

# Professional Standards Councils

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ANNUAL REPORT

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2012-13

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*Our* VISION

*Ensuring*  
PROFESSIONAL EXCELLENCE  
AND PROTECTING CONSUMERS.

*To be*  
RECOGNISED AS THOUGHT  
LEADERS IN, AND INFLUENCERS  
OF, PROFESSIONAL STANDARDS  
AND CONSUMER PROTECTION,  
WITH DEMONSTRABLE  
COMPETENCE IN SETTING  
LIABILITY CAPS.

.....

*Our* MISSION

*To*  
PROMOTE CONSUMER  
PROTECTION AND EXCELLENCE  
IN PROFESSIONAL STANDARDS  
BY ENCOURAGING THE  
SELF-REGULATION OF  
OCCUPATIONAL GROUPS  
THROUGH THE  
*COVER OF EXCELLENCE*<sup>®</sup>  
SCHEME.





# LETTER TO MINISTERS

Dear Ministers

I have pleasure in presenting the 2012–13 annual report of the Professional Standards Councils of the Australian Capital Territory, New South Wales, the Northern Territory, Queensland, South Australia, Tasmania, Victoria and Western Australia.

This is a consolidated annual report – prepared in accordance with the professional standards legislation in each state and territory – for presentation to their respective parliaments.

During the reporting period, the Professional Standards Councils have worked with existing and new occupational associations to improve compliance with reporting standards and protect consumers of professional services.

The continuing benefit of *Cover of Excellence*<sup>®</sup> schemes is reflected in the number of associations applying for new schemes when their current ones expire, and by the Commonwealth Government’s prescription of existing schemes in multiple jurisdictions.

I commend this report to you as a record of our achievements and compliance.

Yours sincerely



Brian Rayment QC

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CHAIRMAN

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Professional Standards Councils



# CHAIRMAN'S LETTER

On behalf of the Professional Standards Councils, I am pleased to present my eighth annual report as Chair.

In 2012–13, the Councils continued to receive high-quality support from the Office of the Professional Standards Councils (OPSC), provided through the NSW Department of Attorney General and Justice.

It has once again been a busy and effective year for the Professional Standards Councils, with clear benefits delivered to the community and the professions our regime covers.

The 2012–13 year saw a number of personnel and function changes as we increased our regulatory and support activities in readiness for the next phase of activity under professional standards legislation. I would like to thank our outgoing Executive Officer, Philippa Seagrave, for her service to the organisation and for shepherding the growth of schemes so successfully during her six-year tenure.

I would also like to welcome Dr Deen Sanders, who was appointed Executive Officer in November 2012.

Brian Rayment QC

CHAIRMAN

Professional Standards Councils

**THE STRATEGIC REVIEW WILL FORM THE 2013–17 BUSINESS PLAN, HELP THE COUNCILS BETTER UNDERSTAND THEIR KEY STAKEHOLDERS AND HELP US BE PROACTIVE IN LOOKING AFTER CONSUMER CERTAINTY AND PROTECTION.**

## STRATEGIC REVIEW

Under the guidance of Dr Sanders, the OPSC will build on the work the Councils have established over the past two decades. As a maturing regulatory agency, we recognise the challenges of delivering on the fuller aspects of the legislative mandate to improve professional standards and protect consumers.

During the second half of the year, Dr Sanders undertook a holistic strategic review of the Councils' activities. As a result, in 2013–14 the Councils will focus on:

- promoting thought leadership
- providing regulatory assurance
- improving operational efficiency.

The outcomes of the strategic review complement the Professional Standards Councils' mandate to:

- improve professional services standards and protect consumers
- engage in thought leadership
- provide accreditation of associations and recognise the standing of its members.

This review will form the 2013–17 business plan, help the Councils better understand their key stakeholders and help us be proactive in looking after consumer certainty and protection.

## SCHEME ADMINISTRATION

During the 2012–13 reporting period, the Councils administered 18 *Cover of Excellence*<sup>®</sup> schemes for occupational associations nationally. The Councils now administer 36 schemes, most of which operate in multiple jurisdictions under mutual recognition, and cover 55,513 members.

In 2012–13, the Councils approved three new schemes, including the Institute of Public Accountants, the Association of Taxation & Management Accountants and CPA Australia (Victoria).

After its successful reintroduction in 2011–12, the Star Grants Program provided \$166,667 in funding for the first two rounds of the program and awarded a total of \$131,800 to three occupational associations in round three. The grants fund projects that improve quality assurance practices and raise professional standards across the various occupational groups that participate in *Cover of Excellence*<sup>®</sup> schemes.

Members of the Councils have continued to discharge their duties with great diligence, and I thank them for their commitment to the Councils' purpose.

Finally, the Councils would like to thank Mr Hugh Plaistowe, whose second term as the Western Australian member of the Councils concluded in December 2012. We welcome Rachel Webber as the new Council member for West Australia.

I look forward to working closely with my fellow Council members, our new CEO and the talented team at the OPSC over the next 12 months as we progress our agenda to highlight the relevance and community value of maintaining high professional standards.

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18  
CoE<sup>®</sup>  
Schemes

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18  
Occupational  
Associations

---

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36  
Schemes  
Nationally

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55,513  
Members  
Nationally

---

OPERATED IN MULTIPLE  
JURISDICTIONS UNDER  
MUTUAL RECOGNITION

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3  
New  
Schemes

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THE INSTITUTE OF  
PUBLIC ACCOUNTANTS,  
THE ASSOCIATION OF  
TAXATION & MANAGEMENT  
ACCOUNTANTS,  
CPA AUSTRALIA (VICTORIA)

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# EXECUTIVE OFFICER'S REPORT

## HELPING ASSOCIATIONS RAISING STANDARDS PROTECTING CONSUMERS

It is with great pleasure that I contribute to my first annual report as Executive Officer of the Professional Standards Councils.

Since joining the Councils in November 2012, I have been impressed by the in-house expertise, the demand from new associations to join *Cover of Excellence*® schemes, and the Councils' forward-looking approach to protecting consumers and improving professionalism in the Australian business community.

Professional standards legislation is now reaching maturity, both in its application and relevance, as expertise and professionalism become vital elements of the regulatory framework for all business activity.

It is a rare privilege to be responsible for such an important and positive area of regulatory activity in an increasingly complicated marketplace of services for Australians. Professions have significant opportunities to make positive economic and community contributions, and to act as essential vehicles for consumer protection. The need to encourage professions and ensure the integrity of their community commitments is a unique and exciting mandate of the Professional Standards Councils.

To carry that work forward, the Professional Standards Councils have agreed to institute a new phase of strategic programming over 2013–17, which will see us sharpening our focus on the objectives of professional standards legislation. Our new strategic focus will be based on three tenets: regulatory assurance, thought leadership and operational efficiency.

Our priorities over the next financial year will centre on reshaping the business and resourcing model to support Australia's professional standards legislative regime, and its role in protecting consumers and encouraging high professional standards and practices.

Dr Deen Sanders

EXECUTIVE OFFICER

Professional Standards Councils

**PROFESSIONS HAVE SIGNIFICANT OPPORTUNITIES TO MAKE POSITIVE ECONOMIC AND COMMUNITY CONTRIBUTIONS, AND TO ACT AS ESSENTIAL VEHICLES FOR CONSUMER PROTECTION.**



## REGULATORY ASSURANCE

During the reporting year, the Professional Standards Councils worked closely with 18 associations, representing a range of professions, to gain a better understanding of their businesses, including their risk management drivers and future business direction.

The core business of the Councils is to approve, monitor and enforce *Cover of Excellence*<sup>®</sup> schemes. By regulating these schemes, the Councils can improve consumer protection and professional standards assurance. In 2012–13, the Councils approved three new schemes and achieved an annual compliance reporting rate of 100 per cent.

We have also introduced a new Annual Risk Management Reporting and Assessment approach, and created a dedicated Compliance Manager position. These initiatives reflect our growing emphasis on this area of regulatory assurance work.

By ensuring that associations operating under *Cover of Excellence*<sup>®</sup> schemes are improving their members' professional standards, the Councils are helping improve professional practices and protect consumers.

## THOUGHT LEADERSHIP

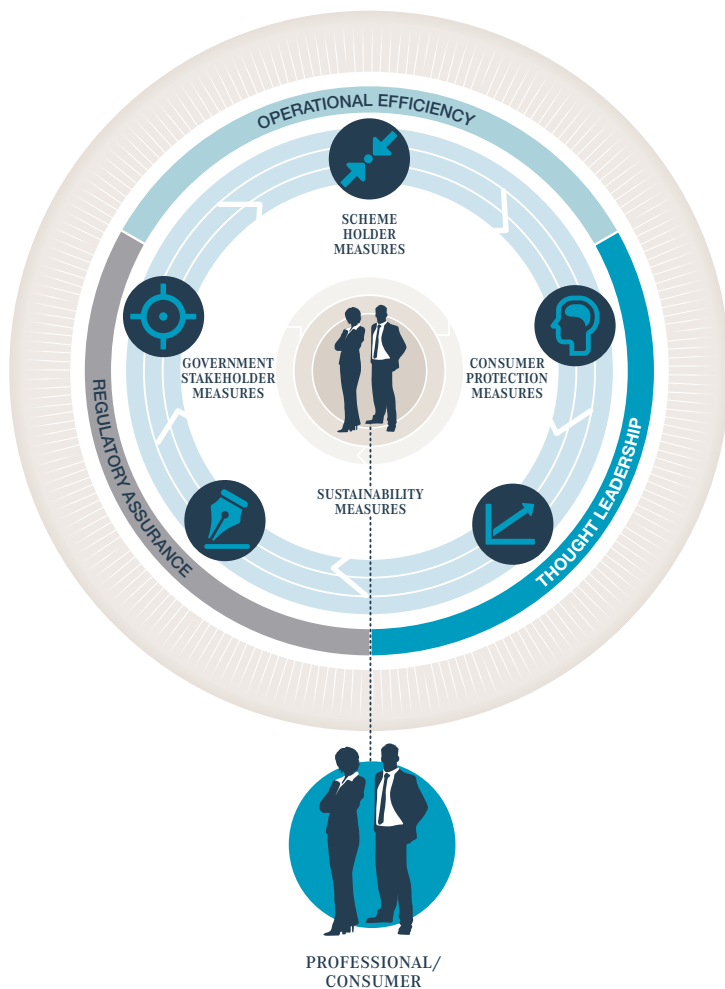
Australia is unique in its adoption of professional standards legislation that actively encourages occupational associations to protect consumers. The legislation achieves this by offering limited liability to associations that meet our legislative and regulatory requirements.

As a leading environment for this type of regulatory initiative, there is an enormous opportunity – and a growing need – for more debate and research on professional standards, the effective regulation of professions, and other issues related to the role professions can play in protecting consumers.

The Councils' new thought leadership strategy is intended to encourage and foster this debate in academic and professional arenas. In May 2013, the Councils approved the establishment of a research grants program that aims to encourage improvements in professional standards and contribute to the future of professions globally.

In 2012–13, the Professional Standards Councils represented 55,513 professionals participating in schemes through their professional associations. We look forward to raising the visibility of our work with government, consumers and associations in coming years.

I am proud to be leading the agency and supporting the Councils at such an exciting time in the evolution of professions, and at a time when professional standards legislation is maturing and the role of the Councils is being increasingly recognised.



	Accessibility
	Expertise
	Efficiency
	Independence and accountability
	Accuracy

# WHY WE'RE HERE

## *The three pillars of the professional standards legislation and the Councils*

1

PROTECT

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### PROTECT consumers

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*The Professional Standards Councils' goal is to protect consumers by demanding high levels of professional standards and practices from those who participate in Cover of Excellence® schemes.*

*Associations and members who use the Cover of Excellence® trademark are recognised as pursuing excellence in professional standards and acting ethically, indicating that consumers can expect to receive a high level of service.*

2

IMPROVE

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### IMPROVE professional standards

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*In Australia, a growing number of occupational associations and their members are making significant efforts to improve their professional standards.*

*The Professional Standards Councils work with associations to develop self-regulation initiatives to improve associations' professional standards by implementing risk management strategies, and codes of ethics and conduct.*

*The Councils support 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 to improve the standard of services consumers receive.*



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## HELP associations – *Cover of Excellence*<sup>®</sup> schemes

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*The role of the Professional Standards Councils is to strengthen and improve professionalism within occupational associations, and to promote self-regulation across associations while protecting consumers.*

*The Councils administer Cover of Excellence<sup>®</sup> schemes under the professional standards legislation that limits the civil liability of professionals whose associations meet the schemes' professional standards and risk management requirements.*

**Cover of Excellence<sup>®</sup>  
schemes are for members  
of occupational associations.  
The schemes:**

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*recognise occupational associations that implement robust risk management strategies such as complaints and discipline systems, codes of ethics and continuing occupational education*

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*limit occupational liability for occupational association members who carry professional indemnity insurance and/or business assets equal to the limitation of liability amount*

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*entitle occupational association members to benefit from the reputation of the Cover of Excellence<sup>®</sup> trademark.*

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# WHAT'S HAPPENED THIS YEAR? 2012-13

The Professional Standards Councils' focus in 2012-13 was on improving professional standards, engaging with associations and helping to protect consumers.



## Assisted

AS AT 30 JUNE 2013, THE COUNCIL ASSISTED 55,513 PROFESSIONALS ACROSS 36 SCHEMES FOR 18 OCCUPATIONAL ASSOCIATIONS.

[FOR MORE DETAILED INFORMATION, SEE PAGE 20.](#)



## Grew

THE NUMBER OF *COVER OF EXCELLENCE*® SCHEMES CONTINUED TO GROW. IN 2012-13, THE COUNCILS ADMINISTERED THREE NEW SCHEMES, INCLUDING THE INSTITUTE OF PUBLIC ACCOUNTANTS, THE ASSOCIATION OF TAXATION & MANAGEMENT ACCOUNTANTS AND CPA AUSTRALIA (VICTORIA).

[FOR MORE DETAILED INFORMATION, SEE PAGE 20.](#)



## Reviewed

THE COUNCILS UNDERTOOK A SIGNIFICANT STRATEGIC REVIEW OF THEIR ACTIVITIES, RESULTING IN A BOLD NEW BUSINESS DIRECTION CENTRED ON PROMOTING THOUGHT LEADERSHIP, PROVIDING REGULATORY ASSURANCE AND IMPROVING OPERATIONAL EFFICIENCY.

[FOR MORE DETAILED INFORMATION, SEE PAGES 5-7.](#)

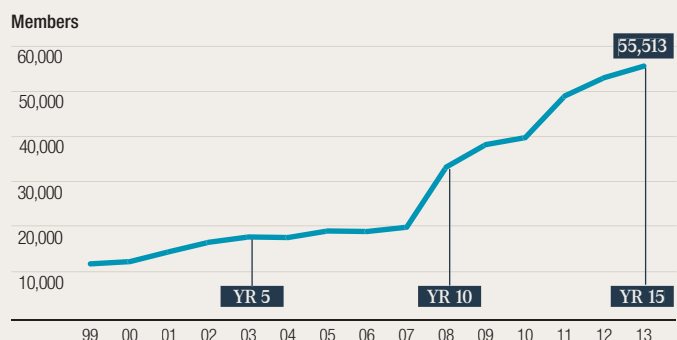


## Completed

THE COUNCILS COMPLETED PHASE SEVEN OF THE *COMPREHENSIVE RESEARCH STRATEGY: IMPACTS OF PROFESSIONAL STANDARDS LEGISLATION*. THE EVOLVING RESEARCH WILL BE INCORPORATED INTO THE COUNCILS' WIDER THOUGHT LEADERSHIP ACTIVITIES.

[FOR MORE DETAILED INFORMATION, SEE PAGE 39.](#)

**NUMBER OF PROFESSIONALS COVERED BY *COVER OF EXCELLENCE*® SCHEMES OVER THE LAST 15 YEARS**



# Highlights



## Approved

THE COUNCILS APPROVED THE INAUGURAL PROFESSIONAL STANDARDS RESEARCH GRANT TO FURTHER IMPROVE PROFESSIONAL STANDARDS ACROSS MULTIPLE INDUSTRIES.

[FOR MORE DETAILED INFORMATION, SEE PAGE 39.](#)



## Implemented

THE COUNCILS IMPLEMENTED IMPROVED ANNUAL COMPLIANCE REPORTING STANDARDS FOR ASSOCIATIONS WITH SCHEMES, AND PROVIDED RESOURCES AND INFORMATION TO HELP THESE ASSOCIATIONS MEET THEIR REPORTING OBLIGATIONS.

[FOR MORE DETAILED INFORMATION, SEE PAGE 24.](#)



## Granted

THE COUNCILS DISTRIBUTED \$166,667 IN STAR GRANTS TO FIVE OCCUPATIONAL ASSOCIATIONS, ENABLING THEM TO DEVELOP TOOLS AND RESOURCES TO IMPROVE THEIR PROFESSIONAL STANDARDS.

