>There were 2 insurance claims and 7 claim notifications in the reporting period for Victoria.</li> <li>During the reporting period the market remained stable but increasingly competitive.</li> <li>There are in excess of 27 underwriters willing to provide PII for CPA Australia accountants.</li> </ul>

Table 104: CPA Australia (Victoria) Complaints and Discipline 2008-09

Year	Strategy	Effects of Strategy
2009	Continual improvement in the investigation and disciplinary process.	<b>Action:</b> The outcome of any complaint referred to a disciplinary tribunal is published on the CPA Australia website.
2008	Continual improvements in investigation and disciplinary processes.	<p><b>Action:</b> An external independent reviewer examined all aspects of the disciplinary process and made recommendations.</p> <p><b>Outcome:</b> 42 members appeared before a disciplinary tribunal, with outcomes reported on the website. 14 members were from Victoria.</p>

Table 105: CPA Australia (Victoria) Continuing Occupational Education 2008-09

Year	Strategy	Effects of Strategy
2009	Continual revision and improvement of CPA Program.	<p><b>Action:</b> CPA Program, Public Practice Program and Public Practice Program Residential reviewed and revised regularly (at least twice yearly) to enhance learning outcomes.</p> <p><b>Action:</b> Development of a new Practical Experience Requirement (PER) to replace the existing Mentor Program from Jan 1 2010, based on member and participant feedback.</p> <p><b>Action:</b> Ongoing development of solutions for training to meet member needs (webinars, social networking etc).</p>
2008	Continuation of CPA Program.	<p><b>Action:</b> The Education Advisory Committee meets 4 times a year to provide strategic oversight and quality assurance for the CPA Program.</p> <p><b>Outcome:</b> Eight-unit conversion courses now available to be accredited. The first course was accredited in late 2008.</p> <p><b>Action:</b> In 2010, CPA Australia will also launch a series of 8 Foundations Exams to access the core knowledge as an alternative pathway to commencing the CPA Program.</p>

Table 106: CPA Australia (Victoria) Compliance with Disclosure and *Cover of Excellence*® Logo Requirements 2008-09

Year	Commentary
2009	<ul style="list-style-type: none"> <li>CPA Australia has provided a quality review framework for implementing and assessing compliance with disclosure of limited liability and <i>Cover of Excellence</i>® logo requirements.</li> <li>There is a 5-year (ie 20% annually) review cycle as part of the quality assurance program.</li> <li>Audit includes a review of letterhead, company structures, quality control and risk management.</li> </ul>
2008	<ul style="list-style-type: none"> <li>CPA Australia has provided a quality review framework for implementing and assessing compliance with disclosure of limited liability and <i>Cover of Excellence</i>® logo requirements.</li> <li>There is a 5-year (ie 20% annually) review cycle as part of the quality assurance program.</li> <li>Audit includes a review of letterhead, company structures, quality control and risk management.</li> </ul>

### Engineers Australia Risk Management and Compliance Report

The Engineers Australia Scheme commenced in Victoria on 19 January 2010, hence they are not required to report this year.

### ICAA Risk Management and Compliance Report

Table 107: ICAA (Victoria) Claims and Insurance Monitoring 2008-09

Year	Commentary
2009	<ul style="list-style-type: none"> <li>Minimum PII cover requirements increased in 2009 for the second consecutive year.</li> <li>Annual survey of members reported a relatively soft market for PII with no sustained pressure on premiums and excesses. Survey evidence suggests the quality and level of cover held by members continues to improve, which provides better protection to consumers.</li> <li>The Institute sought information regarding any formal claim in excess of \$500,000 lodged against members or firms in the 2009 calendar year.</li> <li>For Vic there was 0 reported claims over the \$500,000 threshold.</li> </ul>
2008	<ul style="list-style-type: none"> <li>The Institute does not recommend, mandate, or limit broker choice for members seeking PII cover.</li> <li>Members were asked to identify the broker who had arranged their PII. 67.21% of brokers nominated by members have undertaken to comply with the Institute's PII Regulations.</li> <li>The Institute sought information regarding any formal claim in excess of \$500,000 lodged against members or firms in the 2007 or 2008 calendar year.</li> <li>For Vic there were 2 reported claims.</li> <li>Feedback from brokers and insurers indicates that, after several years of soft market for insurance, Australia is likely to see a hardening of the PII market. One of the key factors is expected to be an increase in claims arising from losses incurred as part of the Global Financial Crisis.</li> </ul>

Table 108: ICAA (Victoria) Complaints and Discipline 2008-09

Year	Strategy	Effects of Strategy
2009	Discipline of members under the Institute's Supplemental Charter, by-laws and Regulations.  Regulation 9/1220 requires members in practice to have complaints handling policies and processes in place.	<b>Action:</b> Professional Conduct Tribunal outcomes published on the Institute's website or in Charter publication.  <b>Action:</b> During 2009 calendar year the Professional Conduct team conducted 290 investigations into formal complaints. There were 13 national tribunal hearings.  The most frequent issues were related to the Global Financial Crisis. This trend is likely to continue due to lag effects of referral from courts and regulators.
2008	Ongoing compliance with Statement of Membership Obligation (SMO 6): Investigation and Discipline.	<b>Action:</b> During the 2007-08 financial year the Professional Conduct team initiated investigations into 259 formal complaints nationally. This was a decrease from 317 in the previous year.  <b>Action:</b> Professional Conduct Tribunal outcomes published on the Institute's website or in Charter publication.

Table 109: ICAA (Victoria) Continuing Occupational Education 2008-09

Year	Strategy	Effects of Strategy
2009	The Institute requires 120 hours per triennium Training and Development.	<b>Action:</b> <i>Public Practice Program (PPP)</i> content and syllabus reviewed annually including Ethics modules.  <b>Outcome:</b> New PPP launched in March 2009.  <b>Action:</b> Annual Training and Development audit conducted nationally. All non-compliance is followed up and resolved.
2008	Ongoing development and revision of training products and services to ensure value for members.	<b>Action:</b> Training and development primarily focused on delivering training across Tax, Accounting, Audit, and Superannuation topics. Issues and topics are selected on the basis of member requirements, identified by Institute and member technical specialists, as well as feedback from external regulators.  <b>Action:</b> Audit training was delivered to attendees Australia-wide.

Table 110: ICAA (Victoria) Compliance with Disclosure and *Cover of Excellence*<sup>®</sup> Logo Requirements 2008-09

Year	Commentary
2009	<ul style="list-style-type: none"> <li>All member practices were requested to confirm that they are complying with the disclosure of their limitation of liability in accordance with the requirements of the professional standards legislation and regulation.</li> <li>In Vic 75.77% of respondents to a members' survey confirmed compliance with disclosure requirements.</li> <li>4.70% of respondents confirmed that they were using the optional <i>Cover of Excellence</i><sup>®</sup> logo.</li> </ul>
2008	<ul style="list-style-type: none"> <li>All member practices were requested to confirm that they are complying with the disclosure of their limitation of liability in accordance with the requirements of the professional standards legislation and regulation.</li> <li>In Vic 76.55% of respondents to a members' survey confirmed compliance with disclosure requirements.</li> <li>2.49% of respondents confirmed that they were using the optional <i>Cover of Excellence</i><sup>®</sup> logo.</li> <li>ICAA will target communications to raise awareness of the disclosure requirements in those States/Territories which have new Schemes.</li> </ul>

## Vic Bar Risk Management and Compliance Report

The Vic Bar Scheme commenced in Victoria on 1 July 2008. This is the second year for reporting and the first full reporting year for the Scheme.