[FOR MORE DETAILED INFORMATION, SEE PAGE 39.](#)

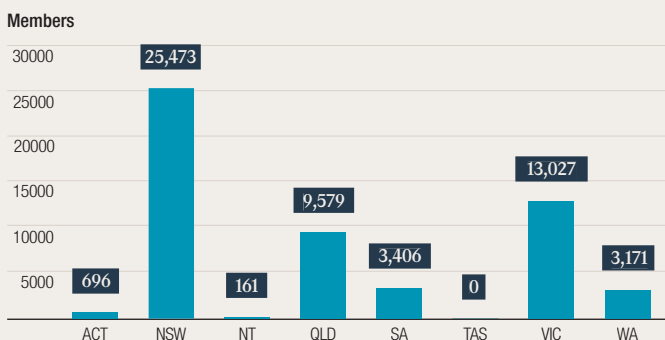


## Implemented

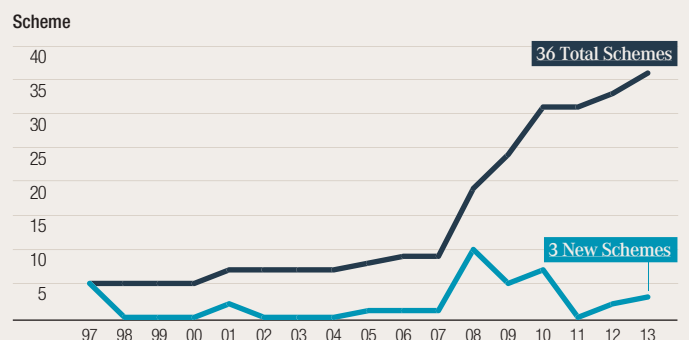
THE COUNCILS IMPLEMENTED A PROJECT TO HELP ASSOCIATIONS CONDUCT SELF-REGULATION, IMPROVING HOW WE ASSESS AND PROVIDE FEEDBACK ON ASSOCIATIONS' ANNUAL RISK MANAGEMENT REPORTS.

[FOR MORE DETAILED INFORMATION, SEE PAGE 24.](#)

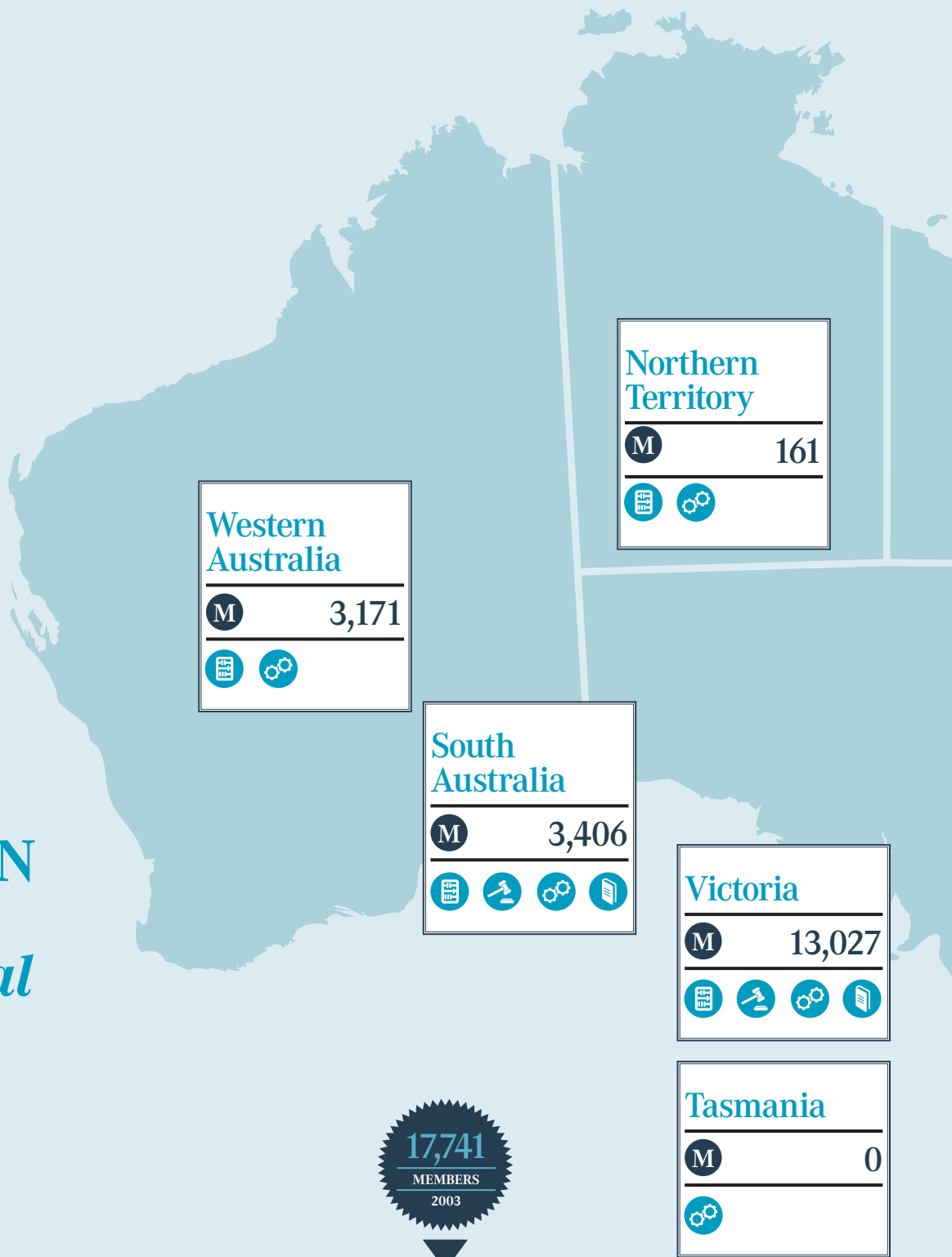
**NUMBER OF PROFESSIONALS COVERED BY COVER OF EXCELLENCE® SCHEMES (PER STATE 2012–13)**



**GROWTH IN COVER OF EXCELLENCE® SCHEMES (ACROSS ALL AUSTRALIAN JURISDICTIONS)**



# THE EVOLUTION OF THE Professional Standards Councils



TIMELINE	94▶	95▶	96▶	97▶	03▶	04▶	04▶
	New South Wales enacts the <i>Professional Standards Act 1994</i> (NSW)	<b>The Professional Standards Council of NSW is constituted</b>	The first <i>Cover of Excellence®</i> Schemes are approved for the College of Investigative and Remedial Consulting, Engineers Australia and the Law Society of NSW on 5 December 1996	Western Australia enacts the <i>Professional Standards Act 1997</i> (WA) <b>The Professional Standards Council of WA is constituted</b>	Victoria enacts the <i>Professional Standards Act 2003</i> (Vic)	Queensland enacts the <i>Professional Standards Act 2004</i> (Qld) South Australia enacts the <i>Professional Standards Act 2004</i> (SA)	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)
					The Northern Territory enacts the <i>Professional Standards Act 2004</i> (NT)		

## LEGEND

	Accountants
	Barristers
	Engineers
	IT professionals
	Lawyers
	Surveyors
	Valuers
	Members*

\* As at 30 June 2013

### Queensland

M 9,579



### New South Wales

M 25,473



### Australian Capital Territory

M 696



33,193

MEMBERS

2008

55,513

MEMBERS

2012

05 ▶

**The Professional Standards Council of Victoria is constituted**

Tasmania enacts the *Professional Standards Act 2005* (Tas)

06 ▶

**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**

South Australia enacts the *Professional Standards Act 2006* (SA)

07 ▶

**The Professional Standards Council of the ACT is constituted**

**The Professional Standards Council of Queensland is constituted**

New South Wales enacts mutual recognition legislation under the *Professional Standards Amendment (Mutual Recognition) Act 2007* (NSW)

08 ▶

The Northern Territory enacts mutual recognition legislation under the *Professional Standards Amendment (Mutual Recognition) Act 2008* (NT)

The ACT enacts mutual recognition legislation under the *Justice and Community Safety Legislation Amendment Act 2008* (ACT)

Queensland enacts mutual recognition legislation under the *Justice and Other Legislation Amendment Act 2008* (Qld)

09 ▶

The first *Cover of Excellence*<sup>®</sup> scheme commenced in Tasmania on 1 June

*Cover of Excellence*<sup>®</sup> schemes present in all states and territories of Australia

Over 38,000 professionals are covered across Australia by *Cover of Excellence*<sup>®</sup> schemes

10 ▶

Mutual recognition amendments are passed in Western Australia through the *Professional Standards Amendment Act 2010* (WA)

11 ▶

Schemes are mutually recognised in every mainland state and territory

Over 55,000 professionals are covered across Australia by *Cover of Excellence*<sup>®</sup> schemes

12 ▶

# ABOUT THE *Professional Standards Councils*



## FORMATION OF THE COUNCILS AND LEGISLATION

The late 1980s and early 1990s were turbulent times for the Australian business sector. The share market crash in 1987 put many businesses at risk of closing down, including the insurance providers that traditionally underwrote risks in business conduct.

The NSW Government recognised the need to protect consumers by raising professional standards and limiting liabilities. This would ensure consumers had a wide choice of suppliers and would encourage competition within industries.

In 1995, after the *Professional Standards Act 1994* (NSW) was passed, the NSW Government formed the Professional Standards Council of NSW. Over the next 10 years, Professional Standards Councils were constituted in Australia's other states and territories.

The Councils are independent statutory bodies with powers to assess and approve applications from professional associations for capped liability. They do this by applying the professional standards legislation enacted in each state and territory.

## MEMBERS OF THE PROFESSIONAL STANDARDS COUNCILS (L TO R)

- |                    |                        |
|--------------------|------------------------|
| 01. Julie Cameron  | 07. Brian Rayment      |
| 02. Iain Summers   | 08. Joanne Metcalfe    |
| 03. Rachel Webber  | 09. Terry Evans        |
| 04. Ronald Farrell | 10. Tiina-Liisa Sexton |
| 05. Robert Beaton  | 11. Dr Deen Saunders   |
| 06. Esther Alter   | Absent: Tom Karp       |





## Cover of Excellence<sup>®</sup> trademark

**THE COVER OF EXCELLENCE<sup>®</sup> TRADEMARK IS A POWERFUL WAY TO INDICATE TO CONSUMERS THAT THE ASSOCIATION AND ITS MEMBERS UPHOLD EXCELLENT PROFESSIONAL STANDARDS, CONDUCT AND ETHICS. IT ASSURES CONSUMERS THAT THEY CAN EXPECT TO RECEIVE A HIGH LEVEL OF SERVICE.**

ONCE A COVER OF EXCELLENCE<sup>®</sup> SCHEME IS APPROVED, THE PROFESSIONAL STANDARDS COUNCILS ALLOW MEMBERS OF THE ASSOCIATION TO USE THE COVER OF EXCELLENCE<sup>®</sup> TRADEMARK ON THEIR WEBSITES AND OTHER BUSINESS COLLATERAL.



### LEGISLATION

In 2001, the reach of professional standards legislation was extended after the collapse of Australian corporate giant HIH Insurance. This significant event – which affected thousands of people – once again highlighted the importance of maintaining stringent corporate governance and liability practices to protect consumers of professional services.

The Commonwealth Government subsequently enacted complementary legislation that allowed occupational liability to be limited under the *Trade Practices Act 1974*, the *Corporations Act 2001* and the *Australian Securities and Investments Commission Act 2001*.

### ROLE OF THE COUNCILS

The Professional Standards Councils play a key role in promoting the objectives of professional standards legislation, which are to:

- facilitate the improvement of professional standards
- protect consumers that use the services provided by professionals and others
- enable the creation of schemes that limit the civil liability of professionals whose associations meet professional standards and risk management requirements.

### IMPROVING PROFESSIONAL STANDARDS

In Australia, a growing number of associations and their members are making significant efforts to improve their professional standards.

Under professional standards legislation, associations can apply to the Professional Standards Councils to be administered under a *Cover of Excellence<sup>®</sup>* scheme.

*Cover of Excellence<sup>®</sup>* schemes require occupational associations to improve the professional standards of their members by implementing risk management strategies and codes of ethics and conduct. The schemes also require members to carry sufficient professional indemnity insurance cover and/or business assets to protect consumers.

The Councils approved the first *Cover of Excellence<sup>®</sup>* schemes in 1996.

Unique to the Australian professional business community, *Cover of Excellence<sup>®</sup>* schemes limit the occupational liability of association members who have an insurance policy and/or business assets equal to the limitation of liability amount. Each association has a minimum insurance standard with which its members must comply.

Each scheme has a maximum duration of five years, after which time the association must apply for a new scheme. This helps ensure robust mechanisms are in place to protect consumers and meet evolving professional standards.

As members of professional associations may work across state and territory borders, the Professional Standards Councils have supported amendments to professional standards legislation that allow *Cover of Excellence<sup>®</sup>* schemes to be recognised across multiple jurisdictions.

## What is an occupational association?

**AN OCCUPATIONAL ASSOCIATION (ASSOCIATION) IS A BODY CORPORATE THAT REPRESENTS PEOPLE WHO WORK IN THE SAME PROFESSION OR OCCUPATION, FOR EXAMPLE THE LAW SOCIETY OF NSW FOR SOLICITORS IN NEW SOUTH WALES, OR THE AUSTRALIAN COMPUTER SOCIETY FOR IT PROFESSIONALS.**

**INDIVIDUALS MUST BE MEMBERS OF AN ASSOCIATION BEFORE THEY ARE ENTITLED TO BE COVERED BY ITS SCHEME.**

NOT ALL MEMBERS OF AN ASSOCIATION WITH A COVER OF EXCELLENCE® SCHEME ARE AUTOMATICALLY COVERED BY THE SCHEME. A MEMBER'S ELIGIBILITY IS DETERMINED BY THE SCHEME ITSELF.

THE PROFESSIONAL STANDARDS COUNCILS CURRENTLY WORK WITH 18 ASSOCIATIONS AND REPRESENT 55,513 PROFESSIONALS.



### APPROVING SCHEMES FOR OCCUPATIONAL ASSOCIATIONS

An occupational association may apply to the Professional Standards Councils for a *Cover of Excellence*® scheme. The application indicates the jurisdictions in which the scheme is intended to operate, which may include all states and territories.

The Professional Standards Councils review each new scheme proposal in accordance with the professional standards legislation. After considering the relevant statutory requirements and criteria, the Councils may decide to approve and recommend it to the relevant state or territory minister for publication in the Government Gazette. A scheme comes into force after it has been gazetted.

The Councils must consider the following before approving a scheme:

- all comments and submissions made regarding the scheme
- the position of persons who may be affected by the scheme
- the nature and level of claims relating to occupational liability made against members of the association
- the association's risk management strategies and how they will be implemented
- the cost and availability of insurance, and the association's standards in relation to insurance policies
- the strategies in place to protect consumers.

Prior to recommending the scheme proposal to the relevant minister, the Councils will give public notice of the draft scheme in a major daily newspaper in each jurisdiction where the scheme will apply. This allows all interested parties – including members of the public and consumer groups – to comment on the scheme proposal.

Once gazetted and in force, the scheme will limit the occupational liability of the association's members in the relevant state and/or territory.

As well as assessing and approving *Cover of Excellence*® schemes, the Professional Standards Councils are responsible for monitoring associations' statutory compliance obligations, including how they are implementing and monitoring their risk management strategies.

Risk management reports make up a significant part of associations' statutory annual compliance reporting, which they must provide for the life of the scheme. The introduction of professional standards legislation has improved the rigour of associations' risk management plans, helping them maintain high professional standards and providing assurance to consumers.

*Cover of Excellence*® schemes also give association members the capacity to maintain adequate insurance, rather than risk being under-insured or having insufficient assets to cover their liability. Additionally, the schemes give consumers confidence because they require members to be insured at least to the level of the limit of liability.

# APIV REDUCES RISK *for valuers and protects consumers*

Australian Property Institute Valuers (APIV) Limited is a subsidiary of the Australian Property Institute (API), the association for Australian property professionals. APIV's primary role is to set and maintain the highest standards of professional practice, education, ethics and conduct for its property valuer members.

When the property market began declining, some parties were dissatisfied with their reduced valuations and took legal action, which damaged the industry's reputation. The situation was not helped by the fact that some valuers did not uphold the standards API demanded. As a result, some professional indemnity insurers were reluctant to provide cover, while others raised premiums to unaffordable levels. There was also no limit to valuers' liability – they could still lose everything regardless of the extent of their insurance cover.

To address these and other issues, APIV worked with stakeholders to establish consistent standards of practice, ethics and conduct. After setting up plans to implement these requirements, APIV successfully applied for a *Cover of Excellence*® scheme.

The industry recognises that APIV has improved its professional standards by implementing risk management strategies and adhering to professional indemnity insurance standards.

"There is now a common set of standards and processes that everyone – members, insurers, brokers, underwriters and APIV – must follow," said Betty Lehman, National Professional Indemnity and Compliance Manager. "Because we can regulate our members' activities, we have effectively removed the risks that made insurers wary of our industry, resulting in more stable premiums. Our members' risk of liability is reduced.

"Consumers can also be confident that their valuer is not only properly qualified and adheres to the highest standards of professional practice and conduct, but is also monitored and randomly audited to ensure compliance," she added.

Another benefit is that members are enjoying improved services. For example, APIV will review insurance contracts, negotiate and review engagement terms, and assist members with dispute resolution and claims settlement.

"The *Cover of Excellence*® scheme provided the impetus we needed to evolve and enhance our services and processes," said Lehman. "The scheme changed the way we worked with each other and our stakeholders. It's changed our culture and our profession."

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## APIV

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APIV IS A SUBSIDIARY OF THE AUSTRALIAN PROPERTY INSTITUTE, THE ASSOCIATION FOR AUSTRALIAN PROPERTY PROFESSIONALS.

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**APIV WORKED WITH STAKEHOLDERS TO ESTABLISH CONSISTENT STANDARDS OF PRACTICE, ETHICS AND CONDUCT.**

## PROTECTING CONSUMERS

The main focus of professional standards legislation is to protect consumers who use professional services, including accounting, engineering, IT, legal and surveying.

The Councils protect consumers in three ways: by ensuring members of occupational associations meet the high levels of professional standards and practices required under *Cover of Excellence*<sup>®</sup> schemes (see page 15), by promoting self-regulation across occupational groups and by providing confidence in consumer compensation.

Consumers can be reassured that associations participating in *Cover of Excellence*<sup>®</sup> schemes are bound by a set of stringent requirements.

For example, they must:

- have a level of professional indemnity insurance that provides a guaranteed reasonable level of compensation for consumers (in some cases, the amount of insurance required to participate in a scheme may be greater than the minimum compulsory insurance)
- implement and monitor codes of ethics and conduct
- maintain a publicly accessible complaints and disciplinary process
- ensure their members undertake continuing professional development.

When approving a scheme, the Councils closely examine an association's ability to protect consumers. For example, the Councils will review the association's risk management scenarios and strategies to see if its liability caps are set high enough to cover all consumer and most corporate claims. The *Cover of Excellence*<sup>®</sup> trademark also assures consumers that the association meets high professional standards and practices.

The Professional Standards Councils provide consumers with up-to-date information on its website ([www.psc.gov.au](http://www.psc.gov.au)) to help them interact with occupational associations.

This information includes:

- the role of Councils in protecting consumers under the legislation
- a list of associations covered by professional services legislation and *Cover of Excellence*<sup>®</sup> schemes in each state and territory
- notifications of new associations applying for a *Cover of Excellence*<sup>®</sup> scheme
- how to directly contact relevant associations.



## DETERMINING LIMITED LIABILITY

The Professional Standards Councils determine the limitations of liability for professional and other associations.

Limited liability is only available to associations with a *Cover of Excellence*<sup>®</sup> scheme.

When determining limited liability, the Councils must consider the nature and level of claims made against members of the association and the need to adequately protect consumers.

The Councils obtain independent actuarial advice when deciding on the appropriate caps for members of a particular occupational association. The caps are set high enough to cover all consumer claims and most corporate claims for economic loss. By eliminating the risk of catastrophic claims, the Professional Standards Councils can help ensure that professional indemnity insurance remains readily available and affordable.



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## What is limited liability?

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**'LIABILITY' IS A LEGAL OBLIGATION THAT ONE PERSON MIGHT OWE TO ANOTHER BECAUSE THE FIRST PERSON ACTED – OR FAILED TO ACT – IN A WAY THAT CAUSED A LOSS FOR THE SECOND PERSON.**

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**MOST INDIVIDUAL BUSINESSES PURCHASE PROFESSIONAL INDEMNITY INSURANCE (PII) TO COVER THEIR OCCUPATIONAL LIABILITY. THE COST OF PII IS AFFECTED BY THE LEVEL OF RISK ASSOCIATED WITH THE WORK, THE HISTORY OF CLAIMS IN THAT AREA AND AGAINST THE BUSINESS, AND DEVELOPMENTS IN THE INSURANCE MARKET.**

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*COVER OF EXCELLENCE®* SCHEMES PROVIDE PARTICIPATING MEMBERS WITH LIMITED CIVIL LIABILITY – GENERALLY CAPPING THE AMOUNT THAT CAN BE AWARDED AGAINST THEM IN CIVIL ACTION RELATED TO THE PERFORMANCE OF THEIR OCCUPATION, WITH SOME EXCEPTIONS.

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## What is mutual recognition?

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**UNDER THE MUTUAL RECOGNITION PROVISIONS OF PROFESSIONAL STANDARDS LEGISLATION, IF A PERSON ENJOYS THE BENEFIT OF A SCHEME APPROVED BY A COUNCIL IN ONE JURISDICTION, AND THAT PERSON'S BUSINESS INVOLVES WORKING INTERSTATE, THEN THE SCHEME WILL APPLY IN THOSE OTHER JURISDICTIONS IF MUTUAL RECOGNITION HAS BEEN SOUGHT BY THE ASSOCIATION.**

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# SCHEMES



## LIFECYCLE OF SCHEMES


Many associations – such as the College of Investigative and Remedial Engineers, the Association of Consulting Engineers Australia, the Law Society of NSW and the Professional Surveyors Occupations Association – have had a cycle of schemes since 1998.


Each scheme has a maximum lifespan of five years. During its operation, the Councils review the scheme annually to ensure the association is meeting the required professional standards.


During 2012–13, the Commonwealth prescribed the following schemes under the *Corporations Act 2001* (Cth) and the *Australian Securities and Investments Commission Act 2001* (Cth): the NSW Bar Association, the Law Society of NSW, the Queensland Law Society, the South Australian Bar Association and the Law Society of South Australia.

### COVER OF EXCELLENCE® SCHEMES


ASSOCIATION	OCCUPATIONAL PROFESSION	PARTICIPATING MEMBERS	CAPPED LIABILITY (\$)	START DATE	END DATE
<b>ACT</b> 					
CPA	Accountants	93	\$1m to \$75m	01/02/08	31/01/14
ICAA	Accountants	603	\$1m to \$75m	01/02/08	30/06/13
EA	Engineers	–	\$1.5m to \$20m	01/01/09	31/12/13
<b>NSW</b> 					
CPA	Accountants	1,700	\$1m to \$75m	08/10/07	07/10/13
ICAA	Accountants	9,507	\$1m to \$75m	08/10/07	07/10/13
IPA	Accountants	1,242	\$1m to \$20m	30/01/04	31/12/17
NSW BAR	Barristers	2,096	\$1.5m	19/01/05	30/06/15
CIRCEA	Engineers	24	\$1m, \$5m or \$10m	22/02/13	21/02/18
EA	Engineers	5	\$1.5m to \$20m	22/01/07	23/02/13
ACS	IT	14	\$1.5m	01/01/10	31/12/14
LAW SOCIETY of NSW	Lawyers	7,921	\$1.5m to \$10m	22/11/12	21/11/17
PSOA	Surveyors	38	\$1m, \$2m or \$5m	12/11/07	11/11/13
APIV	Valuers	2,899	\$1m to \$20m	01/09/10	31/08/15
AVI	Valuers	27	\$0.5m to \$10m	26/07/01	25/07/13


ASSOCIATION	OCCUPATIONAL PROFESSION	PARTICIPATING MEMBERS	CAPPED LIABILITY (\$)	START DATE	END DATE
<b>NT</b> 					
CPA	Accountants	33	\$1m to \$75m	27/12/10	26/12/15
ICAA	Accountants	128	\$1m to \$75m	27/12/10	26/12/15
EA	Engineers	–	\$1.5m to \$20m	27/12/10	26/12/15

<b>QLD</b> 					
CPA	Accountants	1,208	\$1m to \$75m	25/03/08	24/03/14
ICAA	Accountants	3,974	\$1m to \$75m	01/02/08	31/07/13
QLD BAR	Barristers	–	\$1.5m	Pending	Pending
EA	Engineers	1	\$1.5m to \$20m	01/01/09	31/12/13
QLD LAW SOCIETY	Lawyers	4,396	\$1.5m or \$10m	01/07/10	30/06/15

<b>SA</b> 					
CPA	Accountants	283	\$1m to \$75m	14/04/08	13/04/14
ICAA	Accountants	1,745	\$1m to \$75m	20/02/08	31/07/13
SA BAR	Barristers	367	\$1.5m	01/01/12	31/12/16
EA	Engineers	–	\$1.5m to \$20m	01/09/09	31/08/14
LAW SOCIETY of SA	Lawyers	1,011	\$1.5m or \$10m	01/01/12	31/12/16

<b>TAS</b> 					
CPA	Accountants	–	\$1m to \$75m	Pending	Pending
ICAA	Accountants	–	\$1m to \$75m	Pending	Pending
EA	Engineers	–	\$1.5m to \$20m	01/06/09	31/05/14

<b>VIC</b> 					
ATMA	Accountants	388	\$1m to \$100m	01/01/13	31/12/17
CPA	Accountants	2,344	\$1m to \$75m	21/04/08	20/04/14
ICAA	Accountants	6,680	\$1m to \$75m	03/03/08	02/09/13
VIC BAR	Barristers	755	\$2m	01/07/08	30/06/14
EA	Engineers	2	\$1.5m to \$20m	19/01/10	18/01/15
LIV	Lawyers	2,858	\$1.5m or \$10m	01/07/10	30/06/15

<b>WA</b> 					
CPA	Accountants	805	\$1m to \$75m	01/04/08	31/03/14
ICAA	Accountants	2,365	\$1m to \$75m	08/10/07	07/10/13
EA	Engineers	1	\$1.5m to \$20m	01/01/09	31/12/13

COVER OF EXCELLENCE® SCHEMES IN OPERATION IN EACH STATE AND TERRITORY

SCHEME	NSW	VIC	QLD	SA	WA	ACT	NT	TAS
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Accountants

ICAA								PENDING*
CPA								PENDING*
IPA								
ATMA								



Barristers

NSW BAR								
QLD BAR			PENDING*					
SA BAR								
VIC BAR								



Engineers

EA								
CIRCEA								



IT professionals

ACS								
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SCHEME	NSW	VIC	QLD	SA	WA	ACT	NT	TAS
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## Lawyers

LAW SOCIETY of NSW	■							
LIV	■	■	■	■	■	■	■	■
LAW SOCIETY of SA	■	■	■	■	■	■	■	■
QLD LAW SOCIETY			■					
WA LAW SOCIETY						■ UNDER APP**		



## Surveyors

PSOA	■	■	■			■	■	
RICS				■ UNDER APP**				



## Valuers

AVI	■							
APIV	■	■	■	■	■	■	■	■

Scheme originates in this state
  Scheme has mutual recognition in this state

\* Pending means the application has been approved by the Professional Standards Councils, and the scheme is pending .  
 \*\* Application has been received (prior to 30 June 2013) and is under review by the Professional Standards Councils.  
 For scheme start and end dates please see pages 20–21.

# COMPLIANCE MONITORING *and Reporting*

Monitoring and ensuring compliance with professional standards legislation is key to improving occupational practices within the Australian business community and vital to protecting consumers.

Our compliance approach is one of partnership, in that an association's compliance reports are derived from the five-year risk management plans it submitted as part of its original *Cover of Excellence*<sup>®</sup> scheme application. These risk management plans set out how the association's members will ensure the quality of services they provide by improving their risk management practices.

The compliance reports examine initiatives and trends in associations' work in areas such as:

- continuing professional development
- codes of conduct and ethics, and professional obligations
- quality control
- technical standards and competence
- complaints and disciplinary systems
- claims data and insurance monitoring
- compliance with professional indemnity insurance requirements.

## ANNUAL RISK MANAGEMENT REPORTS 2012–13

During the year, the Professional Standards Councils focused on enhancing regulatory accountability. The Councils worked with associations to implement improved annual compliance reporting standards, and provided resources and information to help them meet their reporting obligations.

Associations with a *Cover of Excellence*<sup>®</sup> scheme must submit Annual Risk Management Reports (ARMRs) to the Office of the Professional Standards Councils (OPSC) by 31 March each year for the preceding calendar year (1 January to 31 December). The reports must address the commitments made in the risk management plans the association included in its application for a *Cover of Excellence*<sup>®</sup> scheme. They should also describe the compliance monitoring and risk management initiatives the association implemented in the reporting year, and account for any developments in professional conduct risk as well as indemnity insurance specific to the association's occupational group.

## EVOLVING REPORTING REQUIREMENTS

In 2012–13, the OPSC set out a new reporting template for associations. The aim of the new template is to enable the OPSC to better understand each association's business and gain insights into how it can help associations improve professional standards.

The OPSC amended the template to capture more audit data, particularly about professional standards legislation notification disclosure, *Cover of Excellence*<sup>®</sup> trademark use, and continuing professional development and occupational education.

All 16 associations met the reporting requirements for their ARMRs. Nine of the 16 associations submitted their ARMR in the new format and provided more risk management audit data than in previous years. Reporting requirements will continue to evolve in discussion with the associations to ensure a robust body of data that reflects the changing and variable reporting environments.

## MORE WORK NEEDED TO MANAGE RISKS

Not surprisingly, with a diverse set of professional communities, some associations exhibit more risk management awareness and capacity for oversight than others. This year the OPSC has divided the regulated community into a range of risk management performance categories and will focus resources and compliance oversight according to those categories.

Some associations did not make significant changes to the way they collected and analysed risk management data when using the new template. In particular, the evidence suggests that associations need to approach each reporting cycle with a fresh perspective as to the conduct and marketplace risks that have arisen since the last reporting cycle. They should also seek to improve the integration of data trends across their five-year risk management plans.

The OPSC will work with associations to address strategic and systemic risk management deficiencies. This will involve redesigning individual support and compliance programs over the next few months and ahead of the next ARMR cycle, which begins on 1 January 2014.

## FINDINGS FROM 2012–13 ARMRS

The submitted 2012–13 ARMRs revealed the following findings:

- There is evidence that some associations are implementing creative risk management initiatives, for example:
  - The Law Society of SA implemented a disciplinary process for non-compliance established by the Society's Professional Standards Committee. It also introduced new Continuing Professional Development (CPD) sessions on topics such as fraud, 'red flags for fraudulent transactions' and 'authority fraud and abuses of power of attorney'.
  - The NSW Bar Association established an Education Committee to review its Reading Programme, Bar Practice Course and CPD requirements; commissioned the Lindgren Report into risk management strategies; and developed an Ethics Guidance Scheme and BarCare, a professional counselling service for barristers.
  - The Queensland Law Society launched a learning and development strategy that attracted 5,514 attendees and speakers at various competency-based seminars; assisted more than 2,800 members with ethics enquiry calls; and developed Continuing Legal Education sessions on ethics, including the QLS Practice Management Course.
  - The Law Institute of Victoria developed a Mentor Program and installed Practice Support, Health and Ethics enquiry help lines. Its Ethics Department delivered more than 50 seminars in the ARMR reporting year.

- The Law Society of NSW developed a Specialist Accreditation Programme; conducted a Compliance Analysis Review, and implemented a member advisory, costs and ethics enquiry line that fielded more than 6,000 queries in the last ARMR year.
- The Australian Computer Society introduced My SFIA, an online skills assessment and ethics testing tool; and established a Risk Audit Committee.
- Engineers Australia launched an online ethics awareness program called Values Exchange.
- The Institute of Chartered Accountants Australia's Advisory Group provided confidential counselling and support services for 85 cases; responded to more than 20,000 queries through its Professional Standards Helpline; and implemented quality review processes in accordance with Australian standards.
- CPA Australia introduced registration for tuition providers of its CPA program and developed guides on 'SMSF Conference and Professional Development' and CRM reporting systems.
- The Institute of Public Accountants developed an online 'Independence Guide' and increased Continuing Occupational Education about SMSF audit issues.
- The Professional Surveyors Occupational Association introduced ISO 9001 accreditation and online risk management reporting tools.
- Australian Property Institute Valuers Limited reformed its risk management and standing instructions modules, as well as its audit framework on claims and complaints analysis.
- The number of 'persons/members to whom the scheme applies' represented in the ARMRs generally correlates to the number of paying members represented in audit certificates. However, some discrepancies were noted, particularly in corporate and partner members. The OPSC will follow up with further analysis and consultation.
- Audit reporting and compliance regarding notification disclosure, *Cover of Excellence*<sup>®</sup> trademark use, and continuing professional development and occupational education has improved in the last year.
- Associations are strategically aware of the value of collating and analysing claims, complaints and notifications to improve risk management strategies and, in particular, education and CPD updates. The OPSC will work with associations to improve the breakdown of data, and identify ways to use this data to improve risk management.
- To encourage improved practices across all professional communities, there are a number of areas that the OPSC will focus on in the 2013–14 reporting cycle, arising from concerns in the 2012–13 period, including the following:
  - Complaints and disciplinary processes require reinvigoration to develop better complaint-handling systems (against established standards). There is an over-reliance on external regulators among some communities and the legislative expectation is to enable greater self-regulation by professional communities.
  - Claims data collation and analysis is generally good, but a significant lag in unresolved claims and notifications is hindering a definitive assessment of scheme cap performance.
  - Professional indemnity insurance costs over the last five-year ARMR period (except during the global financial crisis) were generally stable, with associations reporting minimal variability. There is some correlative evidence of change arising from professional standards schemes, in particular around maturing schemes. There remains a need to improve the risk management practices of scheme holders to achieve a more substantive effect on professional indemnity.
  - The number of committees with links to risk management within associations can be excessive (up to four or five in some associations). As a result, these committees may have overlapping responsibilities and limited direct accountability for changes in conduct, standards and risk management practices for the profession as a whole.
  - Of significant concern, in some professional communities there is a general lack of substantive evidence of direct Board oversight and accountability for the professional standards scheme. As a significant legal and professional commitment, we would expect that adequate resources are afforded to professional standards schemes and that they are recognised as an essential element of an association's governance and community commitment. Over the next reporting cycle, we will be working with the regulated community to ensure greater Board oversight and member connectivity.

### GENERAL TRENDS IN PROFESSIONAL INDEMNITY INSURANCE COSTS FOR ASSOCIATION MEMBERS COVERED BY COVER OF EXCELLENCE<sup>®</sup> SCHEMES, 2008–12\*

PROFESSIONAL INDEMNITY INSURANCE TREND	NUMBER OF ASSOCIATIONS
Steady decrease	2 (NSW Bar, VIC Bar)
Slight decrease	2 (CPA, IPA)
Stable	4 (SA Bar, PSOA, LSNSW, QLS)
Slight increase	3 (CIRCEA, ICAA, AVI)
Steady increase	1 (APIV)**

Source: Annual Risk Management Reports 2008–12 (self report data).

\* All these associations have had schemes for at least five years, except SA Bar and APIV.

\*\* APIV is a recent scheme. Longer tail claims will continue for a period, before reduction trends emerge.

The following schemes were omitted due to insufficient information for the five-year period: ATMA, ACS, EA, LIV and LSSA.

# NATIONAL



ASSOCIATIONS

## COMPLIANCE REPORTING – NATIONAL ASSOCIATIONS

The Professional Standards Councils have three national associations with professional standards schemes – CPA Australia, ICAA and Engineers Australia.



### Accountants

#### CPA Australia

CPA Australia's compliance report for 2012 covers all Australian states and territories.

**Monitoring of claims:** There were 41 claims notified nationally in 2012: 10 claims are outstanding, five claims have been finalised, and 26 claims were notifications only. The claims data is consistent with previous years in relation to activities which initiate claims, for example taxation work.