Table 111: Vic Bar Claims and Insurance Monitoring 2008-09

Year	Commentary
2009	<ul style="list-style-type: none"> <li>The Legal Practitioners' Liability Committee has responded to favourable claims experience in 2009-10 by reducing premiums by around 20%, the second major reduction in three years.</li> </ul>
2008	<ul style="list-style-type: none"> <li>For the 2008-09 year there were 33 new claims.</li> </ul>

Table 112: Vic Bar Complaints and Discipline 2008-09

Year	Effects of Risk Management Strategies
2009	<p>The Legal Services Commissioner (LSC) is conferred with authority to deal with complaints against legal practitioners. Unless the LSC refers a particular matter to it, the Vic Bar has no power under the <i>Legal Profession Act 2004</i> to directly investigate a complaint against a member.</p> <p><b>Action:</b> The Vic Bar publishes outcomes of disciplinary action as appropriate to the circumstances.</p>
2008	<p>The LSC is conferred with authority to deal with complaints against legal practitioners. Unless the LSC refers a particular matter to it, the Vic Bar has no power under the <i>Legal Profession Act 2004</i> to directly investigate a complaint against a member.</p> <p><b>Action:</b> The Vic Bar publishes outcomes of disciplinary action as appropriate to the circumstances.</p> <p><b>Action:</b> The Vic Bar publicises the rules under which members are governed. These rules are being revised as part of the national harmonisation process and will be comprised of national rules accepted by all of the Australian Bars and local rules for Victoria only.</p> <p><b>Action:</b> A protocol dealing with ethical complaints and disclosures has been introduced to provide greater role clarity over which of the Bar Council, the Counsel Committee and the Ethics Committee have responsibility for complaints and which for disclosures. The Compliance Manager ensures timely and consistent handling of complaints and disclosures.</p>

Table 113: Vic Bar Continuing Occupational Education 2008-09

Year	Effects of Risk Management Strategies
2009	<p>Each barrister is required to earn 10 CPD points a year covering for compulsory fields – ethics and professional responsibility, skills, substantive law, and practice management and business skills. Compliance is monitored annually at the time practising certificates are renewed.</p> <p><b>Action:</b> All barristers are required to keep documentary proof of compliance with CPD requirements. A full scale CPD audit was due after Easter in 2010.</p> <p><b>Action:</b> Online feedback and reporting for both the Readers course and the CPD program now complements off-line reporting.</p> <p><b>Action:</b> Duty Barristers' Scheme, which commenced in 2008, gives unrepresented litigants' access to counsel and provides educational opportunities for new barristers.</p>
2008	<p>Each barrister is required to earn 10 CPD points a year covering for compulsory fields – ethics and professional responsibility, skills, substantive law, and practice management and business skills. Compliance is monitored annually at the time practising certificates are renewed.</p> <p><b>Action:</b> Formal assessment was introduced to the Readers Course. An audit of compliance with the CPD rules will be conducted in 2009.</p> <p><b>Action:</b> Duty Barristers' Scheme was introduced during 2008, giving unrepresented litigants' access to counsel and provides further vocational training opportunities for relatively new lawyers.</p>

Table 114: Vic Bar Compliance with Disclosure and *Cover of Excellence*® Logo Requirements 2008-09

Year	Commentary
2009	<ul style="list-style-type: none"> <li>• Members are required to undertake self-assessment of compliance.</li> <li>• Audit has been deferred while restructure of education program is completed.</li> </ul>
2008	<ul style="list-style-type: none"> <li>• The Vic Bar will undertake a random audit of documents issued by a barrister, or a barrister's clerk on behalf of a barrister, to ensure compliance with disclosure under the <i>Professional Standards Act 2003</i> (Vic).</li> <li>• Provide educational material to members on the usage of the <i>Cover of Excellence</i>® logo, business assets requirements through the Association's magazine and renewal process.</li> </ul>

## REPORTS FROM ASSOCIATIONS WITH SCHEMES IN WESTERN AUSTRALIA

### CPA Australia Risk Management and Compliance Report

Table 115: CPA Australia (Western Australia) Claims and Insurance Monitoring 2008-09

Year	Commentary
2009	<ul style="list-style-type: none"> <li>The minimum PII, required by members and available to consumers has doubled to \$1 million from the amount required at the commencement of the scheme.</li> <li>There were 0 insurance claims and 3 claim notifications in the reporting period for Western Australia.</li> <li>The availability of insurance underwriters has drastically increased over the last 12 months and the market is competitive resulting in a reduction in the cost of premiums. There are in excess of 35 underwriters willing to provide PII for CPA Australia accountants.</li> </ul>
2008	<ul style="list-style-type: none"> <li>There were 3 insurance claim notifications in the reporting period for WA.</li> <li>During the reporting period the market remained stable but increasingly competitive.</li> <li>There are in excess of 27 underwriters willing to provide PII for CPA Australia accountants.</li> </ul>

Table 116: CPA Australia (Western Australia) Complaints and Discipline 2008-09

Year	Strategy	Effects of Strategy
2009	Continual improvement in the investigation and disciplinary process.	<b>Action:</b> The outcome of any complaint referred to a disciplinary tribunal is published on the CPA Australia website.
2008	Continual improvements in investigation and disciplinary processes.	<p><b>Action:</b> An external independent reviewer examined all aspects of the disciplinary process and made recommendations.</p> <p><b>Outcome:</b> 42 members appeared before a disciplinary tribunal, with outcomes reported on the website. 5 members were from WA.</p>

Table 117: CPA Australia (Western Australia) Continuing Occupational Education 2008-09

Year	Strategy	Effects of Strategy
2009	Continual revision and improvement of <i>CPA Program</i> .	<p><b>Action:</b> <i>CPA Program</i>, <i>Public Practice Program</i> and <i>Public Practice Program Residential</i> reviewed and revised regularly (at least twice yearly) to enhance learning outcomes.</p> <p><b>Action:</b> Development of a new <i>Practical Experience Requirement (PER)</i> to replace the existing <i>Mentor Program</i> from Jan 1 2010, based on member and participant feedback.</p> <p><b>Action:</b> Ongoing development of solutions for training to meet member needs (webinars, social networking etc).</p>
2008	Continuation of <i>CPA Program</i> .	<p><b>Action:</b> The Education Advisory Committee meets 4 times a year to provide strategic oversight and quality assurance for the <i>CPA Program</i>.</p> <p><b>Outcome:</b> Eight-unit conversion courses now available to be accredited. The first course was accredited in late 2008.</p> <p><b>Action:</b> In 2010, CPA Australia will also launch a series of 8 <i>Foundations Exams</i> to access core knowledge as an alternative pathway to commencing the <i>CPA Program</i>.</p>



Table 118: CPA Australia (Western Australia) Compliance with Disclosure and *Cover of Excellence*<sup>®</sup> Logo Requirements 2008-09

Year	Commentary
2009	<ul style="list-style-type: none"> <li>CPA Australia has provided a quality review framework for implementing and assessing compliance with disclosure of limited liability and <i>Cover of Excellence</i><sup>®</sup> logo requirements.</li> <li>There is a 5-year (ie 20% annually) review cycle as part of the quality assurance program.</li> <li>Audit includes a review of letterhead, company structures, quality control and risk management.</li> </ul>
2008	<ul style="list-style-type: none"> <li>CPA Australia has provided a quality review framework for implementing and assessing compliance with disclosure of limited liability and <i>Cover of Excellence</i><sup>®</sup> logo requirements.</li> <li>There is a 5-year (ie 20% annually) review cycle as part of the quality assurance program.</li> <li>Audit includes a review of letterhead, company structures, quality control and risk management.</li> </ul>

## Engineers Australia Risk Management and Compliance Report

Table 119: Engineers Australia (Western Australia) Claims and Insurance Monitoring 2009

Year	Commentary
2009	<ul style="list-style-type: none"> <li>Insufficient members of Engineers Australia participating in the Scheme to supply meaningful data at this stage.</li> </ul>

Table 120: Engineers Australia (Western Australia) Complaints and Discipline 2009

Year	Strategy	Effects of Strategy
2009	Improve efficiency of complaints handling and disciplinary system.	<p><b>Action:</b> Code of Ethics and Disciplinary Regulations under review.</p> <p><b>Action:</b> Consultation draft revised Code of Ethics being validated by broad cross-section of engineering and ethics experts for approval by National Congress July 2010.</p> <p><b>Outcome:</b> Regular review of complaints handling policy and procedures.</p> <p><b>Outcome:</b> 10 new complaints (nationally) against members. Complaints continue to be primarily about domestic housing projects.</p> <p><b>Action:</b> Ethics awareness program under development.</p>

Table 121: Engineers Australia (Western Australia) Continuing Occupational Education 2009

Year	Strategy	Effects of Strategy
2009	To expand avenues available to members for education and learning throughout their careers.	<p><b>Outcome:</b> New website launched in September 2009 with enhanced events, course and publication search facilities for members.</p> <p><b>Action:</b> Target continuing professional development programs in accordance with new national priorities for all career stages.</p> <p><b>Action:</b> Develop an annual schedule of national publications and courses available to members.</p> <p><b>Outcome:</b> In Western Australia, some 240 events were provided. Take-up rate was nearly 20,000 CPD hours by more than 10,000 attendees.</p> <p><b>Outcome:</b> Improved CPD delivery/participation rates.</p>

Table 122: Engineers Australia (Western Australia) Compliance with Disclosure and *Cover of Excellence*® Logo Requirements 2009

Year	Commentary
2009	<ul style="list-style-type: none"> <li>• Provide educational material to members on PSC compliance requirements through Engineers Australia magazine and with renewal applications.</li> <li>• Require members to complete a self-assessment form regarding compliance disclosure requirements.</li> <li>• No report available as annual renewals not within reporting period.</li> </ul>

## ICAA Risk Management and Compliance Report

Table 123: ICAA (Western Australia) Claims and Insurance Monitoring 2008-09

Year	Commentary
2009	<ul style="list-style-type: none"> <li>• Minimum PII cover requirements increased in 2009 for the second consecutive year.</li> <li>• Annual survey of members reported a relatively soft market for PII with no sustained pressure on premiums and excesses. Survey evidence suggests the quality and level of cover held by members continues to improve, which provides better protection to consumers.</li> <li>• The Institute sought information regarding any formal claim in excess of \$500,000 lodged against members or firms in the 2009 calendar year.</li> <li>• For WA there were 4 reported claims over the \$500,000 threshold.</li> </ul>
2008	<ul style="list-style-type: none"> <li>• The Institute does not recommend, mandate, or limit broker choice for members seeking PII cover.</li> <li>• Members were asked to identify the broker who had arranged their PII. 67.21% of brokers nominated by members have undertaken to comply with the Institute's PII Regulations.</li> <li>• The Institute sought information regarding any formal claim in excess of \$500,000 lodged against members or firms in the 2007 or 2008 calendar year.</li> <li>• For WA there was 1 reported claim.</li> <li>• Feedback from brokers and insurers indicates that, after several years of soft market for insurance, Australia is likely to see a hardening of the PII market. One of the key factors is expected to be an increase in claims arising from losses incurred as part of the Global Financial Crisis.</li> </ul>

Table 124: ICAA (Western Australia) Complaints and Discipline 2008-09

Year	Strategy	Effects of Strategy
2009	<p>Discipline of members under the Institute's Supplemental Charter, by-laws and Regulations.</p> <p>Regulation 9/1220 requires members in practice to have complaints handling policies and processes in place.</p>	<p><b>Action:</b> Professional Conduct Tribunal outcomes published on the Institute's website or in Charter publication.</p> <p><b>Action:</b> During 2009 calendar year the Professional Conduct team conducted 290 investigations into formal complaints. There were 13 national tribunal hearings.</p> <p>The most frequent issues were related to the Global Financial Crisis. This trend is likely to continue due to lag effects of referral from courts and regulators.</p>
2008	<p>Ongoing compliance with Statement of Membership Obligation (SMO 6): Investigation and Discipline.</p>	<p><b>Action:</b> During the 2007-08 financial year the Professional Conduct team initiated investigations into 259 formal complaints nationally. This was a decrease from 317 in the previous year.</p> <p><b>Action:</b> Professional Conduct Tribunal outcomes published on the Institute's website or in Charter publication</p> <p><b>Outcome:</b> 42 members appeared before a disciplinary tribunal, with the outcomes reported on the website. 5 members were from WA.</p>

Table 125: ICAA (Western Australia) Continuing Occupational Education 2008-09

Year	Strategy	Effects of Strategy
2009	The Institute requires 120 hours per triennium Training and Development.	<p><b>Action:</b> <i>Public Practice Program</i> (PPP) content and syllabus reviewed annually including Ethics modules.</p> <p><b>Outcome:</b> New PPP launched in March 2009.</p> <p><b>Action:</b> Annual Training and Development audit conducted nationally. All non-compliance is followed up and resolved.</p>
2008	Ongoing development and revision of training products and services to ensure value for members.	<p><b>Action:</b> Training and development primarily focused on delivering training across Tax, Accounting, Audit, and Superannuation topics. Issues and topics are selected on the basis of member requirements identified by Institute and member technical specialists as well as feedback from external regulators.</p> <p><b>Action:</b> Audit training was delivered to attendees Australia-wide.</p>

Table 126: ICAA Western Australia) Compliance with Disclosure and *Cover of Excellence*® Logo Requirements 2008-09

Year	Commentary
2009	<ul style="list-style-type: none"> <li>All member practices were requested to confirm that they are complying with the disclosure of their limitation of liability in accordance with the requirements of the professional standards legislation and regulation.</li> <li>In WA 83.53% of respondents to a members' survey confirmed compliance with disclosure requirements.</li> <li>2.41% of respondents confirmed that they were using the optional <i>Cover of Excellence</i>® logo.</li> </ul>
2008	<ul style="list-style-type: none"> <li>All member practices were requested to confirm that they are complying with the disclosure of their limitation of liability in accordance with the requirements of the professional standards legislation and regulation.</li> <li>In WA 79.49% of respondents to a members' survey confirmed compliance with disclosure requirements.</li> <li>1.83% of respondents confirmed that they were using the optional <i>Cover of Excellence</i>® logo.</li> <li>ICAA will target communications to raise awareness of the disclosure requirements in those States/ Territories which have new Schemes.</li> </ul>

# FINANCIAL AND STATUTORY REPORTING FOR THE PROFESSIONAL STANDARDS COUNCILS

## CONSOLIDATED FINANCIAL PERFORMANCE EXTRACT 2009-10

(NOTE 1)

	Cons	NSW	Qld	Vic	SA	WA	ACT	NT	Tas
<b>REVENUE <sup>2</sup></b>									
Application Fees	30,000	25,000	0	5,000	0	0	0	0	0
Annual Fees	2,081,759	1,132,720	236,543	430,795	93,653	149,966	30,769	7,314	0
Interest received less fees	69,049	40,306	10,087	18,662	0	(5)	0	0	0
<b>TOTAL REVENUE</b>	<b>2,180,808</b>	<b>1,198,025</b>	<b>246,630</b>	<b>454,457</b>	<b>93,653</b>	<b>149,961</b>	<b>30,769</b>	<b>7,314</b>	<b>0</b>
	<b>100.00%</b>	<b>54.93%</b>	<b>11.31%</b>	<b>20.84%</b>	<b>4.29%</b>	<b>6.88%</b>	<b>1.41%</b>	<b>0.34%</b>	<b>0.00%</b>

### EMPLOYEE RELATED PAYMENTS

Salaries and Wages	(497,943)	(273,544)	(56,313)	(103,766)	(21,384)	(34,240)	(7,026)	(1,670)	0
Leave Entitlements	(61,663)	(33,874)	(6,973)	(12,850)	(2,648)	(4,240)	(870)	(207)	0
Workers' Compensation	(4,169)	(2,290)	(471)	(869)	(179)	(287)	(59)	(14)	0
Payroll Tax	(36,005)	(19,779)	(4,072)	(7,503)	(1,546)	(2,476)	(508)	(121)	0
Superannuation	(52,060)	(28,599)	(5,888)	(10,849)	(2,236)	(3,580)	(735)	(175)	0
Contractors	(124,619)	(68,459)	(14,093)	(25,969)	(5,352)	(8,569)	(1,758)	(418)	0
Crown Liabilities and Superannuation	(8,751)	(4,807)	(990)	(1,824)	(376)	(602)	(123)	(29)	0
<b>TOTAL EMPLOYEE RELATED</b>	<b>(785,209)</b>	<b>(431,354)</b>	<b>(88,800)</b>	<b>(163,629)</b>	<b>(33,720)</b>	<b>(53,994)</b>	<b>(11,079)</b>	<b>(2,633)</b>	<b>0</b>

### OTHER OPERATING EXPENSES

Advertising and Publicity	(40,547)	(22,274)	(4,585)	(8,449)	(1,741)	(2,788)	(572)	(136)	0
External Audit	(28,493)	(15,653)	(3,222)	(5,938)	(1,224)	(1,959)	(402)	(96)	0
Bank charges	(25)	(14)	(03)	(05)	(01)	(02)	0	0	0
Consultancies <sup>3</sup>	(71,147)	(39,084)	(8,046)	(14,826)	(3,055)	(4,892)	(1,004)	(239)	0
Contractors	(1,508)	(828)	(171)	(314)	(65)	(104)	(21)	(05)	0
Depreciation	(21,937)	(12,052)	(2,481)	(4,571)	(942)	(1,508)	(310)	(74)	0
Electricity and Gas	(2,546)	(1,398)	(288)	(530)	(109)	(175)	(36)	(09)	0
Fees:		0	0	0	0	0	0	0	
- Board Fees <sup>4</sup>	(27,575)	(15,148)	(3,118)	(5,746)	(1,184)	(1,896)	(389)	(92)	0
- Other Fees	(13,998)	(7,690)	(1,583)	(2,917)	(601)	(963)	(197)	(47)	0