**Continuing professional development:** CPA Australia members must complete 120 CPD hours every three years and 20 CPD hours each year. In 2012, 84 per cent of CPA members met these requirements (this includes members not covered by *Cover of Excellence*<sup>®</sup> schemes). The Public Practice Certificate holders who failed a CPD audit were required to submit a written agreement to provide proof of undertaking 40 hours of CPD in 2013. The association provides education programs on a range of topics such as ethics and governance, risk management and quality control, and professional standards.

**Complaints data:** In 2012, there were 373 complaints about members who hold a Public Practice Certificate. Forty-four of these complaints were dismissed as unviable in accordance with CPA Australia by-laws. An increase in the number of personal insolvencies has been identified.

CPA Australia introduced registration for tuition providers of its CPA program and developed guides on 'SMSF Conference and Professional Development' and CRM reporting systems.

**Disclosure of limited liability and use of the *Cover of Excellence*<sup>®</sup> trademark:** An annual review of member stationery, disclosure statements and *Cover of Excellence*<sup>®</sup> trademark use found that 58 professionals did not meet their disclosure policy obligations. Less than 2 per cent of members use the *Cover of Excellence*<sup>®</sup> trademark.

#### Trends in professional indemnity insurance:

The claims data is consistent with previous years. The CPA Australia Insurance and PSC Scheme Advisory Committee (known as the Public Practice Advisory Committee Insurance Advisory Working Group in 2013) reviews the ongoing performance of the scheme. It also receives quarterly reports on the insurance market, claims and scheme performance.

#### Institute of Chartered Accountants in Australia

The Institute of Chartered Accountants in Australia's compliance report for 2012 covers all Australian states and territories.

**Monitoring of claims:** During the reporting year, there was not an increase in the number of claims, although there has been some increase in the size of the largest claims.

**Continuing professional development:** ICAA members must complete 120 training hours every three years and 20 hours per year as part of their continuing professional development. In 2012, a random audit of 1,000 members was undertaken regarding compliance. The audit found that 84 per cent of members were compliant, 3 per cent were not compliant and 12 per cent were outstanding. For the year, 83 per cent of members met the minimum regulatory requirements for training and development.

During the year, 329 ICAA members undertook an audit of specific training competency requirements for self-managed super funds.

The ICAA's Advisory Group provided confidential counselling and support services for 85 cases, responded to more than 20,000 queries through its Professional Standards Helpline, and implemented quality review processes in accordance with Australian standards.

**Complaints data:** In the 2012 reporting period, 297 complaints matters were investigated and heard by the Professional Conduct Tribunal, including 20 hearings and three matters involving breach of regulations and professional standards.

**Disclosure of limited liability and use of the *Cover of Excellence*<sup>®</sup> trademark:** During the reporting period, 94 per cent of respondents to the Scheme Compliance Survey 2012 disclosed the limit and use of the *Cover of Excellence*<sup>®</sup> trademark nationally.

**Trends in professional indemnity insurance:** Members can access adequate PII cover at affordable rates.



## Engineers

### Engineers Australia

Engineers Australia's compliance report for 2012 covers all Australian states and territories.

**Monitoring of claims:** No insurance claims or alerts were advised by members at the time of the annual review.

**Continuing professional development:** The association promotes the benefits of CPD to members. 2012 was the Year of Regional Engineering, with a focus on engineering in regional Australia. The association supported 20 national and international conferences during the year. Technical events were held in each state, and a program with 12 eminent speakers attracted over 4,000 attendees.

During the reporting period, Engineers Australia launched an online ethics awareness program called Values Exchange.

**Complaints data:** In 2012, 21 complaints were made against 23 members of Engineers Australia (this includes non-members of schemes). The association's revised disciplinary regulations will be finalised and approved in 2013.

**Disclosure of limited liability and use of the Cover of Excellence® trademark:** Engineers Australia provides information on its website for members about Professional Standards Councils compliance requirements. Members must complete a self-assessment form on compliance, disclosure requirements and Cover of Excellence® trademark use when they renew their annual membership.

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### Note on the Councils' decision in relation to ICAA scheme application

*The ICAA made an application to the Professional Standards Councils for a new scheme to be put in place nationally, beginning in the ACT from 31 July 2013.*

*After careful and lengthy consideration of the application, on 24 May 2013 the Councils decided not to approve the ICAA's proposed scheme.*

*The Councils' decision related solely to the ICAA professional standards scheme application and has no bearing on other schemes. The decision was based on the information and data made available to the Councils and the need to ensure that any limitation of liability is appropriate for consumer protection requirements.*

*The ICAA communicated the decision and the ramifications to its members, and the Councils also published FAQs on the website to assist consumers and members of the ICAA.*

*The Councils implemented an extensive communication program with the respective state and territory departments to ensure each Attorneys General department was informed about the matter's progress.*

*At the time of writing, the Professional Standards Councils are considering a new application from the ICAA.*

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NSW



ASSOCIATIONS

## COMPLIANCE REPORTING BY ASSOCIATIONS IN NEW SOUTH WALES

The Professional Standards Council of New South Wales (NSW) approves schemes under the *Professional Standards Act 1994* (NSW).

Associations with schemes under this Act have a statutory obligation to submit an annual compliance report to the Council, covering implementation and monitoring of their risk management strategies, details of claims and insurance data, use of the *Cover of Excellence*<sup>®</sup> trademark, and disclosure of limited liability.

During 2012–13, there were 11 schemes in operation in NSW, covering seven occupational associations and 25,473 members. There was one application for a new scheme operating only in NSW during the reporting period.



### Accountants

#### CPA Australia

CPA Australia's compliance report for 2012 covers all Australian states and territories. For more information, please refer to the National Report for CPA Australia.

#### Institute of Chartered Accountants in Australia

The Institute of Chartered Accountants in Australia's compliance report for 2012 covers all Australian states and territories. For more information, please refer to the National Report for the Institute of Chartered Accountants in Australia.

#### Institute of Public Accountants Australia

**Monitoring of claims:** Two claims were reported as outstanding.

**Continuing professional development:** Members are required to complete 80 hours of continuing occupational education every two years; 50 per cent of this must be structured. Seventy-two per cent of members who completed the annual member survey had met these requirements.

Professional Standards Councils

During the year, the Institute of Public Accountants (IPA) developed an online 'Independence Guide' and increased Continuing Occupational Education about SMSF audit issues.

**Complaints data:** 20 complaints against members were reported. The majority of these were for professional conduct issues.

**Disclosure of limited liability and use of the *Cover of Excellence*<sup>®</sup> trademark:** 98.59 per cent of members who completed the annual member survey complied with the disclosure of limited liability.

Forty-two per cent of members who completed the annual member survey used the *Cover of Excellence*<sup>®</sup> trademark. The IPA is working to increase this number by sending information to members on how the trademark conveys to clients a commitment to providing a high standard of professional services and consumer care.

**Trends in professional indemnity insurance:** Low claims data for 2012–13 and previous years makes it difficult to discern any trends in professional indemnity insurance.



### Barristers

#### NSW Bar Association

**Continuing professional development:** The association conducts a mandatory CPD program. NSW barristers must accumulate 10 CPD points each practice year before their practising certificate is due for renewal. There is a requirement that the 10 points be gained across the four strands of Ethics and Regulation of the Profession; Management; Substantive Law, Practice and Procedure, and Evidence; and Advocacy, Mediation, and other Barristers' Skills. In 2012–13, NSW Bar reported its CPD program was 'enhanced by the introduction of an Education Committee' that reviews the Reading Programme, BarCare Practice Course and changes to CPD requirements.

**Complaints data:** In the 12 months, the NSW Legal Services Commissioner referred 40 complaints to the NSW Bar Council for investigation. The Bar Council investigated an additional 12 complaints. In addition, 38 investigations continued. The Bar Council finalised 47 complaint matters; 35 were dismissed.

**Disclosure of limited liability and use of the *Cover of Excellence*<sup>®</sup> trademark:** In 2012, the association randomly audited 10 members and asked them to provide samples of documents using the disclosure statement. The association selected another five members and audited their use of the *Cover of Excellence*<sup>®</sup> trademark in their documents. All 15 members responded. The audit highlighted variations in the use of the trademark, and an article has been written for the NSW Bar newsletter *In Brief* reminding members of their disclosure requirements and obligations.

**Trends in professional indemnity insurance:** The association reported that the average cost of PII has been steadily declining since 2005 and that the cost of PII is not prohibitive.



### Engineers

#### Engineers Australia

Engineers Australia's compliance report for 2012 covers all Australian states and territories. For more information, please refer to the National Report for Engineers Australia.

#### College of Investigative and Remedial Consulting Engineers, Australia Inc

The 2012 compliance report for the association was received ahead of the annual report preparation period but without sufficient time for formal review and inclusion of details in this report.



## IT professionals

### Australian Computer Society

**Monitoring of claims:** There were no claims against members.

**Continuing professional development:** 100 per cent of members participated in the required 30 CPD hours for the year. The Australian Computer Society introduced *MySFIA*, an online skills assessment and ethics testing tool, and established a Risk Audit Committee.

**Complaints data:** There were no complaints against members.

**Disclosure of limited liability and use of the *Cover of Excellence*<sup>®</sup> trademark:** 100 per cent of members were compliant in their disclosure and use of the trademark.

**Trends in professional indemnity insurance:** There have been no claims made against members in the scheme to date.



## Lawyers

### The Law Society of NSW

**Monitoring of claims:** LawCover provides Compulsory Professional Indemnity Insurance (CPII) for all (non-exempt) NSW solicitors. Information is collected annually by way of the Premium Rating Information Form (PRIF). LawCover advised of 633 notifications of claims in the period 30 June 2011 to 30 June 2012 (43 more than the previous period). There is no 'stand out' area of law that is creating obvious trends, although there is an upward movement in some areas, including family law.

**Continuing professional development:** All legal practitioners must complete one unit of education each year in the following three fields: ethics and professional responsibility, practice management and business skills, and professional skills. In 2012, 99.85 per cent of members surveyed completed their mandatory continuing professional development requirements. The society conducts a comprehensive education program, together with programs conducted by LawCover, College of Law and other private providers. In 2012, The Law Society of NSW developed a Specialist Accreditation Programme;

conducted a Compliance Analysis Review; and implemented a member advisory, costs and ethics enquiry line that fielded more than 6,000 queries in the last ARMR year.

**Complaints data:** In the 2011–12 financial year, there were 550 complaints opened, five more than in 2010–11.

**Disclosure of limited liability and use of the *Cover of Excellence*<sup>®</sup> trademark:** In 2012, 87.2 per cent of participating law firms assessed complied with the disclosure policy. The 385 members who did not meet their disclosure obligations were notified by letter that the disclosure statement wording was incorrect. The majority of non-compliance was merely due to typographical errors.

Of those professionals surveyed, all members were compliant in their use of the *Cover of Excellence*<sup>®</sup> trademark.

**Trends in professional indemnity insurance:** Solicitors with a NSW practising certificate entitling them to practise as a principal in private practice must be insured under the approved policy provided by LawCover (excluding those with an exemption).



## Surveyors

### Professional Surveyors Occupational Association NSW Inc

**Monitoring of claims:** ACSIS Ltd, the insurance company responsible for 89 per cent of PSOA members, advised of eight notifications. All are still open with a reserve total of \$311,500.

**Continuing professional development:** 92 per cent of members reported that staff met CPD requirements.

During the year, the PSOA introduced ISO 9001 accreditation and online risk management reporting tools.

**Complaints data:** All members provided a signed annual report on complaints and discipline. One complaint is still open. Complaints reported were for minor misconduct or disputes which the member dealt with in-house.

**Disclosure of limited liability and use of the *Cover of Excellence*<sup>®</sup> trademark:** Of those professionals surveyed, all members were compliant in their use of the *Cover of Excellence*<sup>®</sup> trademark.

**Trends in professional indemnity insurance:** Insurance costs for PSOA members appear to range from 1.6 per cent to 3.5 per cent of turnover.



## Valuers

### Australian Property Institute Valuers Limited

**Monitoring of claims:** There were 15 notified potential claims in NSW.

**Continuing professional development:** 100 per cent of members completed the required 20 CPD points in the 2012 calendar year.

The Australian Property Institute Valuers reformed its risk management and standing instructions modules, as well as its audit framework on claims and complaints analysis.

**Complaints data:** There were eight reported complaints for the reporting period.

**Disclosure of limited liability and use of the *Cover of Excellence*<sup>®</sup> trademark:** 98 per cent of members nationally complied with disclosure requirements.

In addition, 97.2 per cent of members nationally complied with use of the trademark.

**Trends in professional indemnity insurance:** Nationally, a high number of notifications did not result in claims.

### Australian Valuers Institute

The 2012 compliance report for the association was received ahead of the annual report preparation period but without sufficient time for formal review and inclusion of details in this report.

# ACT



## ASSOCIATIONS

### COMPLIANCE REPORTING BY ASSOCIATIONS IN THE AUSTRALIAN CAPITAL TERRITORY

The Professional Standards Council of the Australian Capital Territory approves schemes under the *Civil Law (Wrongs) Act 2002* (ACT).

Associations with schemes under this Act have a statutory obligation to submit an annual compliance report to the Council, covering implementation and monitoring of their risk management strategies, details of claims and insurance data, use of the *Cover of Excellence*® trademark, and disclosures of limited liability.

During 2012–13, there were three schemes in operation in ACT, covering two occupational associations and 696 members. Please refer to page 20 for list of associations operating in the ACT. There were no applications for new schemes only in ACT during the reporting period.



### Accountants

#### CPA Australia

CPA Australia’s compliance report for 2012 covers all Australian states and territories. For more information, please refer to the National Report for CPA Australia.

#### Institute of Chartered Accountants in Australia

The Institute of Chartered Accountants in Australia, compliance report for 2012 covers all Australian states and territories. For more information, please refer to the National Report for the Institute of Chartered Accountants in Australia.



### Engineers

#### Engineers Australia

Engineers Australia’s compliance report for 2012 covers all Australian states and territories. For more information, please refer to the National Report for Engineers Australia.







## COMPLIANCE REPORTING BY ASSOCIATIONS IN THE NORTHERN TERRITORY

The Professional Standards Council of the Northern Territory approves schemes under the *Professional Standards Act 2004 (NT)*.

Associations with schemes under this Act have a statutory obligation to submit an annual compliance report to the Council, covering implementation and monitoring of their risk management strategies, details of claims and insurance data, use of the *Cover of Excellence®* trademark, and disclosures of limited liability.

During 2012–13, there were three schemes in operation in NT, covering two occupational associations and 161 members. Please refer to page 21 for a list of the associations operating in the NT. There were no applications for new schemes operating only in the NT during the reporting period.



### Accountants

#### CPA Australia

CPA Australia’s compliance report for 2012 covers all Australian states and territories. For more information, please refer to the National Report for CPA Australia.

#### Institute of Chartered Accountants in Australia

The Institute of Chartered Accountants in Australia’s compliance report for 2012 covers all Australian states and territories. For more information, please refer to the National Report for the Institute of Chartered Accountants in Australia.



### Engineers

#### Engineers Australia

Engineers Australia’s compliance report for 2012 covers all Australian states and territories. For more information, please refer to the National Report for Engineers Australia.

SA

ASSOCIATIONS

## COMPLIANCE REPORTING BY ASSOCIATIONS IN SOUTH AUSTRALIA

The Professional Standards Council of South Australia (SA) approves schemes under the *Professional Standards Act 2004* (SA).

Associations with schemes under this Act have a statutory obligation to submit an annual compliance report to the Council, covering implementation and monitoring of their risk management strategies, details of claims and insurance data, use of the *Cover of Excellence*<sup>®</sup> trademark, and disclosure of limited liability.

During 2012–13, there were five schemes in operation in SA, covering four occupational associations and 3,406 members. There were no new scheme applications operating only for SA during the reporting period.



### Barristers

**The South Australian Bar Association**

**Monitoring of claims:** Five claims were notified in 2012 and remain outstanding. The claims are at a very low level.

**Continuing professional development:** The association requires its members to undertake 10 hours of mandatory CPD activity, five of which must be specifically focused on counsel skills, with a view to ensuring members are competent to practise in the areas in which they advertise themselves as able to practise.

**Complaints data:** The *Legal Practitioners Act 1981* establishes a formal system for dealing with complaints and disciplining legal practitioners. The Legal Practitioners Conduct Board investigates suspected unprofessional or unsatisfactory conduct, and the Legal Practitioners Disciplinary Tribunal investigates complaints put before it. In addition, the association has a Professional Responsibility Committee that hears complaints about members that have not complied with the Barristers' Conduct Rules or otherwise not met their ethical responsibilities. Complaints against members in 2012 were extremely low.

**Disclosure of limited liability and use of the *Cover of Excellence*<sup>®</sup> trademark:** Chambers submitted comprehensive reports to the association that showed members were complying with their obligations. Four members, who may not have attached the disclaimer to relevant documents, have been reminded by the association of their obligations.

**Trends in professional indemnity insurance:** These figures are unavailable as the scheme has only been in place since 1 January 2012.



### Accountants

**CPA Australia**

CPA Australia's compliance report for 2012 covers all Australian states and territories. For more information, please refer to the National Report for CPA Australia.

#### Institute of Chartered Accountants in Australia

The Institute of Chartered Accountants in Australia's compliance report for 2012 covers all Australian states and territories. For more information, please refer to the National Report for the Institute of Chartered Accountants in Australia.



### Engineers

**Engineers Australia**

Engineers Australia's compliance report for 2012 covers all Australian states and territories. For more information, please refer to the National Report for Engineers Australia.