Freight & Cartage	(45)	(25)	(05)	(09)	(02)	(03)	(01)	0	0
General Expenses (including bank charges)	(140)	(77)	(16)	(29)	(06)	(10)	(02)	0	0
Insurance	(13,148)	(7,223)	(1,487)	(2,740)	(565)	(904)	(186)	(44)	0
Lease of Equipment	0	0	0	0	0	0	0	0	0
Motor vehicles	0	0	0	0	0	0	0	0	0
Postal Expenses	(1,275)	(700)	(144)	(266)	(55)	(88)	(18)	(04)	0
Printing	(19,933)	(10,950)	(2,254)	(4,154)	(856)	(1,371)	(281)	(67)	0
Publications	(3,509)	(1,928)	(397)	(731)	(151)	(241)	(50)	(12)	0
Rates and Outgoings	8	4	1	2	0	1	0	0	0
Rent	(50,423)	(27,700)	(5,702)	(10,508)	(2,165)	(3,467)	(711)	(169)	0
Staff Expenses	(13,811)	(7,587)	(1,562)	(2,878)	(593)	(950)	(195)	(46)	0
Stores and Stationery	(8,931)	(4,906)	(1,010)	(1,861)	(384)	(614)	(126)	(30)	0
Telephone	(1,045)	(574)	(118)	(218)	(45)	(72)	(15)	(04)	0
Travel	(45,353)	(24,915)	(5,129)	(9,451)	(1,948)	(3,119)	(640)	(152)	0
NSW DJAG Service charge	(20,698)	(11,370)	(2,341)	(4,313)	(889)	(1,423)	(292)	(69)	0
<b>TOTAL OTHER OPERATING EXPENSES</b>	<b>(386,078)</b>	<b>(212,091)</b>	<b>(43,662)</b>	<b>(80,454)</b>	<b>(16,580)</b>	<b>(26,548)</b>	<b>(5,447)</b>	<b>(1,295)</b>	<b>0</b>
<b>TOTAL EXPENDITURE</b>	<b>(1,171,286)</b>	<b>(643,445)</b>	<b>(132,462)</b>	<b>(244,083)</b>	<b>(50,300)</b>	<b>(80,542)</b>	<b>(16,526)</b>	<b>(3,928)</b>	<b>0</b>
Less Crown Liabilities	(8,751)	(4,807)	(990)	(1,824)	(376)	(602)	(123)	(29)	0
Less Depreciation	(21,937)	(12,051)	(2,481)	(4,571)	(942)	(1,508)	(310)	(74)	0
<b>NET TOTAL EXPENDITURE 5</b>	<b>(1,140,599)</b>	<b>(626,587)</b>	<b>(128,992)</b>	<b>(237,689)</b>	<b>(48,982)</b>	<b>(78,432)</b>	<b>(16,093)</b>	<b>(3,825)</b>	<b>0</b>
<b>FINAL NET POSITION</b>	<b>1,040,210</b>	<b>571,438</b>	<b>117,638</b>	<b>216,768</b>	<b>44,671</b>	<b>71,529</b>	<b>14,676</b>	<b>3,489</b>	<b>0</b>

## Notes:

1. This unaudited statement is derived from information provided by the New South Wales Department of Justice & Attorney General (NSW DJAG) and records kept by the OPSC. NSW DJAG provides financial services to the Councils and the Councils' financial information forms part of the Financial Statement published in the NSW DJAG Annual Report, which is subject to audit by the NSW Auditor-General. Figures are exclusive of Goods and Services Tax.
2. Revenue figures are prepared on an accruals basis of accounting.
3. Consultancy fees were for the provision of independent actuary advice for the Schemes and IT advice.
4. Allowances paid to Council Members at rates determined by the NSW Attorney General in accordance with Clause 4, Schedule 2, Professional Standards Act 1994 (NSW). These allowances are the same for all members, with the exception of the Chair. The figures under each Council are derived from the application of a formula specified in the Professional Standards Interdepartmental Service Agreement 2008 which allocates expenses to each Council based on their proportion of the total revenue.
5. Final Total Expenditure information is derived from NSW DJAG incorporating variances from estimated expenditure figures used to derive service charges.

Under the Professional Standards Interdepartmental Service Agreement 2008 signed by all the States and Territories with the NSW DJAG each Council bears a proportion of the total expenditure based on their share of the total revenues for all the Councils. Each Council is invoiced by the NSW DJAG for their portion of the expenditure.

Invoiced services provided by OPSC, in accordance with Service Agreement, were based on estimated expenditure at 30 June 2010. These amounts do not include Goods and Services Tax. The amount of service charges to all the Councils totalling \$1,065,390 is shown below:

Table 127: Amount of service charges to PSCs

	Cons	NSW	Qld	Vic	SA	WA	ACT	NT	Tas
<i>Service charge paid to NSW DJAG</i>	<b>(1,065,390)</b>	<b>(585,305)</b>	<b>(120,493)</b>	<b>(222,028)</b>	<b>(45,755)</b>	<b>(73,204)</b>	<b>(15,033)</b>	<b>(3,573)</b>	<b>0</b>

There is a variation between the service charge invoiced to each Council on 30 June 2010 and final service charge to be applied for 2009-10. The total variation is \$75,208.57. Therefore the total amount invoiced should have been \$1,140,599.

The variations for each Council will be settled during the year ended 30 June 2011, and are as shown below:

Table 128: Variations of PSCs

	Cons	NSW	Qld	Vic	SA	WA	ACT	NT	Tas
<i>Variation to be payable to NSW DJAG Q1 2010-11</i>	<b>(75,209)</b>	<b>(41,318)</b>	<b>(8,506)</b>	<b>(15,674)</b>	<b>(3,230)</b>	<b>(5,168)</b>	<b>(1,061)</b>	<b>(252)</b>	<b>0</b>

Therefore the service charge for each Council after these adjustments are:

Table 129: Total service charges after adjustments

	Cons	NSW	Qld	Vic	SA	WA	ACT	NT	Tas
<i>Service charge payable to NSW DJAG</i>	<b>(1,140,599)</b>	<b>(626,623)</b>	<b>(128,999)</b>	<b>(237,702)</b>	<b>(48,985)</b>	<b>(78,371)</b>	<b>(16,094)</b>	<b>(3,825)</b>	<b>0</b>

# THE PROFESSIONAL STANDARDS COUNCIL OF THE AUSTRALIAN CAPITAL TERRITORY

## Constitution of the Council

The members of the Professional Standards Council of the Australian Capital Territory were:

Esther Alter, Robert Beaton, Steven Cole (retired 31 December 2009), Terry Evans, Ronald Farrell, Lisa Hunt (resigned 15 November 2009), Joanne Metcalfe, Madeleine Ogilvie, Brian Rayment, and Iain Summers. Martyn Hagan was appointed to the Council as delegate in the absence of Madeleine Ogilvie, representative of Tasmania.

Table 130: Meetings of the Professional Standards Council of the Australian Capital Territory

Members	Council meetings entitled to attend	Council meetings attended
Esther Alter	6	3
Robert Beaton	6	6
Steven Cole*	6	3
Terry Evans	6	6
Ronald Farrell	6	5
Martyn Hagan	2	2
Lisa Hunt**	2	1
Joanne Metcalfe	6	6
Madeleine Ogilvie	6	4
Brian Rayment	6	6
Iain Summers	6	6

\* Steven Cole retired in December 2009

\*\* Lisa Hunt resigned in November 2009

Note: Ms Ogilvie was entitled to attend all six meetings, however was on approved leave from the Professional Standards Council of the Australian Capital Territory on two occasions at which times her delegate, Martyn Hagan attended on her behalf.

## Major Legislative Changes

*The Civil Law (Wrongs) Act 2002 (ACT)* was amended by changes to the *Legislation Act 2001 (ACT)* commencing 1 September 2009, and 17 December 2009, as a result of consequential insertions of a definition of “daily newspaper” and “bankrupt person” in that Act. These definitions did not significantly affect the meaning or operation of professional standards legislation in Schedule 4 of the *Civil Law (Wrongs) Act 2002 (ACT)*.

## Risk Management and Internal Audit

The risk management and internal audit practices of the Council and the OPSC are described elsewhere in this annual report.

## Public Interest Disclosure

There were no public interest disclosures for the period 2009-10.



## Freedom of Information

Under sections 7, 8 and 79 of the *Freedom of Information Act 1989* (ACT) the Council must report on the FOI requests received and handled during the reporting year.

Section 7: Requires the Council 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 the formulation of policy and operations. The following statement is correct as of 30 June 2010.

### Organisation and Functions

The organisation and functions of the Council are described elsewhere in this annual report.

### Categories of Documents

The Council holds several categories of documents as follows:

- documents freely available on request and without charge. These are available on the Council's website at [www.psc.gov.au](http://www.psc.gov.au). Specifically these include:
  - » Annual reports
  - » The Scheme application form
  - » Policy papers
  - » Application guidelines
  - » Scheme documents
- documents that are exempt under the *Freedom of Information Act 1989* (ACT), and
- all other kinds of documents that may be available under the Act.

Personal information is not held or collected by the Council.

Section 8: Decisions of the Council to approve *Cover of Excellence*<sup>®</sup> Schemes are made by consideration of an association's individual application, independent actuary advice and within the confines of the legislative requirements of Schemes. A copy of the application form required to be completed by associations, along with application guidelines can be accessed on the website of the Council at [www.psc.gov.au](http://www.psc.gov.au).

A large amount of information is requested of associations when completing an application for a Scheme. This information includes: insurance data about the level and nature of claims, insurance data from the last 10 years about the highest claims and types of claims, risk management strategies of the association, education and other qualification requirements, continuing occupational education and codes of conduct and ethics.

Section 79: The Council did not receive any applications for the access of documents (initial requests) during the reporting year. The Council did not receive applications for the internal review of its decisions. As such there were no applications to a tribunal to review the decisions of the Council, and no requests were received for the amendment of records under section 48.

### **Staffing Profile**

The staffing profile of the OPSC that performs secretariat work for the Professional Standards Council of the Australian Capital Territory is located in the Appendices of this Annual Report, headed 'Staffing Profile'.

### **Territory Records**

Sound record keeping practices underpin good governance. The Council has a system in place to ensure the accurate storage, capture and retrieval of documents as required by the *Territory Records Act 2002* (ACT).

### **Financial Performance**

The Professional Standards Council of the Australian Capital Territory is not responsible for compiling financial statements. The OPSC is responsible for ensuring the collection of revenue and operating within budget. During the reporting period, the OPSC undertook these tasks.

Refer to the Consolidated Financials Performance Extract of the Professional Standards Councils at the beginning of this section, for revenue of the Professional Standards Council of the Australian Capital Territory and the proportion of expenses for this Council.

## THE PROFESSIONAL STANDARDS COUNCIL OF NEW SOUTH WALES

### Constitution of the Council

The members of the Professional Standards Council of New South Wales were:

Esther Alter, Robert Beaton, Steven Cole (retired 31 December 2009), Terry Evans, Ronald Farrell, Lisa Hunt (resigned 15 November 2009), Joanne Metcalfe, Madeleine Ogilvie, Brian Rayment, and Iain Summers. Martyn Hagan was appointed to the Council as delegate in the absence of Madeleine Ogilvie, representative of Tasmania.

Table 131: Meetings of the Professional Standards Council of New South Wales

Members	Council meetings entitled to attend	Council meetings attended
Esther Alter	6	3
Robert Beaton	6	6
Steven Cole*	6	3
Terry Evans	6	6
Ronald Farrell	6	5
Martyn Hagan	2	2
Lisa Hunt**	2	1
Joanne Metcalfe	6	6
Madeleine Ogilvie	6	4
Brian Rayment	6	6
Iain Summers	6	6

\* Steven Cole retired in December 2009

\*\* Lisa Hunt resigned in November 2009

Note: Ms Ogilvie was entitled to attend all six meetings, however was on approved leave from the Professional Standards Council of New South Wales on two occasions at which times her delegate, Martyn Hagan attended on her behalf.

### Major Legislative Changes

The *Professional Standards Act 1994* (NSW) was amended by the *Statute Law (Miscellaneous Provisions) Act 2009* (NSW), commencing on the 17 July 2009. This was as a result of amendments to the *Interpretation Act 1987* (NSW). This merely enforced that instruments (ie Schemes) continue to be required to be published in the Government Gazette, rather than on the NSW Legislation website.

The Act was also amended by the *Miscellaneous Acts (Local Court) Amendment Act 2007* (NSW), commencing 6 July 2009.

The *Professional Standards Regulation 1995* (NSW) was repealed during the reporting period and a new *Professional Standards Regulation 2009* (NSW) came into force on 1 September 2009. The *Professional Standards Regulation 2009* contains the same provision as the 2004 regulations however with changes to regulations 1, 2, 4, 8, 9, and 10. Of significance is change to regulation 9, which now provides a single prescribed statement for limited liability rather than several options.

### **Freedom of Information Reporting**

The Council did not receive any FOI requests, nor were there any outstanding requests for information under the *Freedom of Information Act 1989* (NSW) during the period.

### **Occupational Health and Safety Disclosure**

There were no work related injuries during the reporting period nor illnesses and prosecutions under the *Occupational Health and Safety Act 2000* (NSW). The OPSC staff are governed by the OHS policies and practices of the NSW DJAG.

### **Funds Granted to Non-Government Community Organisations**

Grant funds were not awarded during the reporting period, as the Star Initiative Grants Committee had not been fully established to receive applications. It is anticipated that the Committee will receive applications for grants during 2010-11.

### **Consultants**

Any costs incurred by hiring consultants during the reporting period are detailed in the Consolidated Financial Performance Extract.

### **Overseas Travel**

There was no overseas travel in the reporting period.

### **Land Disposal**

The Professional Standards Council of New South Wales and the OPSC do not own properties, nor were properties acquired or disposed of during the reporting period.

### **Publications and Promotion**

The Professional Standards Council of New South Wales produces a variety of publications to facilitate improvements in the professions and to support consumer protection. Publications produced during 2009-10 are:

- Professional Standards Council: Combined Annual Report 2008–09
- Framework for Compliance under Professional Standards Legislation.

### **Consumer Response**

During the reporting period, the Council and the OPSC did not receive any consumer complaints or suggestions.

### **Risk Management and Insurance Activities**

The risk management and internal audit practices of the Council and the OPSC are described elsewhere in this annual report.

### **Ethnic Affairs Priorities Statement (EAPS)**

The staff of the OPSC and the services it provides, are governed by the NSW DJAG Ethnic Affairs Priority Statement and the Culturally and Linguistically Diverse Communities' (CALD) Access Plan. All NSW DJAG services are accessible to CALD communities with the availability of translators and interpreters.

### **Waste Management**

The OPSC staff are governed by the NSW DJAG Environment Policy which demonstrates a commitment to reducing the effect of our operations on the natural environment. NSW DJAG also has in place a Sustainability Policy.

The Council and OPSC have continued to comply with these policies and assist to limit the impact of its operations on the environment. For example, Council papers for regular Council meetings are produced on 50% recycled paper, printed doubled sided and in most cases lengthy addenda are provided to councilors electronically only. Promotional material such as the annual report are produced on 55% recycled paper, only the required number of reports are printed and the report is available on the internet.

### **Financial Performance**

The Professional Standards Council of New South Wales is not responsible for compiling financial statements. The OPSC is responsible for ensuring the collection of revenue and operating within budget. During the reporting period, the OPSC undertook these tasks.

Refer to the Consolidated Financials Performance Extract of the Professional Standards Councils at the beginning of this section, for revenue of the Professional Standards Council of New South Wales and the proportion of expenses for this Council.

# THE PROFESSIONAL STANDARDS COUNCIL OF THE NORTHERN TERRITORY

## Constitution of the Council

The members of the Professional Standards Council of The Northern Territory were:

Esther Alter, Robert Beaton, Steven Cole (retired 31 December 2009), Terry Evans, Ronald Farrell, Lisa Hunt (resigned 15 November 2009), Madeleine Ogilvie, Hugh Plaistowe (appointed from 27 April 2010), Brian Rayment, and Iain Summers. Martyn Hagan was appointed to the Council as delegate in the absence of Madeleine Ogilvie, representative of Tasmania.