## Lawyers

### The Law Society of South Australia

**Monitoring of claims:** The Law Society of South Australia, pursuant to the *Legal Practitioners Act 1981*, administers the professional indemnity insurance scheme. In South Australia, all legal practitioners in private practice hold compulsory professional indemnity insurance in conjunction with their practising certificate. Practitioners are not entered into the Limitation of Liability Scheme unless they are Admitted Members of the Law Society, which necessarily requires holding a practising certificate and the associated PII.

The Law Society of SA implemented a disciplinary process for non-compliance established by the society's Professional Standards Committee.

### Continuing professional development:

To attain an annual practising certificate, all legal practitioners must complete 10 units of CPD (including one unit each of professional skills, practical legal skills, practical legal ethics, and practice management and business skills) per year. The society provides a substantial CPD program for the South Australian legal profession. The Law Society of SA introduced new CPD sessions on topics such as fraud, 'red flags for fraudulent transactions' and 'authority fraud and abuses of power of attorney'. The Law Society of SA conducts a random annual audit of practitioners' compliance with the mandatory CPD requirements. In 2012, eight members (or 3 per cent) were found to be non-compliant.

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**Complaints data:** The *Legal Practitioners Act 1981* establishes a formal system for dealing with complaints and disciplining legal practitioners. The existing complaints and disciplinary structure has been reviewed by the SA Attorney-General. It is anticipated that there will be significant and wide-ranging changes to the structure and powers of the current complaints and disciplinary process in the future.

### Disclosure of limited liability and use of the *Cover of Excellence*<sup>®</sup> trademark:

The Law Society of SA has put a great deal of effort into helping members understand their obligations under the scheme. The first annual audit resulted in 100 per cent compliance with these obligations.

### Trends in professional indemnity

**insurance:** The Professional Indemnity Insurance scheme is established pursuant to the *Legal Practitioners Act 1981*. Lawguard Management Pty Ltd manages the scheme and the Professional Indemnity Fund on behalf of the Law Society of SA in accordance with a management agreement. Trends in professional indemnity insurance are not yet available as the Law Society of SA scheme only commenced operation in January 2012.

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QLD



ASSOCIATIONS

## COMPLIANCE REPORTING BY ASSOCIATIONS IN QUEENSLAND

The Professional Standards Council of Queensland (Qld) approves schemes under the *Professional Standards Act 2004* (Qld). Associations with schemes under this Act have a statutory obligation to submit an annual compliance report to the Council, covering implementation and monitoring of their risk management strategies, details of claims and insurance data, use of the *Cover of Excellence*<sup>®</sup> trademark, and disclosure of limited liability.

During 2012–13, there were four schemes in operation in Queensland, covering three occupational associations and 9,579 members.

There was one application for a new scheme (pending) operating in Queensland during the reporting period.



### Accountants

#### CPA Australia

CPA Australia’s compliance report for 2012 covers all Australian states and territories. For more information, please refer to the National Report for CPA Australia.

#### Institute of Chartered Accountants in Australia

The Institute of Chartered Accountants in Australia’s compliance report for 2012 covers all Australian states and territories. For more information, please refer to the National Report for the Institute of Chartered Accountants in Australia.



### Engineers

#### Engineers Australia

Engineers Australia’s compliance report for 2012 covers all Australian states and territories. For more information, please refer to the National Report for Engineers Australia.



### Lawyers

#### Queensland Law Society

**Monitoring of claims:** In 2012, QLS received 140 notified claims, with 10 claims finalised. These ranged from \$39,000 to \$375,000.

**Continuing professional development:** In 2012, QLS provided support and education to members in a number of areas, not least on the topics of communication, ethical matters and quality of service. During the year, QLS launched a learning and development strategy that attracted 5,514 attendees and speakers at various competency-based seminars, 14 major conferences and 48 seminars. In 2012, the majority of members met the requirement for CPD within the year, with a small number of members non-compliant.

**Complaints data:** The Legal Services Commissioner received and dealt with 737 complaints. Fifty-four complaints were to be assessed for 2012, with 49 consumer complaints reported.

No information was reported regarding professional misconduct for 2012.

In 2012, QLS assisted more than 2,800 members with ethics enquiry calls and received 29,993 ethics website visits. QLS also developed and hosted a Joint Law Societies Ethics Forum, including a panel discussion on lawyers’ conduct and ethical concerns; conducted a day workshop for young practitioners – ‘ethics on the edge’; and launched an ethics DVD titled ‘Ethical Decision Making – a legal practitioner’s guide’.

The association also reported media coverage regarding QLS’s Public Education Initiative and measured ‘hits’ on its website as a means of monitoring effectiveness.

**Disclosure of limited liability and use of the *Cover of Excellence*<sup>®</sup> trademark:**

QLS performs an annual audit of scheme members to ensure compliance with disclosure requirements. The audit involves requesting copies of documentation, including letterhead and newsletters, from members to ensure they contain the appropriate disclosure statements and the *Cover of Excellence*<sup>®</sup> trademark.

**Trends in professional indemnity insurance:** Under the Queensland Indemnity Rules (2005), every solicitor must be insured under the QLS PII scheme, operated by Lexon Insurance.



## VIC



ASSOCIATIONS

### COMPLIANCE REPORTING BY ASSOCIATIONS IN VICTORIA

The Professional Standards Council of Victoria (Vic) approves schemes under the *Professional Standards Act 2003* (Vic). Associations with schemes under this Act have a statutory obligation to submit an annual compliance report to the Council, covering implementation and monitoring of their risk management strategies, details of claims and insurance data, use of the *Cover of Excellence*<sup>®</sup> trademark, and disclosure of limited liability.

During 2012–13, there were six schemes in operation in Victoria, covering four occupational associations and 13,027 members. There were two new scheme applications made for only Victoria.



#### Accountants

##### CPA Australia

CPA Australia's compliance report for 2012 covers all Australian states and territories. For more information, please refer to the National Report for CPA Australia.

##### Institute of Chartered Accountants in Australia

The Institute of Chartered Accountants in Australia's compliance report for 2012 covers all Australian states and territories. For more information, please refer to the National Report for the Institute of Chartered Accountants in Australia.



#### Barristers

##### The Victorian Bar Incorporated

The 2012 compliance report for the association was received ahead of the annual report preparation period but without sufficient time for formal review and inclusion of details in this report.



#### Engineers

##### Engineers Australia

Engineers Australia's compliance report for 2012 covers all Australian states and territories. For more information, please refer to the National Report for Engineers Australia.



#### Lawyers

##### Law Institute of Victoria

**Monitoring of claims:** The Legal Practitioners Liability Committee (LPLC) is the professional indemnity insurer for LIV members. THE LPLC reported that the incidence of claims and notifications received in the last financial year was very low.

**Continuing professional development:** Members are required to complete 10 CPD units per year. The LIV provided many CPD events and activities in 2012, including developing a Mentor Program, and installed Practice Support, Health and Ethics enquiry helplines. Its Ethics Department provided more than 50 seminars in the ARMR reporting year.

**Complaints data:** The Legal Services Commission investigates complaints against legal practitioners.

**Disclosure of limited liability and use of the *Cover of Excellence*<sup>®</sup> trademark:** 100 per cent of members who completed the annual member audit complied with disclosure requirements.

In addition, 100 per cent of members who completed the annual member audit were using the *Cover of Excellence*<sup>®</sup> trademark correctly.

**Trends in professional indemnity insurance:** The LPLC reported that, as in past years, most of the claims cost occurred in the areas of conveyancing, commercial, litigation and mortgage.

# TAS



## ASSOCIATIONS

### COMPLIANCE REPORTING BY ASSOCIATIONS IN TASMANIA

The Professional Standards Council of Tasmania (Tas) approves schemes under the *Professional Standards Act 2005* (Tas). Associations with schemes under this Act have a statutory obligation to submit an annual compliance report to the Council, covering implementation and monitoring of their risk management strategies, details of claims and insurance data, use of the *Cover of Excellence*® trademark, and disclosure of limited liability.

During 2012–13, there was one scheme in operation in Tasmania. There were two applications (pending) for new schemes operating in Tasmania during the reporting period.



#### Engineers

##### Engineers Australia

Engineers Australia’s compliance report for 2012 covers all Australian states and territories. For more information, please refer to the National Report for Engineers Australia.



# WA



## ASSOCIATIONS

### COMPLIANCE REPORTING BY ASSOCIATIONS IN WESTERN AUSTRALIA

The Professional Standards Council of WA approves schemes under the *Professional Standards Act 1997* (WA).

Associations with schemes under this Act have a statutory obligation to submit an annual compliance report to the Council, covering implementation and monitoring of their risk management strategies, details of claims and insurance data, use of the *Cover of Excellence*® trademark, and disclosure of limited liability.

During 2012–13, there were three schemes in operation in WA, covering two occupational associations and 3,171 members. There were no new proposed schemes for only WA during the reporting period.



#### Accountants

##### CPA Australia

CPA Australia’s compliance report for 2012 covers all Australian states and territories. For more information, please refer to the National Report for CPA Australia.

##### Institute of Chartered Accountants in Australia

The Institute of Chartered Accountants in Australia’s compliance report for 2012 covers all Australian states and territories. For more information, please refer to the National Report for the Institute of Chartered Accountants in Australia.



#### Engineers

##### Engineers Australia

Engineers Australia’s compliance report for 2012 covers all Australian states and territories. For more information, please refer to the National Report for Engineers Australia.

# ATMA ENHANCES INDUSTRY REPUTATION *and limits members' liability*

Founded in 1985, the Association of Taxation & Management Accountants (ATMA) represents professionals who provide taxation and management accounting services to small businesses, and undertake general commercial and government work.

One of ATMA's objectives is to ensure its members are suitably qualified and conform to the highest professional standards and ethics. It conducts regular quality assurance reviews to check members are meeting the professional and legal requirements that will enable them to deliver high-quality services.

In March 2012, ATMA decided to apply for a *Cover of Excellence*<sup>®</sup> scheme. As part of the qualification process, the organisation reviewed its members' organisational structures to make sure they met the standards and practices set down by the Professional Standards Councils.

"It was a learning process for ATMA," said Robert Duncan, Founder and President of ATMA. "The submission gave us a great opportunity to improve our internal quality assurance practices and processes. We feel we have more robust systems in place as a result of the work we completed for our scheme application."

According to Duncan, the *Cover of Excellence*<sup>®</sup> scheme is highly beneficial for ATMA and its members. "Almost all the major Australian accounting bodies are recognised by the Professional Standards Councils, and the *Cover of Excellence*<sup>®</sup> accreditation enhances the reputation of our members in the business and government communities," he said. "The scheme also protects members by limiting their liability."

In addition, the accreditation strengthens ATMA's standing with regulatory bodies such as the Australian Taxation Office, Tax Practitioners Board and Australian Securities and Investments Commission. "We are seeking further recognition with various government departments and the PSC accreditation lends extra weight to our application," said Duncan.

Under the scheme, ATMA is subject to rigorous annual reviews and must reapply for a new *Cover of Excellence*<sup>®</sup> scheme every five years.

"The scheme assures members, their clients, industry associations and regulatory bodies that ATMA maintains the high standards that the Professional Standards Councils mandate, and that we continuously improve our standards, quality assurance processes and conduct," said Duncan.

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## ATMA

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PROVIDING TAXATION AND MANAGEMENT ACCOUNTING SERVICES TO SMALL BUSINESSES, AND UNDERTAKING GENERAL COMMERCIAL AND GOVERNMENT WORK.

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**ATMA CONDUCTS REGULAR QUALITY ASSURANCE REVIEWS TO CHECK MEMBERS ARE MEETING THE PROFESSIONAL AND LEGAL REQUIREMENTS THAT WILL ENABLE THEM TO DELIVER HIGH-QUALITY SERVICES.**



## ONLINE APPLICATIONS

FOR THE INAUGURAL PROFESSIONAL STANDARDS RESEARCH GRANT AND FURTHER CRITERIA ARE AVAILABLE FROM [WWW.STARGRANTS.COM.AU/RESEARCH-GRANTS](http://WWW.STARGRANTS.COM.AU/RESEARCH-GRANTS).



TOTAL STAR GRANTS AWARDED in round three

**\$131,800**

### Queensland Law Society

**\$20,000**

LEGAL PRACTICE RESILIENCE AND WELLBEING

### Law Society of South Australia

**\$61,800**

PRACTICE REVIEWS FOR SMALL LAW FIRMS

### Institute of Chartered Accountants in Australia

**\$50,000**

INTERACTIVE QUALITY ASSURANCE



# RESEARCH and GRANTS

The Professional Standards Councils provide two types of grants – Star Grants and Professional Standards Research Grants – to help associations and their members continually evolve their standards and practices.

These grants:

- enable Councils and professionals to build productive, long-term relationships
- encourage and promote research into professional standards, particularly in areas such as market effectiveness and consumer protection
- link academic research and practical implementation within associations and across the Australian professional services industry.

## STAR GRANTS

The Star Grants Program provides funding for projects that focus on improving occupational standards. The program is open to occupational associations and professionals participating in a *Cover of Excellence*<sup>®</sup> scheme.

In 2012–13, the OPSC provided funds for ongoing Star Grants projects awarded in rounds one and two.

Round three of the program closed in March 2013. The Councils awarded three Star Grants in May 2013. These projects will commence in the 2013–14 financial year.

## PROFESSIONAL STANDARDS RESEARCH GRANT

The Councils approved the inaugural Professional Standards Research Grant in May 2013. The aim of the grant is to reward innovative research that develops the community's confidence and trust in professional services in Australia. The research should focus on a known problem or challenge and deliver evidence-based outcomes that will advance and elevate Australia's professional standards.

The Professional Standards Councils are looking for new research work that will:

- improve professional standards
- address risks related to professional conduct
- demonstrate the value of professional services in society
- contribute to the future of professional services
- generate debate on the effective regulation of the Australian professional services industry
- establish Australia as a leader in building effective regulatory partnerships between professions and governments at all levels
- clarify the benefits of the Australian professional standards legislative regime and its role in protecting consumers and improving practices and conduct.

The Professional Standards Councils' Star Grants Committee will assess applications and make recommendations to the Councils.

## COMPREHENSIVE RESEARCH STRATEGY – PHASE SEVEN

During the year, the Councils completed phase seven of the *Comprehensive Research Strategy: Impacts of Professional Standards Legislation* – a professional survey. The evolving research will be incorporated into the Councils' wider thought leadership activities.

## SUMMARY OF STAR GRANT FUNDS SETTLED IN 2012–13

GRANT ROUND	ASSOCIATION	PROJECT NAME	AMOUNT AWARDED	FUNDING DISTRIBUTED IN 2012–13
1	The Victorian Bar Association	Professional credentialing for indictable crime	\$38,000	\$20,000
1	Edwards Collins Group for CPA	Practical risk management in public practice for accountants	\$10,000	\$5,000
2	PSOA	Online training program for non-professional field assistants	\$25,000	\$15,000
2	IPA	IPA PPQA upgrade	\$70,000	\$46,667
2	ICAA	Risk management tool for small to medium accounting practices	\$80,000	\$80,000
2	APIV	APIV strategy	\$40,000	Nil
2	Queensland Law Society	Practice health check	\$31,000	Nil
<b>Round 1 and Round 2 total</b>			<b>\$294,000</b>	<b>\$166,667</b>
3	Queensland Law Society	Legal practice resilience and wellbeing	\$20,000	Nil
3	Law Society of South Australia	Practice reviews for small law firms	\$61,800	Nil
3	Institute of Chartered Accountants in Australia	Interactive quality assurance	\$50,000	Nil
<b>Round 3 total</b>			<b>\$131,800</b>	

# ORGANISATIONAL Structure

There are eight Professional Standards Councils – one in each state and territory. The Attorneys General of each state and territory appoint members to the Councils under the relevant legislation in each jurisdiction.

Under the Professional Standards Agreement 2011, NSW and Victoria are entitled to nominate two members each, and every other state and territory and the Commonwealth can nominate one member. This makes a total of 11 representatives.

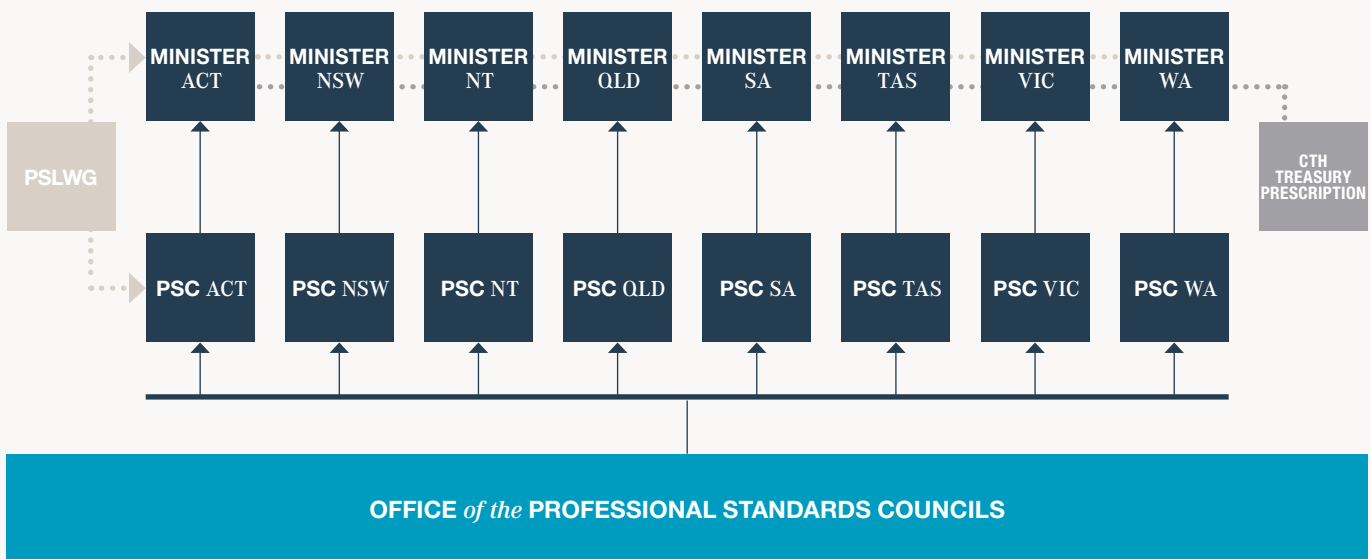
All states and territories have agreed to appoint the same members to each Council.

The eight Councils work closely with the OPSC to review *Cover of Excellence*<sup>®</sup> scheme applications. See page 48 for more information on the OPSC. Once a Council approves a scheme application, it informs the relevant minister. The minister then authorises the public notification of the approved scheme.

To ensure consistency, the Councils will cooperate with the Commonwealth Treasury during the assessment stage if an association is seeking to have its scheme nationally recognised under the *Commonwealth Competition and Consumer Act 2010* (Cth), the *Corporations Act 2001* (Cth) or the *Australian Securities and Investments Commission Act 2001* (Cth).

The Professional Standards Legislation Working Group (PSLWG) was set up to ensure the professional standards legislation is consistently applied across the country. The PSLWG comprises policy officers from the Department of Attorney General in each state and territory where a Professional Standards Council is constituted. The working group convene when issues arise that require consideration at a national level and communicate with relevant ministers about professional standards reform, review and scheme issues.

## ORGANISATIONAL STRUCTURE AND REPORTING LINES ON A NATIONAL LEVEL As at 30 June 2013



## NATIONAL FRAMEWORK OF LEGISLATION

The success of Australia's professional standards legislation regime relies on the positive and effective partnership of all Attorneys General and their respective departments. Professional standards legislation is a shining example of cross-jurisdictional cooperation. The administration, oversight and enforcement of 36 different gazetted instruments across Australia's eight parliaments reflect the dedication of all of our state and territory colleagues.

During the financial year, the following people were the appointed contact officers in the Department of Attorney General and Justice, and Commonwealth.

Carole Ruthchild – New South Wales  
 Susan Coleman – Victoria  
 Andrew Thompson – South Australia  
 Claire Davidson – South Australia  
 Emma Gunn – Tasmania  
 Len Armsby – Tasmania  
 David Ferguson – Australia Capital Territory  
 Rosslyn Chanoweth – Northern Territory  
 Pam Hose – Northern Territory  
 Jean Doherty – Northern Territory  
 Robert Bradshaw – Northern Territory  
 Irene Kempa – Western Australia  
 Mark Hainsworth – Western Australia  
 Imelda Bradley – Queensland  
 Kym Higgins – Queensland  
 Jerome Davidson – Commonwealth  
 Matthew Bowditch – Commonwealth.

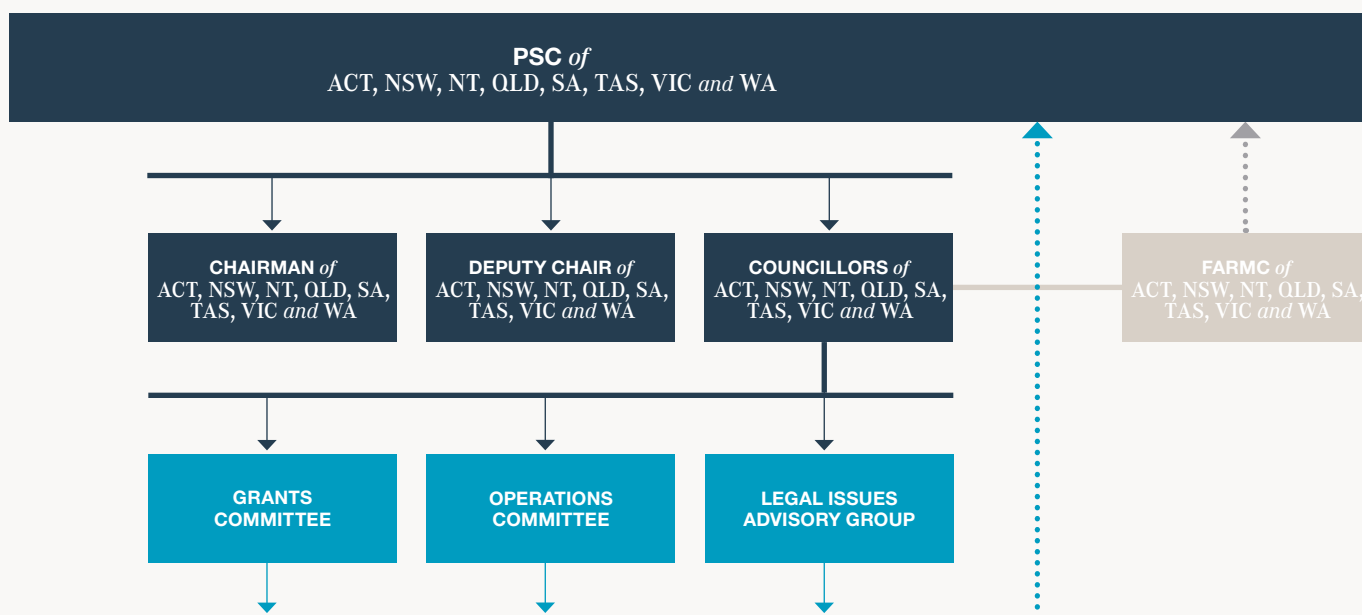
On behalf of the OPSC secretariat, the Professional Standards Councils thank these members for their support and professionalism.

## COUNCIL STRUCTURE

Each Council consists of a chairperson, deputy chairperson and councillors. The Councils can establish committees and advisory groups to meet as required over the year. Each of these committees and advisory groups can make recommendations to all eight Professional Standards Councils. Committee members are appointed on an annual basis and are eligible to be reappointed at the end of their term.

## INTERNAL ORGANISATIONAL STRUCTURE

As at 30 June 2013



## COUNCIL MEMBERS

Council members are selected for their qualifications, experience and ability to contribute to the Councils' work. The current members have experience across a diverse range of industries and specialities, including law, accounting, insurance, dispute resolution, property management, audit and company directorship. A significant number of members have served at least three terms. Council members work effectively as a team to achieve results for associations.

The chair and deputy chair are nominated on an alternating basis by New South Wales and Victoria, under the Professional Standards Agreement 2011.



**Brian Rayment QC**

**Chairman, BA, LLB**

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



**Julie Cameron**

**B Comm, LLB (Hons), LLM**

*Julie Cameron is a partner at Corrs Chambers Westgarth in Brisbane and practises predominantly in the areas of insurance and personal injuries, medical malpractice, public liability and CTP claims. She also advises and represents clients in investigations by the Health Quality and Complaints Commission and professional registration boards. An accredited personal injuries specialist of the Queensland Law Society since 2002, Julie is a member of the committee responsible for assessing applicants for personal injuries specialist accreditation. Julie is a member of the Australian Insurance Law Association and the Medico-Legal Society of Queensland.*



**Esther Alter**

**Deputy Chairperson, BEc, LLB, MBA, MAICD**

*Esther Alter brings a wide range of experience in consumer law and dispute resolution to the Councils. As a Member of the Victorian Civil and Administrative Tribunal (VCAT), she was involved in conciliating and adjudicating on consumer law matters. Esther has worked in consumer, legal and management roles in the Victorian and Commonwealth Governments. Her professional interests are in the areas of governance, management, service evaluation and organisational development. Esther is a member of the Chiropractor Registration Board of Victoria and the Pharmacy Board of Victoria.*



### Robert Beaton

**LLB, BArch (Hons),  
BSc (Arch)**

*Robert Beaton has more than 34 years experience in all facets of professional risk insurance. Until June 2010, he was the National Product and Underwriting Manager, Professional Risk Insurance at CGU Insurance. Robert is currently a consultant on issues relating to professional risk insurance. He was Chairman of the Professional Indemnity Standing Committee of the Insurance Council of Australia between 2003 and 2010, and a member of the Australian Prudential Regulation Authority National Claims and Policies Database Steering Group Committee.*



### Terry Evans

**LLM, FAICD**

*Terry Evans is a Special Counsel with Minter Ellison in Adelaide. Prior to that, he was the Deputy Chief Executive of the South Australian Justice Department and Attorney General's Department from 2004 to 2006. Terry was the Chief Commercial Counsel for the Crown Solicitor's Office from 1996 to 2004. Before that, he was a partner at Minter Ellison. Terry holds a number of board positions in the corporate, government, education and not-for-profit sectors.*



### Ronald Farrell

**Council Member**

*Ronald Farrell is a member of the Committee of Management at MAV Insurance, which includes Civic Mutual Plus, and is appointed as a Responsible Officer.*

*In 2008, he retired after 14 years as a foundation non-executive director of the Victorian Managed Insurance Authority. Prior board appointments have included the Metropolitan Fire and Emergency Services Board, GROIt Pty Ltd, Utilities Insurance Company Ltd and connect.com.au Pty Ltd. Ronald had a successful career in the insurance industry as General Manager of Australian Eagle Insurance Company Ltd and as an Executive Director of certain subsidiaries. His memberships include the Australian and New Zealand Institute of Insurance and Finance, as well as a not-for-profit advisory body.*



### Tom Karp

**BA Hons (Actuarial Studies)**

*Tom Karp is a Fellow of the Institute of Actuaries of Australia, and has been a member of the Professional Standards Committee of the Institute of Actuaries of Australia since 2008. He held the position of Executive General Manager at the Australian Prudential Regulation Authority until his retirement in June 2008. Tom is also a board member of the Australian Reinsurance Pool Corporation, and represents the Institute of Actuaries of Australia at the International Actuarial Association.*



### Joanne Metcalfe

#### **BLArch (Hons), MBA**

*Joanne Metcalfe has served on the Professional Standards Councils since 2005. She is a member of the Councils' Finance and Risk Management Committee and Star Grants Committee. She works for professional services company GHD in Canberra as a Business Group Manager, responsible for the Australian Capital Territory and southern New South Wales. Joanne has been an active member of the property industry for the past 15 years, a Division Councillor for the Property Council of Australia since 2004, and has been Vice-President, member of the Executive Committee and Chair of the Planning Committee. She is currently the Chair of the Property Council of Australia's Economic Development and Infrastructure Committee. Joanne formerly worked in landscape architecture and communications; as State Manager, Australian Institute of Architects ACT; and in professional service management as Managing Principal of peckvonhartel Architects.*



### Iain Summers

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

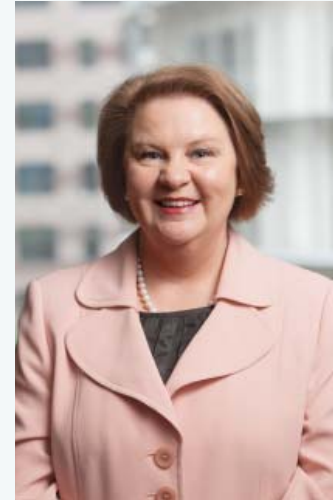
*Iain Summers provides governance and management advice, assistance and training to community services and public sector entities, and business advice to small- and medium-sized commercial enterprises. From 1995 to 2002, he was the Northern Territory Auditor-General. He is a Company Director of commercial and community sector entities, and Chair of a number of audit committees for private and public sector organisations.*



### Rachel Webber

#### **LLB, BJuris**

*Rachel Webber's primary areas of expertise include corporate and commercial law, with an emphasis on ASX and Corporations Act 2001 compliance, financial services regulation, fundraising, managed investments and credit regulation. Rachel lectures at the College of Law and is a regular guest lecturer at the University of Western Australia's Law School. Rachel is a Special Counsel in Jackson McDonald's corporate transactions division.*



### Tiina-Liisa Sexton

#### **BComm, FCA, FTIA, FAICD**

*Tiina-Liisa Sexton is a chartered accountant with a background in risk and financial management, governance and ethics. She has worked in the private, public, academic and not-for-profit sectors, and was the national Professional Standards Adviser in ethics and corporate governance at CPA Australia for 14 years until 2011. Tiina-Liisa is Company Secretary of Woodlands Wines Pty Ltd, Director of Housing Choices Australia, and Chair of Housing Choices Tasmania. She is a former director of Aurora Energy Pty Ltd, Hobart Water and Connect Credit Union. She is also a board member of Designed Objects Tasmania, Australia's longest running design collective.*

# CORPORATE Governance

Council members are appointed for a term not exceeding three years and are eligible to be reappointed when their term expires.

To ensure transparency and probity in relation to Councils' decisions, councillors must declare any conflicts of interest at the beginning of each Council meeting.

The Councils update and review their five-year strategic plan and internal risk management plan every six months, based on Risk Management Standard AS/NZS ISO 31000:2009. This ensures they consider any changes in the wider strategic and risk landscapes.

## RISK MANAGEMENT AND AUDIT

Internal risk management and audit is overseen by the Councils' Financial Audit and Risk Management Committee (FARMC). In 2011, the Councils established their 2011–2013 Internal Risk Management Program (IRMP), which in 2012–13 continued to be monitored by FARMC. FARMC's monitoring role included tracking the progress of risk mitigation activities, and advising on amendments to the IRMP as necessary to align with evolving circumstances over time. The 2011–13 IRMP expired in June 2013 and will be reviewed and renewed by FARMC and the Councils in due course. In 2012–13, FARMC also continued to monitor financial reporting prepared by the OPSC.

# REMUNERATION

The table below shows the remuneration of the Councils' members for the 2012–13 reporting period.

The Chair is paid an additional retainer of \$2,640 per annum for out-of-session work and other Councils-related activities.

The average sitting time of the Councils' members during 2012–13 was four hours per meeting.

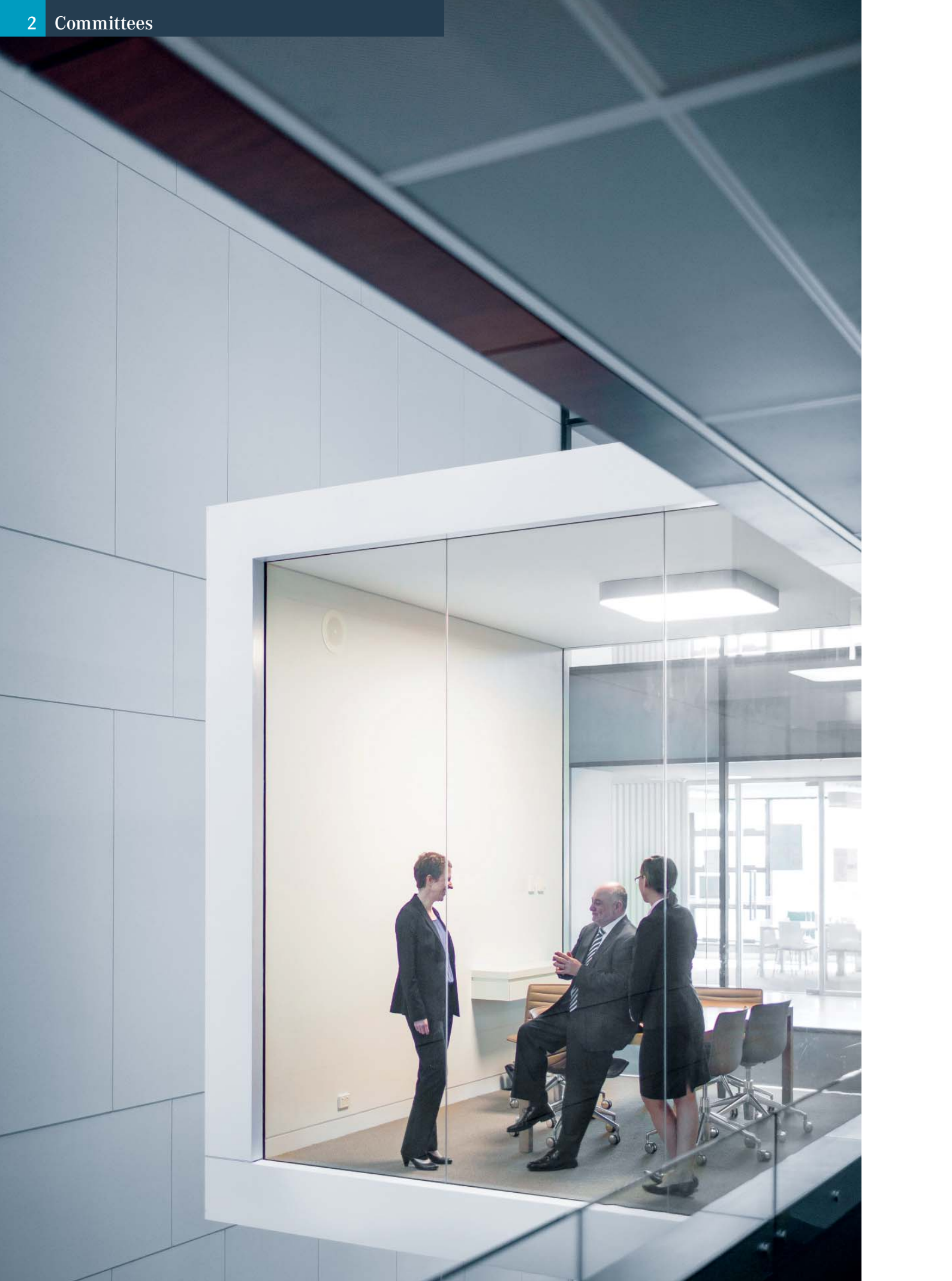
The remuneration of committees and advisory groups is consistent with the Professional Standards Councils' remuneration arrangements.