Table 132: Meetings of the Professional Standards Council of the Northern Territory

Members	Council meetings entitled to attend	Council meetings attended
Esther Alter	6	3
Robert Beaton	6	6
Steven Cole*	6	3
Terry Evans	6	6
Ronald Farrell	6	5
Martyn Hagan	2	2
Lisa Hunt**	2	1
Joanne Metcalfe	6	6
Madeleine Ogilvie	6	4
Hugh Plaistowe	3	2
Brian Rayment	6	6
Iain Summers	6	6

\* Steven Cole retired in December 2009

\*\* Lisa Hunt resigned in November 2009

Note: Ms Ogilvie was entitled to attend all six meetings, however was on approved leave from the Professional Standards Council of the Northern Territory on two occasions at which times her delegate, Martyn Hagan attended on her behalf.

## Major Legislative Changes

The *Professional Standards Act 2004* (NT) was amended by the passing of the *Justice Legislation (Penalties) Act 2010* (NT), which was gazetted on 16 June 2010. The amendments do not come into force until 1 July 2010. As a result, the penalties for non-compliance with the *Professional Standards Act 2004* (NT) will change from an absolute penalty of a number of penalty units, to a “maximum” number of penalty units.

## Information Act

The Council did not receive any FOI requests, nor were there any outstanding requests for Information during the period.

### **Protection of Personal Information and Records Management**

Personal information is not held or collected by the Council. Decisions of the Council to approve *Cover of Excellence*<sup>®</sup> Schemes are made by consideration of an association's individual application, independent actuary advice and within the confines of the legislative requirements of Schemes. A copy of the application form required of associations, along with application guidelines can be accessed on the website of the Council at [www.psc.gov.au](http://www.psc.gov.au).

A large amount of information is requested of associations when completing an application for a Scheme. This information includes: insurance data about the level and nature of claims, insurance data from the last 10 years about the highest claims and types of claims, risk management strategies of the association, education and other qualification requirements, continuing occupational education and codes of conduct and ethics.

Sound record keeping practices underpin good governance. The Council has a system in place to ensure the accurate storage, capture and retrieval of documents as required by the Act.

### **Public Interest Disclosure Act**

There were no public interest disclosures for the period 2009-10.

### **Financial Performance**

The Professional Standards Council of the Northern Territory is not responsible for compiling financial statements. The OPSC is responsible for ensuring the collection of revenue and operating within budget. During the reporting period, the OPSC undertook these tasks.

Refer to the Consolidated Financials Performance Extract of the Professional Standards Councils at the beginning of this section, for revenue of the Professional Standards Council of the Northern Territory and the proportion of expenses for this Council.



# THE PROFESSIONAL STANDARDS COUNCIL OF QUEENSLAND

## Constitution of the Council

The members of the Professional Standards Council of Queensland were:

Esther Alter, Robert Beaton, Steven Cole (retired 31 December 2009), Terry Evans, Ronald Farrell, Lisa Hunt (resigned 15 November 2009), Joanne Metcalfe, Madeleine Ogilvie, Brian Rayment, and Iain Summers.

Table 133: Meetings of the Professional Standards Council of Queensland

Members	Council meetings entitled to attend	Council meetings attended
Esther Alter	6	3
Robert Beaton	6	6
Steven Cole*	6	3
Terry Evans	6	6
Ronald Farrell	6	5
Lisa Hunt**	2	1
Joanne Metcalfe	6	6
Madeleine Ogilvie	6	4
Brian Rayment	6	6
Iain Summers	6	6

\* Steven Cole retired in December 2009

\*\* Lisa Hunt resigned in November 2009

Note: Ms Ogilvie was entitled to attend all six meetings, however was on approved leave from the Professional Standards Council of Queensland on two occasions at which times her delegate, Martyn Hagan attended on her behalf.

## Major Legislative Changes

The *Professional Standards Act 2004* (Qld) was amended by the *Financial Accountability Act 2009* (Qld) which commenced on 1 July 2009. As a result section 42(3) of the Act was amended.

## Right to Information Reporting

The former *Freedom of Information Act* (Qld) was repealed and is replaced by the *Right to Information Act 2009* (Qld) during 2009-10. The *Right to Information Act* grants a right of access to persons, to access information in the possession or control of the government, unless it is contrary to public interest to do so.

The Council, via its website, actively publishes information about its work. Annual Reports of the Council are available on the website, as is information about the role and operations of the Council.

Consultation notices for new *Cover of Excellence*<sup>®</sup> Schemes are published on the website as well as the newspaper. Also once a Scheme becomes operational in Queensland, the Scheme document and summary is made available on the website for public access. The Council publishes policy and discussion papers on its website, as well as application forms and application guidelines for *Cover of Excellence*<sup>®</sup> Schemes.

The Professional Standards Council of Queensland did not receive any requests under the *Right to Information Act 2009* (Qld) in the reporting period.

## Information Privacy

Section 40 of the *Information Privacy Act 2009* (Qld) provides that a person has a right to access documents which contain their personal information.

Personal information is not held or collected by the Council. Decisions of the Council to approve *Cover of Excellence*<sup>®</sup> Schemes are made by consideration of an association's individual application, independent actuary advice and within the confines of the legislative requirements of Schemes. A copy of the application form required to be completed by associations, along with application guidelines can be accessed on the website of the Council at [www.psc.gov.au](http://www.psc.gov.au).

A large amount of information is requested of associations when completing an application for a Scheme. This information includes: insurance data about the level and nature of claims, insurance data from the last 10 years about the highest claims and types of claims, risk management strategies of the association, education and other qualification requirements, continuing occupational education and codes of conduct and ethics.

## Whistleblowers Protection

The *Whistleblowers Protection Act 1994* (Qld) aims to protect public interest by protecting persons who disclose:

- unlawful, negligent or improper conduct affecting the public sector;
- danger to public health or safety; or
- danger to the environment.

The Professional Standards Council of Queensland did not receive disclosures covered by the *Whistleblowers Protection Act 1994* (Qld) during the reporting period.

## Risk Management

The risk management and internal audit practices of the Council and the OPSC are described elsewhere in this annual report.

## Consultants

Any costs incurred by hiring consultants during the reporting period are detailed in the Consolidated Financial Performance Extract.

## Overseas Travel

There was no overseas travel in the reporting period.

## Information Systems and Record Keeping

Sound record keeping practices underpin good governance. The Council has a system in place which ensures the accurate storage, capture and retrieval of documents as required by the Public Records Act 2002 (Qld) and Information Standard 40: Record keeping and Information Standard 31.

## **Waste Management**

The OPSC staff are governed by the NSW DJAG Environment Policy as the OPSC operates in New South Wales. The policy demonstrates a commitment to reducing the effect of our operations on the natural environment. NSW DJAG also has in place a Sustainability Policy.

The Council and OPSC have continued to comply with these policies and assist to limit the impact of its operations on the environment. For example, Council papers for regular Council meetings are produced on 50% recycled paper, and in most cases lengthy addenda are provided to councilors electronically. Promotional material such as the annual report are produced on 55% recycled paper, only the required number of reports are printed and the report is available on the internet.

## **Financial Performance**

The audited financial statements of the Professional Standards Council of Queensland are attached as an addendum to this report. For an unaudited statement of the revenue and expenditure of this Council refer to the Consolidated Financial Performance Extract of the Professional Standards Councils at the beginning of this section.

## THE PROFESSIONAL STANDARDS COUNCIL OF SOUTH AUSTRALIA

### Constitution of the Council

The members of the Professional Standards Council of South Australia were:

Esther Alter, Robert Beaton, Steven Cole (retired 31 December 2009), Terry Evans, Ronald Farrell, Joanne Metcalfe, Madeleine Ogilvie, Hugh Plaistowe, Brian Rayment, and Iain Summers. Martyn Hagan was appointed to the Council as delegate in the absence of Madeleine Ogilvie, representative of Tasmania.

Table 134: Meetings of the Professional Standards Council of South Australia

Members	Council meetings entitled to attend	Council meetings attended
Esther Alter	6	3
Robert Beaton	6	6
Steven Cole*	6	3
Terry Evans	6	6
Ronald Farrell	6	5
Martyn Hagan	2	2
Joanne Metcalfe	6	6
Madeleine Ogilvie	6	4
Hugh Plaistowe	3	2
Brian Rayment	6	6
Iain Summers	6	6

\* Steven Cole retired in December 2009

Note: Ms Ogilvie was entitled to attend all six meetings, however was on approved leave from the Professional Standards Council of South Australia on two occasions at which times her delegate, Martyn Hagan attended on her behalf.