ROLE	STANDARD REMUNERATION <sup>1</sup>	NO. OF MEETINGS
Chairperson	\$608.00	8
Council Member	\$370.00	8

NAME	ROLE	STATE REPRESENTATION	MEETINGS ATTENDED	TENURE
Brian Rayment QC	Chairman	NSW	7	2005
Esther Alter	Council Member	VIC	7	2005
Robert Beaton	Council Member	NSW	8	2005
Julie Cameron	Council Member	QLD	5	2010
Terry Evans	Council Member	SA	5	2006
Ronald Farrell	Council Member	VIC	6	2006
Tom Karp	Council Member	CTH	4	2010
Joanne Metcalfe	Council Member	ACT	4	2006
Hugh Plaistowe <sup>2</sup>	Council Member	WA	3	2010–12
Rachel Webber	Council Member	WA	2	2013
Tiina-Liisa Sexton	Council Member	TAS	6	2012
Iain Summers	Council Member	NT	7	2006

### Notes:

- Standard remuneration rates are based on meetings of up to four hours. The Chairman is paid \$128 per hour thereafter and council members \$77 per hour thereafter.
- Hugh Plaistowe resigned on 31 December 2012 and was replaced by Rachel Webber on 13 May 2013.





# COMMITTEES

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

- Finance, Audit and Risk Management Committee
- Grants Committee
- Operations Committee
- Legal Issues and Advisory Committee.

## FINANCE, AUDIT AND RISK MANAGEMENT COMMITTEE

This committee discusses operational and risk management issues, specifically financial, budget management, internal controls and business plans.

The members are:

- Iain Summers (Chair)
- Esther Alter
- Ronald Farrell
- Joanne Metcalfe
- Dr Deen Sanders (Secretary).

## GRANTS COMMITTEE

This committee oversees the various grants the Councils offer, including Star Grants.

The members are:

- Madeleine Ogilvie (Chair)
- Terry Evans
- Esther Alter (joined January 2013)
- Joanne Metcalfe
- Dr Deen Sanders (Secretary).

Hugh Plaistowe was a member of this committee until he retired in December 2013. He was replaced by Esther Alter. Madeleine Ogilvie retired from the Professional Standards Councils in December 2011 but was reappointed as Chair of the Grants Committee in February 2012.

## OPERATIONS COMMITTEE

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

The members are:

- Terry Evans (Chair)
- Joanne Metcalfe
- Dr Deen Sanders (Secretary).

## LEGAL ISSUES AND ADVISORY COMMITTEE

This committee provides input on legal enquiries and issues.

The members are:

- Brian Rayment QC (Chair)
- Esther Alter
- Julie Cameron
- Terry Evans
- Dr Deen Sanders (Secretary).

MEMBER	ROLE	NO. OF MEETINGS
<b>FARMC</b>		
Iain Summers	Chairperson	4
Esther Alter	Member	4
Ronald Farrell	Member	4
Joanne Metcalfe	Member	4
<b>Operations</b>		
Terry Evans	Chairperson	1
Joanne Metcalfe	Member	1
<b>Grants</b>		
Madeleine Ogilvie*	Chairperson	4
Terry Evans	Member	2
Joanne Metcalfe	Member	2
Esther Alter	Member	2

\* Attended additional meetings with Executive Officer and staff member.

Note 1: Committee members are paid \$77 per hour.

Note 2: The Executive Officer is the Secretary of each committee.

# OFFICE OF *the Professional Standards Council*



## AGREEMENT

IN 2005, MINISTERS IN ALL STATES AND TERRITORIES SIGNED THE PROFESSIONAL STANDARDS AGREEMENT TO PROVIDE A NATIONAL SYSTEM OF PROFESSIONAL STANDARDS REGULATION.

The OPSC is the regulatory agency of the Professional Standards Councils supported by the NSW Department of Attorney General and Justice. It provides services to all state and territory governments and their relevant Professional Standards Councils. The OPSC has service agreements between Professional Standards Councils in every state and territory and their respective Departments of Attorney General. It acts as the key agent for the Australian Government's combined Professional Standards Councils.

The OPSC's strategic focus is to protect consumers by improving the practices and conduct of professional communities covered by professional standards legislation. It does this by helping the eight Professional Standards Councils apply, administer and regulate professional standards legislation in their jurisdictions, acting as an agent of the Councils.

The organisation delivers a variety of services to a large and diverse range of stakeholders, including the commercial and professional communities. Over the 2012–13 year, it administered 36 schemes across Australia, covering accountants, valuers, computer professionals, engineers, lawyers and barristers.

The OPSC's core business functions are regulatory assurance and scheme management. It also provides services, information and advice to occupational associations and consumers about *Cover of Excellence*<sup>®</sup> scheme applications on behalf of the eight Councils.

The OPSC's regulatory assurance activities include:

- monitoring compliance, including reporting and analysis
- ensuring associations maintain high professional standards by helping them improve their integrity systems and risk management
- supporting the administration of professional standards schemes by supervising the application of those integrity systems
- intervening and remediating when issues arise.

The OPSC's scheme management activities include:

- administering schemes
- supporting schemes by encouraging associations to develop their own professional standards
- developing scheme policies
- analysing schemes, including actuarial and integrity system analytics functions.

## INTER-GOVERNMENTAL AGREEMENTS AND THE OPSC

In 2005, ministers in all states and territories signed the Professional Standards Agreement to provide a national system of professional standards regulation. A review of this agreement occurred in 2011, and all jurisdictions subsequently entered into the Professional Standards Agreement 2011. This agreement allows common membership of all state and territory Professional Standards Councils, and establishes that common services and support are provided to the Councils through the NSW Department of Attorney General and Justice.

Two further agreements (the Professional Standards Council Interdepartmental Service Agreement, and the Professional Standards Councils and Departmental Procurement of Services Agreement) formalise how the OPSC, within the NSW Department, provides advice and services to all the Councils, and how the departments procure these services using fees and other revenue received by the Councils under professional standards legislation.

## ORGANISATIONAL STRUCTURE

The OPSC has a 14-member team of highly qualified and experienced professionals.

### STAFF PROFILE

POSITION GRADE	NO. OF POSITIONS	MEN	WOMEN	PERM/TEMP
Senior Officer – SG 1/2	1	1	0	Permanent
Clerk Grade 11/12	1	0	1	Permanent
Clerk Grade 3/4	1	0	1	Permanent
Clerk Grade 9/10	1	1	0	Permanent
Legal Officer Grade 5/6	1	0	1	Permanent
Dept Prof Officer 5/6	1	1	0	Permanent
Dept Prof Officer 3/4	3	2	1	Permanent
Dept Prof Officer 3/4	2	0	2	Temporary
Dept Prof Officer 3	1	0	1	Permanent
Legal Officer Grade 1/2	1	Vacant	Vacant	Permanent
Dept Prof Officer 2	1	0	1	Permanent



# 36 Schemes

## Administered Nationally in 2012-13



### OPSC ORGANISATIONAL STRUCTURE

As at 30 June 2013





01



02



03

**OPSC STAFF MEMBERS (L TO R)**

- 01. Lalitha Raman  
Suzanne Salopek  
Carla Oliver  
Hau Wong
  - 02. Mary McCrudden  
Louise Pritchard  
Rob Lawson
  - 03. Genevieve Wallace  
Dr Deen Sanders  
Mary Abi-Younes  
Dr Alex Roberts
- Absent: Dr Naomi Degabriele  
Paul Murton  
Michael Grinbergs

**OPSC STAFF MEMBERS**

**Dr Deen Sanders**

**Executive Officer**

*Dr Deen Sanders is Executive Officer of the Professional Standards Councils. He works with industry, government and regulators to protect consumers and promote excellence in professional standards, by encouraging the self-regulation of occupational associations through Cover of Excellence® schemes.*

*Deen is highly experienced in developing professional standards with a background in professions, regulation, financial services, law, corporate governance and education. He was previously head of the Financial Planning Association’s ‘professionalisation’ project and was a member of the global regulatory taskforce for financial planning standards. He has also participated in and/or led a number of government and professional advisory panels in relation to standards and regulation.*

*In 2010, he finalised a Doctorate with a focus on Professions and their Regulation relating to Trust, Ethics and Professional Identity.*

**Carla Oliver**

**Business Operations and Finance Manager**

*Carla Oliver is responsible for continuously improving the efficient and effective delivery of the OPSC’s financial and operational obligations.*

*Carla is a finance and business transformation expert, with a decade of international experience spearheading complex, large-scale, best practice business transformation programs in the private and public sectors.*

**Genevieve Wallace**

**Senior Legal Officer**

*Genevieve Wallace heads up the OPSC’s legal functions. She handles a range of commercial, governance and administrative law matters, with a particular focus on the operation of professional standards legislation. Genevieve’s previous experience includes senior roles at the National E-Health Transition Authority, NSW Crown Solicitor’s Office and Maddocks Lawyers.*

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## Michael Grinbergs

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### Risk and Compliance Manager

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Michael Grinbergs is responsible for ensuring that associations participating in Cover of Excellence® schemes meet compliance and risk requirements. He has more than 14 years post-admission experience in the private sector, in-house (Australian Medical Association), not-for-profit (Mission Australia) and government practice (NSW Crown Solicitor's Office and Fair Trading NSW). His areas of expertise cover industrial relations and employment; administration; and civil, criminal and commercial law litigation and advice.

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## Hau Wong

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### Professional Standards Scheme Manager

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Hau Wong has been a core member of the OPSC since 2007. He manages several professional standards schemes, provides in-house assessment of matters relating to professional indemnity insurance and helps junior staff better understand professional standards legislation.

Prior to joining the OPSC, Hau worked for the Building Owners and Managers Association for more than five years before he was called to the Bar in New South Wales, Australia and in Malaysia, where he practised as an Advocate and Solicitor for Malaysia's High Court for more than 15 years. Hau is a member of the Law Society of New South Wales and holds a current Practising Certificate.

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## Rob Lawson

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### Professional Standards Scheme Manager

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Rob Lawson joined the OPSC in 2006. His primary responsibilities include drafting Council policy, managing Cover of Excellence® schemes and developing advice on association schemes for the Professional Standards Councils. Rob has worked in the NSW public sector since 1981, and has held various management and consultant roles with government bodies, including the Disability Council of NSW, NSW Department of Community Services and NSW Health.

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## Lalitha Raman

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### Professional Standards Scheme Manager

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Lalitha Raman joined the OPSC in January 2013 on secondment. She is responsible for scheme management and legal and policy issues. Lalitha specialises in corporate compliance and policy review and development. A solicitor with more than 20 years experience, she has worked with Baker & Mackenzie, the Australian Taxation Office and the NSW Legal Aid Commission.

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## Dr Naomi Degabriele

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### Policy Officer

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Dr Naomi Degabriele joined the OPSC in August 2008. She has handled scheme applications, established a research function for the OPSC, developed OPSC and Professional Standards Councils policies, and contributed to business management functions with a particular emphasis on internal risk management. Naomi recently joined the Regulatory Assurance team, covering compliance and governance functions. Her previous positions include Senior Compliance Officer and Assessment Officer for the National Industrial Chemicals Notification and Assessment Scheme, a solicitor at Freehills, and post-doctoral roles within the pharmaceutical industry.

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## Louise Pritchard

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### Integrity Systems Officer

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Louise Pritchard has worked in the private, government and tertiary education sectors in law and policy development. At the OPSC, Louise's principal responsibilities include conducting legal research; producing reports and policy documentation; and designing, developing and maintaining complex documents in accordance with legislative requirements, case law and community protocols.

Prior to joining the OPSC, Louise was the Legal Profession Admission Board's Legal Officer. In this role, she gained experience in a regulatory environment that required providing advice and opinion to members of the Board, committees and Board staff on matters relating to legal ethics, conduct, disciplinary actions, and the admission of local and overseas lawyers to the New South Wales Supreme Court.

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## Dr Alex Roberts

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### Research Officer

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Dr Alex Roberts is responsible for developing a new research and thought leadership strategy for the OPSC. Alex has a PhD from the University of Sydney, and her previous roles include research positions at the University of Sydney Law School and the Office of Environment and Heritage.

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## Mary McCrudden

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### Grants Officer

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Mary McCrudden's primary responsibilities have been redeveloping the Star Grants Program, providing policy advice on a range of professional standards issues, assessing applications for Cover of Excellence® schemes and contributing to risk management. Mary's previous experience includes participating in research and policy initiatives at the National Parks and Wildlife Service (NSW) and at the NSW Premier's Department.

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## Suzanne Salopek

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### Senior Administrative Officer

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Suzanne Salopek has more than 30 years experience in various office environments in the commercial, international and government sectors. Since June 2009, she has provided a wide range of administrative and executive support to the senior management of various Department of Attorney General and Justice agencies. Until December 2008, she was the Mission Project Manager for the Organization for Security and Co-operation in Europe Mission to Croatia. Suzanne provides support to the OPSC's Executive Office and Business and Finance Manager in all financial, operational and inter-departmental matters.

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## Mary Abi-Younes

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### Administration Officer

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Mary Abi-Younes supports the Executive Officer, OPSC staff members and Professional Standards Councils members. She has more than 30 years experience working in State and Commonwealth Government departments, including 24 years at the Ministry of Justice and five years at the Australian Taxation Office.

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## Paul Murton

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### Communications Manager

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Paul Murton is responsible for the OPSC and Professional Standards Councils' communication activities. These include highlighting the organisations' new activities and achievements through a number of channels, including brochures, newsletters and the website ([www.psc.gov.au](http://www.psc.gov.au)). Paul has more than 20 years experience in communications, public relations, media, marketing communications and advertising.

# FINANCIAL Statements

## CONSOLIDATED FINANCIAL PERFORMANCE STATEMENT 2012–13<sup>1</sup>

### FINANCIAL PERFORMANCE OF THE PROFESSIONAL STANDARDS COUNCILS

SUMMARY OF INCOME AND  
EXPENSES (AS AT  
30 JUNE 2013)

	ALL STATES (\$)	NSW	QLD	SA	VIC	WA	ACT	NT	TAS
<b>Revenue</b>									
Annual scheme fees <sup>2</sup>	2,670,026	1,246,432	454,123	156,631	616,134	158,200	31,188	7,318	0
Interest on invested funds (net of bank charges)	174,076	109,281	30,102	0	34,693	0	0	0	0
<b>Total revenue</b>	<b>2,844,102</b>	<b>1,355,713</b>	<b>484,225</b>	<b>156,631</b>	<b>650,827</b>	<b>158,200</b>	<b>31,188</b>	<b>7,318</b>	<b>0</b>
Percentage of total revenue	100%	47.67%	17.02%	5.51%	22.88%	5.56%	1.10%	0.26%	0.0%
<b>Expenditure</b>									
Employment costs <sup>3</sup>	(1,141,101)	(543,963)	(194,215)	(62,875)	(261,084)	(63,445)	(12,552)	(2,967)	0
Other expenses <sup>4</sup>	(1,078,247)	(514,001)	(183,518)	(59,411)	(246,703)	(59,951)	(11,861)	(2,803)	0
<b>Total expenses</b>	<b>(2,219,349)</b>	<b>(1,057,964)</b>	<b>(377,733)</b>	<b>(122,286)</b>	<b>(507,787)</b>	<b>(123,396)</b>	<b>(24,413)</b>	<b>(5,770)</b>	<b>0</b>
Less service charges invoiced to 30 June 2013 (based on percentage of total revenue) <sup>5</sup>	2,219,349	1,057,964	377,733	122,286	507,787	123,396	24,413	5,770	0

#### Notes:

- This unaudited statement is derived from the information provided by the New South Wales Department of Attorney General and Justice (NSW DAGJ) and records kept by the Office of the Professional Standards Councils (OPSC). NSW DAGJ provides financial services to the Councils. All revenue and expenditure figures are prepared on an accruals basis of accounting and are exclusive of Goods and Services Tax.  
The annual financial statements for South Australia, Queensland, Western Australia and Victoria are required under their respective legislation, and audited financial statements are provided separately to the Attorneys General of those jurisdictions for tabling in their respective parliaments.
- Revenue comprises scheme application fees, annual fees and quarterly adjustments for new entrants to schemes.
- Employment costs are for the OPSC and include temporary and agency staff.
- Other expenses comprise operating expenses and grants administered, and exclude depreciation and crown liabilities. For a detailed breakdown of other expenses, please refer to the table on page 53.
- Service charges invoiced to each state (based on full-year estimated OPSC expenses as at 30 June 2012) are derived from the financial records of NSW DAGJ and allocated to each state as per the Professional Standards Interdepartmental Agreement 2010 (extended to 30 June 2013). Under this agreement, signed by each state and territory DAGJ, each Professional Standards Council bears a proportion of the total expenditure based on that Council's share of the total revenue of all Professional Standards Councils. Each Council is invoiced by NSW DAGJ for its proportion of the total expenditure.
- Consultancy fees were for providing independent actuarial, compliance and legal advice; statistical and academic research for schemes; and communications advice.
- Allowances paid to Council members were at rates determined by the NSW Attorney General, in accordance with Clause 4, Schedule 2 of the *Professional Standards Act 1994* (NSW). These allowances are the same for all members, with the exception of the Chair. For details of allowances paid, please refer to the table on page 53.