### Major Legislative Changes

The *Professional Standards Act 2004 (SA)* was amended by the *Statute Amendment (Public Sector Consequential Amendments) Act 2009 (SA)*, which commenced on 1 February 2010. As a result, clause 7 of Schedule 2 of the *Professional Standards Act 2004 (SA)* covering the immunity from liability of council members, deputy of a member, or any person acting under the direction of the Council was deleted from the Act. Provisions covering the former clause 7 were enacted in the *Public Sector Act 2009 (SA)* and the *Public Sector (Honesty and Accountability) Act 1995 (SA)*.

### Fraud

There was no instance of fraud during the 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 the formulation of policy and operations. The following statement is correct as of 30 June 2010.

### Organisation and Functions

The organisation and functions of the Council are described elsewhere in this annual report.

## Categories of Documents

The Council holds several categories of document as follows:

- documents freely available on request and without charge. These are available on the Council's website at [www.psc.gov.au](http://www.psc.gov.au). Specifically these include:
  - » Annual reports
  - » The Scheme application form
  - » Policy papers
  - » Application guidelines
  - » Scheme documents
- documents that are exempt under the *Freedom of Information Act 1991 (SA)*, and all other kinds of documents that may be available under the Act.

Personal information is not held or collected by the Council.

Decisions of the Council to approve *Cover of Excellence*<sup>®</sup> Schemes are made by consideration of an association's individual application, independent actuary advice and within the confines of the legislative requirements of Schemes. A copy of the application form required to be completed by associations, along with application guidelines can be accessed on the website of the Council at [www.psc.gov.au](http://www.psc.gov.au).

A large amount of information is requested of associations when completing an application for a Scheme. This information includes: insurance data about the level and nature of claims, insurance data from the last 10 years about the highest claims and types of claims, risk management strategies of the association, education and other qualification requirements, continuing occupational education and codes of conduct and ethics.

The Professional Standards Council of South Australia has a computerised records management system and databases that record certain details of applications, submissions and correspondence. Arrangements can be made to inspect documents available under the *Freedom of Information Act 1991 (SA)* by contacting the OPSC between 9.00 am and 5.00 pm from Monday to Friday (public holidays excepted).

The Council did not receive any applications for the access of documents (initial requests) during the reporting year. The Council did not receive applications for the internal review of its decisions.

## Consultants

Any costs incurred by hiring consultants during the reporting period are detailed in the Consolidated Financial Performance Extract.

## Public Interest Disclosure

The Council is required to disclose the number of occasions on which public interest information has been disclosed to it or a responsible officer of the Council under the *Whistleblowers Protection Act 1993 (SA)*. There were no such disclosures during the reporting period.

## Occupational Health and Safety Disclosure

There were no work related injuries during the reporting period nor illnesses and prosecutions. The OPSC staff are governed by the OHS policies and practices of the NSW DJAG.

## Financial Performance

The audited financial statements of the Professional Standards Council of South Australia are attached as an addendum to this report. For an unaudited statement of the revenue and expenditure of this Council refer to the Consolidated Financial Performance Extract of the Professional Standards Councils at the beginning of this section.

## THE PROFESSIONAL STANDARDS COUNCIL OF TASMANIA

### Constitution of the Council

The members of the Professional Standards Council of Tasmania were:

Esther Alter, Robert Beaton, Steven Cole (retired 31 December 2009), Terry Evans, Ronald Farrell, Joanne Metcalfe, Madeleine Ogilvie, Hugh Plaistowe (appointed on 3 June 2010), Brian Rayment, and Iain Summers. Martyn Hagan was appointed to the Council as delegate in the absence of Madeleine Ogilvie, representative of Tasmania.

Table 135: Meetings of the Professional Standards Council of Tasmania

Members	Council meetings entitled to attend	Council meetings attended
Esther Alter	6	3
Robert Beaton	6	6
Steven Cole*	6	3
Terry Evans	6	6
Ronald Farrell	6	5
Martyn Hagan	2	2
Joanne Metcalfe	6	6
Madeleine Ogilvie	6	4
Hugh Plaistowe	3	2
Brian Rayment	6	6
Iain Summers	6	6

\* Steven Cole retired in December 2009

Note: Ms Ogilvie was entitled to attend all six meetings, however was on approved leave from the Professional Standards Council of Tasmania on two occasions at which times her delegate, Martyn Hagan attended on her behalf.

### Major Legislative Changes

The *Professional Standards Act 2005* (Tas) was not amended during 2009-10.

### Financial Performance

The Professional Standards Council of Tasmania is not responsible for compiling financial statements. The OPSC is responsible for ensuring the collection of revenue and operating within budget. During the reporting period, the OPSC undertook these tasks.

Refer to the Consolidated Financials Performance Extract of the Professional Standards Councils at the beginning of this section, for revenue of the Professional Standards Council of Tasmania and the proportion of expenses for this Council.

## THE PROFESSIONAL STANDARDS COUNCIL OF VICTORIA

### Constitution of the Council

The members of the Professional Standards Council of Victoria were:

Esther Alter, Robert Beaton, Steven Cole (retired 31 December 2009), Terry Evans, Ronald Farrell, Joanne Metcalfe, Madeleine Ogilvie, Hugh Plaistowe, Brian Rayment, and Iain Summers. Martyn Hagan was appointed to the Council as delegate in the absence of Madeleine Ogilvie, representative of Tasmania.

### Manner and Establishment of Relevant Minister

The Professional Standards Council of Victoria is established by the *Professional Standards Act 2003 (Vic)* as a body corporate. The Council reported throughout the year to the Attorney General, the Honourable Rob Hulls.

Table 136: Meetings of the Professional Standards Council of Victoria

Members	Council meetings entitled to attend	Council meetings attended
Esther Alter	6	3
Robert Beaton	6	6
Steven Cole*	6	3
Terry Evans	6	6
Ronald Farrell	6	5
Martyn Hagan	6	2
Joanne Metcalfe	6	6
Madeleine Ogilvie	6	4
Hugh Plaistowe	3	2
Brian Rayment	6	6
Iain Summers	6	6

\* Steven Cole retired in December 2009

Note: Ms Ogilvie was entitled to attend all six meetings, however was on approved leave from the Professional Standards Council of Victoria on two occasions at which times her delegate, Martyn Hagan attended on her behalf.

### Major Legislative Changes

The *Professional Standards Act 2003 (Vic)* and the *Professional Standards Regulations 2007 (Vic)* were not amended during 2009-10.

### 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 Financial Reporting Directions issued by the Minister for Finance requires all entities defined as a 'Department' under section 3 of the *Financial Management Act 1994 (Vic)* to report on office-based environmental impacts. The Council does not fall within this definition. The OPSC is within the NSW DJAG, who have developed a policy on energy use, waste production and green purchasing. The policy demonstrates a commitment to reducing the effect of our operations on the natural environment. NSW DJAG also has in place a Sustainability Policy.

The Council and OPSC have continued to comply with these policies and assist to limit the impact of their operations on the environment. For example, Council papers for regular Council meetings are produced on 50% recycled paper and printed double sided, and in most cases lengthy addenda are provided to councilors electronically only. Promotional materials such as the annual report are produced on 55% recycled paper, only the required number of reports is printed and the report is available on the internet.

### Victorian Industry Participation Policy (VIPP)

The Professional Standards Council of Victoria did not enter into or complete any contracts over \$3 million in metropolitan Melbourne or \$1 million in regional Victoria; therefore VIPP reporting is not required.

### Freedom of Information Reporting

Victoria's *Freedom of Information Act 1992 (Vic)* gives members of the public the right to apply for access to information held by Ministers, State government departments, local councils, public hospitals, most semi-government agencies and statutory authorities. The Professional Standards Council of Victoria received no requests under the *Freedom of Information Act 1982 (Vic)* in the reporting period.

### Compliance with the Building Act 1993 (Vic)

The Professional Standards Council of Victoria does not lease or own property in Victoria.

### Whistleblowers Protection Act 2001 (Vic)

The *Whistleblowers Protection Act 2001 (Vic)* encourages and facilitates disclosures of improper conduct by public officers and public bodies. For the 12 months ending 30 June 2010, the Professional Standards Council of Victoria did not receive any disclosures covered by the *Whistleblowers Protection Act 2001 (Vic)*.

Table 137: Whistleblowers Reporting in Victoria in 2009-10

Whistleblower's Reporting 2009-10	Volume
Disclosures made to the Council during the year	0
Disclosures referred to the Council by the Ombudsman for investigation	0
Disclosures referred by the Council by the Ombudsman for investigation	0
Investigations taken over from the Council by the Ombudsman	0
Disclosed matters that the Council has declined to investigate	0
Matters that were substantiated upon investigation	0
Requests made by whistleblowers to the Ombudsman and to take over an investigation by the Council	0
Disclosures referred by the Council to the Ombudsman for determination as to whether they were public interest disclosures	0

### **Staffing Profile**

The staffing profile of the OPSC that performs secretariat work for the Professional Standards Council of Victoria is located in the Appendix section of this Annual Report, headed 'Staffing Profile'.

### **Exposure to Sub-Prime**

The Professional Standards Council of Victoria did not have any loans during the reporting period, and was not exposed to the sub-prime.

### **Financial Performance**

The audited financial statements of the Professional Standards Council of Victoria are attached as an addendum to this report. For an unaudited statement of the revenue and expenditure of this Council refer to the Consolidated Financial Performance Extract of the Professional Standards Councils at the beginning of this section.

## THE PROFESSIONAL STANDARDS COUNCIL OF WESTERN AUSTRALIA

### Constitution of the Council

The members of the Professional Standards Council of Western Australia were:

Esther Alter, Robert Beaton, Steven Cole (retired 31 December 2009), Terry Evans, Ronald Farrell, Joanne Metcalfe, Madeleine Ogilvie, Hugh Plaistowe (appointed on 1 January 2010), Brian Rayment, and Iain Summers. Martyn Hagan was appointed to the Council as delegate in the absence of Madeleine Ogilvie, representative of Tasmania.

Table 138: Meetings of the Professional Standards Council of Western Australia

Members	Council meetings entitled to attend	Council meetings attended
Esther Alter	6	3
Robert Beaton	6	6
*Steven Cole	6	3
Terry Evans	6	6
Ronald Farrell	6	5
Martyn Hagan	2	2
Joanne Metcalfe	6	6
Madeleine Ogilvie	6	4
Hugh Plaistowe	3	2
Brian Rayment	6	6
Iain Summers	6	6

\* Steven Cole retired in December 2009

Note: Ms Ogilvie was entitled to attend all six meetings, however was on approved leave from the Professional Standards Council of Western Australia on two occasions at which times her delegate, Martyn Hagan attended on her behalf.

### Major Legislative Changes

The *Professional Standards Act 1997* (WA) was amended by the *Professional Standards Amendment Act 2010* (WA), which commenced on 8 April 2010. The amendments introduced a suite of improvements to the Act in order to make the Western Australian legislation consistent with most other PSL nationally – these included the introduction of mutual recognition and the removal of the restriction placed on legal practitioners from enjoying the benefit of a Scheme if working on personal injury matters; as well as the inclusion of defence costs in the amount payable under an insurance policy.

### Advertising

The Professional Standards Council of Western Australia did not incur advertising expenditure under the *Electoral Act 1907* (WA).

### **Public Sector Standards and Ethical Codes**

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

### **Record Keeping Plans**

Sound record keeping practices underpin good governance. The Council has a system in place that ensures the accurate storage, capture and retrieval of documents.

### **Occupational Health and Safety**

There were no work related injuries during the reporting period nor illnesses and prosecutions. The OPSC staff are governed by the OHS policies and practices of the NSW DJAG.

### **Financial Performance**

The audited financial statements of the Professional Standards Council of Western Australia are attached as an addendum to this report. For an unaudited statement of the revenue and expenditure of this Council refer to the Consolidated Financial Performance Extract of the Professional Standards Councils at the beginning of this section. The Professional Standards Council of Western Australia also produces a separate annual report 2009-10 for tabling purposes in Western Australia.

# APPENDIX

## Cost of Annual Report

The Professional Standards Councils' Annual Report was produced in-house with an external graphic designer and printer. A downloadable version can be found on the Councils' website at [www.psc.gov.au](http://www.psc.gov.au). 300 hard copies were initially produced to meet Parliamentary tabling requirements. 50 copies of the report are expected to be produced on CD ROM. An additional print run may be undertaken once financial audits are completed. The estimated cost of production is \$19,000.

## Professional Standards Legislation

### Australian Capital Territory

- *Civil Law (Wrongs) Act 2002* (ACT). Commenced 9 March 2005; amended 7 May 2008.

### New South Wales

- *Professional Standards Act 1994* (NSW). Commenced 1 May 1995.
- *Professional Standards Regulation 2009* (NSW). Commenced 1 September 2009, repealing the *Professional Standards Regulation 2004* (NSW).

### Northern Territory

- *Professional Standards Act 2004* (NT). Commenced 1 January 2006.
- *Professional Standards Regulation 2007* (NT). Commenced 1 January 2008.

### Queensland

- *Professional Standards Act 2004* (Qld). Commenced 1 July 2005.
- *Professional Standards Regulation 2007* (Qld). Commenced 9 February 2007.

### South Australia

- *Professional Standards Act 2004* (SA). Commenced 1 October 2006.
- *Professional Standards Regulation 2006* (SA). Commenced 1 October 2006.

### Tasmania

- *Professional Standards Act 2005* (Tas). Commenced 1 August 2005.

### Victoria

- *Professional Standards Act 2003* (Vic). Commenced 8 June 2004.
- *Professional Standards Regulation 2007* (Vic). Commenced 7 November 2007.

## Western Australia

- *Professional Standards Act 1997 (WA)*. Commenced 18 April 1998.
- *Professional Standards Regulation 1998 (WA)*. Commenced 18 April 1998.

## Commonwealth

- *Treasury Legislation Amendment (Professional Standards) Act 2004 (Cth)* Commenced 13 July 2004.

## Publications and Promotion

The Professional Standards Councils produce a variety of publications to facilitate improvements in the professions and to support consumer protection. Publications produced during 2009-10 are:

- Professional Standards Council: Combined Annual Report 2008–09.
- Professional Standards Council of Western Australia Annual Report 2008-09.
- Framework for Compliance under Professional Standards Legislation.

## Staffing Profile

OPSC staff are employed by the NSW Department of Justice and Attorney General, which is an equal opportunity employer and encourages flexible working practices, including part-time work. It values social and cultural diversity and is committed to providing a safe and harassment free workplace for all employees. It encourages staff to undertake training that will contribute to the work of the Councils, and actively supports staff by providing study leave for this purpose.

Table 139: Staffing of the Office of the Professional Standards Councils – permanent

Position Grade	No. of positions	No. of males	No. of females
Clerk Grade 3–4	1	0	1
Departmental Professional Officers Grade 3–4	5	2	3
Clerk Grade 7-8	1	1	0
Clerk Grade 11–12	1	0	1

Table 140: Staffing of the Office of the Professional Standards Councils – temporary

Position Grade	No. of positions	No. of males	No. of females
Departmental Professional Officer Grade 1	1	0	1
Clerk Grade 7-8	1	0	1
Legal Officer Grade 5-6	1	0	1

# DIRECTORY AND CONTACT DETAILS

## Chairman

Brian Rayment QC

## Deputy Chairman

Steven Cole (retired 31 December 2009)

## Office of the Professional Standards Councils

Philippa Seagrave (Acting Executive Officer)

Naomi Degabriele (Policy Officer)

Robert Lawson (Policy Officer)

Mary McCrudden (Policy Officer)

Nicole Maxwell (Policy Officer)

Elizabeth Rysiok (Assistant Legal Officer)

Hau Wong (Policy Officer)

Mary Abi-Younes (Administrative Officer)

## CONTACT THE PROFESSIONAL STANDARDS COUNCILS

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PARRAMATTA NSW 2124

**By Phone:** (02) 8688 8060  
1300 555 772 Free call Australia wide

**By Facsimile:** (02) 8688 9675

**By Email:** [pscinfo@psc.gov.au](mailto:pscinfo@psc.gov.au).

**In Person:** Parramatta Justice Precinct Building  
160 Marsden Street, PARRAMATTA NSW

**On the Net:** [www.psc.gov.au](http://www.psc.gov.au)



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