## DETAILED EXPENDITURE

	ALL STATES (\$)	NSW	QLD	SA	VIC	WA	ACT	NT	TAS
<b>Employee-related payments (ERP)</b>									
Salaries and wages	(851,543)	(405,930)	(144,933)	(46,920)	(194,833)	(47,346)	(9,367)	(2,214)	0
Leave entitlements	(78,146)	(37,252)	(13,300)	(4,306)	(17,880)	(4,345)	(860)	(203)	0
Workers compensation	(4,430)	(2,112)	(754)	(244)	(1,014)	(246)	(49)	(12)	0
Payroll tax	(51,531)	(24,565)	(8,770)	(2,839)	(11,790)	(2,865)	(567)	(134)	0
Payroll tax on accumulation of super schemes	(3,960)	(1,888)	(674)	(218)	(906)	(220)	(44)	(10)	0
Accumulation super schemes									
FSS – SGC	(78,157)	(37,257)	(13,302)	(4,306)	(17,882)	(4,346)	(860)	(203)	0
Contractors	(73,335)	(34,959)	(12,482)	(4,041)	(16,779)	(4,077)	(807)	(191)	0
<b>Total ERP</b>	<b>(1,141,101)</b>	<b>(543,963)</b>	<b>(194,215)</b>	<b>(62,875)</b>	<b>(261,084)</b>	<b>(63,445)</b>	<b>(12,552)</b>	<b>(2,967)</b>	<b>0</b>
<b>Other operating expenses</b>									
Advertising and publicity	(119,147)	(56,797)	(20,279)	(6,565)	(27,261)	(6,625)	(1,311)	(310)	0
External audit	(67,354)	(32,108)	(11,464)	(3,711)	(15,411)	(3,745)	(741)	(175)	0
Consultancies <sup>6</sup>	(368,622)	(175,722)	(62,739)	(20,311)	(84,341)	(20,495)	(4,055)	(958)	0
Electricity and gas	(3,794)	(1,809)	(646)	(209)	(868)	(211)	(42)	(10)	0
Board fees and other fees <sup>7</sup>	(84,793)	(40,421)	(14,432)	(4,672)	(19,401)	(4,715)	(933)	(220)	0
Freight and cartage	0	0	0	0	0	0	0	0	0
General expenses	(475)	(226)	(81)	(26)	(109)	(26)	(5)	(1)	0
Insurance	(14,842)	(7,075)	(2,526)	(818)	(3,396)	(825)	(163)	(39)	0
Motor vehicles	(711)	(339)	(121)	(39)	(163)	(40)	(8)	(2)	0
Postal expenses	(404)	(193)	(69)	(22)	(92)	(22)	(4)	(1)	0
Printing	(15,146)	(7,220)	(2,578)	(835)	(3,465)	(842)	(167)	(39)	0
Publications	(14,806)	(7,058)	(2,520)	(816)	(3,388)	(823)	(163)	(38)	0
Rates and outgoings	(224)	(107)	(38)	(12)	(51)	(12)	(2)	(1)	0
Rent – government-owned	(64,629)	(30,809)	(11,000)	(3,561)	(14,787)	(3,593)	(711)	(168)	0
Rent – other	(811)	(387)	(138)	(45)	(186)	(45)	(9)	(2)	0
Staff expenses	(11,352)	(5,411)	(1,932)	(625)	(2,597)	(631)	(125)	(30)	0
Stores and stationery	(34,596)	(16,492)	(5,888)	(1,906)	(7,916)	(1,924)	(381)	(90)	0
Telephone	(2,398)	(1,143)	(408)	(132)	(549)	(133)	(26)	(6)	0
Travel	(74,043)	(35,296)	(12,602)	(4,080)	(16,941)	(4,117)	(814)	(193)	0
Accommodation building work	(735)	(350)	(125)	(40)	(168)	(41)	(8)	(2)	0
NSW AGD service charge	(32,700)	(15,588)	(5,566)	(1,802)	(7,482)	(1,818)	(360)	(85)	0
<b>Total other operating expenses</b>	<b>(911,581)</b>	<b>(434,551)</b>	<b>(155,151)</b>	<b>(50,228)</b>	<b>(208,570)</b>	<b>(50,684)</b>	<b>(10,027)</b>	<b>(2,370)</b>	<b>0</b>
<b>Grants and subsidies</b>									
Grants to non-profit organisations	(166,667)	(79,450)	(28,367)	(9,183)	(38,133)	(9,267)	(1,833)	(433)	0
<b>Total other expenses</b>	<b>(1,078,247)</b>	<b>(514,001)</b>	<b>(183,518)</b>	<b>(59,411)</b>	<b>(246,703)</b>	<b>(59,951)</b>	<b>(11,861)</b>	<b>(2,803)</b>	<b>0</b>
<b>Total expenditure</b>	<b>(2,219,349)</b>	<b>(1,057,964)</b>	<b>(377,733)</b>	<b>(122,286)</b>	<b>(507,787)</b>	<b>(123,396)</b>	<b>(24,413)</b>	<b>(5,770)</b>	<b>0</b>

# STATE *and* TERRITORY Professional Standards Councils

## THE PROFESSIONAL STANDARDS COUNCIL

### ACT



#### CONSTITUTION OF THE COUNCIL

Members of the Professional Standards Council of the Australian Capital Territory (ACT) were entitled to attend eight meetings for the year. Please refer to page 45 for a summary of meeting attendance.

#### MAJOR LEGISLATIVE CHANGES

Amendments were made to the *Civil Law (Wrongs) Act 2002* (ACT) by the *Justice and Community Safety Legislation Amendment Act 2012* (No.2) during 2012–13. As a result, the ACT Professional Standards Council was empowered to approve schemes rather than recommend schemes, thereby becoming consistent with other Councils.

The Civil Law (Wrongs) Regulation 2003 was amended as follows:

- by the Civil Law (Wrongs) Amendment Regulation 2012 (No.1) SL2012-14, which came into force on 27 April 2012; and
- by the *Statute Law Amendment Act 2012* A2012-21 Sch 3 Pt 3.3, which came into force on 5 June 2012.

These amendments are not relevant to the professional standards sections of the Act.

#### RISK MANAGEMENT AND INTERNAL AUDIT

Please refer to the corporate governance section on page 45.

#### PUBLIC INTEREST DISCLOSURE

There were no public interest disclosures for the 2012–13 reporting period.

#### FREEDOM OF INFORMATION

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

Section 7 of the Act requires the Council to publish a statement about the agency's particulars, functions and powers, as well as certain categories of documents held by each agency and the arrangements for public participation in formulating policy and operations. The following statements are correct as at 30 June 2013.

#### ORGANISATION AND FUNCTION

Please refer to page 41 for the Council's organisational structure and function.

#### CATEGORY OF DOCUMENTS

The Council holds several categories of documents that are available on the Professional Standards Councils website ([www.psc.gov.au](http://www.psc.gov.au)), including:

- annual report
- scheme application form
- scheme guidance
- policy papers
- application guidelines.

#### SCHEME DOCUMENTS

Documents that are exempt under the *Freedom of Information Act 1989* (ACT).

All other documents that may be available under the Act.

Personal information is not held or collected by the Council.

Section 8: The Council makes its decisions to approve *Cover of Excellence*<sup>®</sup> schemes by considering an association's individual application, assessing independent actuarial advice and acting within the confines of all legislative requirements of the schemes. A copy of the application form the associations must complete, along with application guidelines, is available online at [www.psc.gov.au](http://www.psc.gov.au).

Associations must provide a large amount of information to the Council when they apply for the scheme. This includes insurance data about the highest claims, types of claims and level of claims. Associations must also include their risk management strategies, education and other qualification requirements, and code of ethics and conduct.

#### OPSC STAFF PROFILE

Please refer to page 50 for a list of staff members who perform secretariat work for the Professional Standards Council of the ACT.

#### 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 used by the *Territory Records Act 2002* (ACT).

#### FINANCIAL PERFORMANCE

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

Please refer to the Consolidated Financial Performance Statement on page 52 for the Professional Standards Council of the ACT's revenue and expenses for 2012–13.



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# THE PROFESSIONAL STANDARDS COUNCIL

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NSW



## CONSTITUTION OF THE COUNCIL

Members of the Professional Standards Council of NSW were entitled to attend eight meetings for the year. Please refer to page 45 for a summary of meeting attendance.

## MAJOR LEGISLATIVE CHANGES

No major changes were made to professional standards legislation during 2012–13.

## RISK MANAGEMENT AND INTERNAL AUDIT

Please refer to the corporate governance section on page 45.

## PUBLIC INTEREST DISCLOSURE

There were no public interest disclosures for the 2012–13 reporting period.

## GOVERNMENT INFORMATION (PUBLIC ACCESS) ACT 2009 (NSW)

The *Government Information (Public Access) Act 2009 (NSW) (GIPA Act)*, requires all NSW Government agencies (including NSW Department of Attorney General and Justice business centres) to respond to requests for information, unless there is an overriding public interest against disclosing the information.

The NSW Department of Attorney General and Justice did not receive any requests under GIPA Act in relation to the Professional Standards Council of NSW during the reporting period.

## OCCUPATIONAL HEALTH AND SAFETY DISCLOSURE

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

## FUNDS GRANTED TO NON-GOVERNMENT COMMUNITY ORGANISATIONS

In 2012–13, three associations were offered the opportunity to enter into funding agreements. The Council has approved the grants but the funds were not awarded during this reporting period. They will be distributed in the 2013–14 financial year.

## CONSULTANTS

Any costs incurred as a result of hiring consultants are detailed in the Consolidated Financial Performance Statement on page 52.

## OVERSEAS TRAVEL

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

## LAND DISPOSAL

The Professional Standards Council of NSW and the OPSC do not own properties, nor did they acquire or dispose of properties during the reporting period.

## PUBLICATIONS AND PROMOTION

The Professional Standards Council of NSW produces a variety of publications to facilitate improvements in the professions and support consumer protection.

The Council produced the following publications in 2012–13:

- *Professional Standards Councils: Combined Annual Report 2012–13*
- *Star Grants Program: Expression of Interest*
- *Professional Standards Research Grant: Expressions of Interest.*

## 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 on page 45.

## ETHNIC AFFAIRS PRIORITIES STATEMENT

The Council is governed by the NSW DAGJ's Ethnic Affairs Priority Statement and the Culturally and Linguistically Diverse (CALD) Communities Access Plan. The Council provides translators and interpreters to ensure its services are accessible to CALD communities.

## WASTE MANAGEMENT

The OPSC staff are governed by the NSW DAGJ Environment Policy, which demonstrates a commitment to reducing the effects of operations on the natural environment. NSW DAGJ also has a Sustainability Policy in place. The Council and the OPSC have continued to comply with these policies to limit the impact of their operations on the environment.

For example, Council meeting papers are printed on both sides using 50 per cent recycled paper. In most cases, lengthy addenda are provided electronically to Councillors. A number of Councillors only receive electronic copies of their documents, reducing the use of paper and print processing. Promotional material such as the annual report is produced on 55 per cent recycled paper. The Council only prints the required number of annual reports and makes the report available online at [www.psc.gov.au](http://www.psc.gov.au).

## FINANCIAL PERFORMANCE

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

Please refer to the Consolidated Financial Performance Statement on page 52 for the Professional Standards Council of NSW's revenue and expenses for 2012–13.

## THE PROFESSIONAL STANDARDS COUNCIL

# NT



### CONSTITUTION OF THE COUNCIL

Members of the Professional Standards Council of the NT were entitled to attend eight meetings for the year. Please refer to page 45 for a summary of meeting attendance.

### MAJOR LEGISLATIVE CHANGES

No major changes were made to professional standards legislation during 2012–13.

### PUBLIC INTEREST DISCLOSURE

There were no public interest disclosures for the 2012–13 reporting period.

### INFORMATION ACT 2002 (NT)

The Council did not receive any freedom of information requests, nor were there any outstanding requests for information pursuant to the *Information Act 2002* (NT) during the reporting period.

## PROTECTION OF PERSONAL INFORMATION

The Council does not hold or collect personal information.

The Council is required to consider an association's individual application, independent actuarial advice and the scheme's legislative requirements when deciding whether or not to approve an association's application for a Cover of Excellence® scheme. The application form and guidelines are available online at [www.psc.gov.au](http://www.psc.gov.au).

Associations must provide a large amount of information to the Council when they apply for the scheme. This includes insurance data about the highest claims, types of claims and level of claims. Associations must also include their risk management strategies, education and other qualification requirements, and code of ethics and conduct.

### RECORD KEEPING

Sound record keeping practices underpin good governance. The Council has a system in place to ensure documents can be accurately captured, stored and retrieved, and to comply with the requirements of the *Information Act 2002* (NT).

### PUBLIC INTEREST DISCLOSURE ACT

There were no public interest disclosures for the period 2012–13.

### FINANCIAL PERFORMANCE

The Professional Standards Council of the NT is not required to compile financial statements. The OPSC is responsible for collecting revenue and operating within budget. During the reporting period, the OPSC undertook these tasks.

Please refer to the Consolidated Financial Performance Statement on page 52 for the Professional Standards Council of the NT's revenue and expenses for 2012–13.

## THE PROFESSIONAL STANDARDS COUNCIL

# QLD



### CONSTITUTION OF THE COUNCIL

Members of the Professional Standards Council of Queensland were entitled to attend eight meetings for the year. Please refer to page 45 for a summary of meeting attendance.

### MAJOR LEGISLATIVE CHANGES

No major changes were made to professional standards legislation during 2012–13.

### RISK MANAGEMENT AND INTERNAL AUDIT

Please refer to the corporate governance section on page 45.

### RIGHT TO INFORMATION REPORTING

The *Right to Information Act 2009* (Qld) grants the public the right to access information that the government possesses or controls, unless it is contrary to the public interest to do so.

Information about the Council's role and operations – as well as annual reports, policy and discussion papers, application forms and guidelines for *Cover of Excellence*® schemes – are available online at [www.psc.gov.au](http://www.psc.gov.au).

Consultation notices for new *Cover of Excellence*® schemes are also published on the website and in major newspapers. Once a scheme becomes operational in Queensland, the scheme document and summary is made available on the website for public access.

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

## PROTECTION OF PERSONAL INFORMATION

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

The Council does not hold or collect personal information.

The Council is required to consider an association's individual application, independent actuarial advice and the scheme's legislative requirements when deciding whether or not to approve an association's application for a *Cover of Excellence*<sup>®</sup> scheme. The application form and guidelines are available online at [www.psc.gov.au](http://www.psc.gov.au).

Associations must provide a large amount of information to the Council when they apply for the scheme. This includes insurance data about the highest claims, types of claims and level of claims. Associations must also include their risk management strategies, education and other qualification requirements, and code of ethics and conduct.

## 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
- danger to the environment.

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

## CONSULTANTS

Any costs incurred as a result of hiring consultants are detailed in the Consolidated Financial Performance Statement on page 52.

## OVERSEAS TRAVEL

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

## RECORD KEEPING

Sound record keeping practices underpin good governance. The Council has a system in place to ensure documents can be accurately captured, stored and retrieved, and to comply with the requirements of the *Public Records Act 2002* (Qld) and Information Standard 40: Record-keeping and Information Standard 31.

## WASTE MANAGEMENT

The Council is governed by the NSW DAGJ's Environment Policy and Sustainability Policy. The Council and the OPSC have continued to comply with these policies to limit the impact of their operations on the environment.

For example, Council meeting papers are printed on both sides using 50 per cent recycled paper. In most cases, lengthy addenda are provided electronically to Councillors. A number of Councillors only receive electronic copies of their documents, reducing the use of paper and print processing. Promotional material such as the annual report is produced on 55 per cent recycled paper. The Council only prints the required number of annual reports and makes the report available online at [www.psc.gov.au](http://www.psc.gov.au).

## FINANCIAL PERFORMANCE

The audited financial statements of the Professional Standards Council of Queensland are attached as an addendum to this report.

Please refer to the Consolidated Financial Performance Statement on page 52 for the Professional Standards Council of Queensland's revenue and expenses for 2012–13.

# THE PROFESSIONAL STANDARDS COUNCIL

SA



## CONSTITUTION OF THE COUNCIL

Members of the Professional Standards Council of South Australia were entitled to attend eight meetings for the year. Please refer to page 45 for a summary of meeting attendance.

## MAJOR LEGISLATIVE CHANGES

No major changes were made to professional standards legislation during 2012–13.

## FRAUD

There were no instances of fraud during the reporting period.

## FREEDOM OF INFORMATION REPORTING

The Council is required to publish a statement about the particulars, functions and powers of that agency, as well as certain categories of documents held by each agency and the arrangements for public participation in formulating policy and operations. The following statement is correct as of 30 June 2013.

## ORGANISATION AND FUNCTIONS

Please refer to page 41 for the Council's organisational structure and function.

## DOCUMENT CATEGORIES

The Council holds several categories of documents, including:

- those that are available on request and without charge. These can be found on the Professional Standards Councils website ([www.psc.gov.au](http://www.psc.gov.au)). Specifically, these include:
  - annual reports
  - scheme application form
  - policy papers
  - application guidelines
  - scheme documents
- those that are exempt under the *Freedom of Information Act 1991* (SA), and other documents that may be available under this Act.

## PROTECTION OF PERSONAL INFORMATION

The Council does not hold or collect personal information.

The Council is required to consider an association's individual application, independent actuarial advice and the scheme's legislative requirements when deciding whether or not to approve an association's application for a *Cover of Excellence*<sup>®</sup> scheme. The application form and guidelines are available online at [www.psc.gov.au](http://www.psc.gov.au).

Associations must provide a large amount of information to the Council when they apply for the scheme. This includes insurance data about the highest claims, types of claims and level of claims. Associations must also include their risk management strategies, education and other qualification requirements, and code of ethics and conduct.

## RECORD KEEPING

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 9am and 5pm from Monday to Friday (except public holidays).

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

## CONSULTANTS

Any costs incurred as a result of hiring consultants are detailed in the Consolidated Financial Performance Statement on page 52.

## PUBLIC INTEREST DISCLOSURE

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

## OCCUPATIONAL HEALTH AND SAFETY DISCLOSURE

The OPSC staff are bound by the *Work Health and Safety Act 2011* (NSW) under the NSW DAGJ. There were no work-related injuries, illnesses or prosecutions during the reporting period.

## FINANCIAL PERFORMANCE

The audited financial statements of the Professional Standards Council of South Australia are attached as an addendum to this report.

Please refer to the Consolidated Financial Performance Statement on page 52 for the Professional Standards Council of South Australia's revenue and expenses for 2012–13.

# THE PROFESSIONAL STANDARDS COUNCIL

# TAS



## CONSTITUTION OF THE COUNCIL

Members of the Professional Standards Council of Tasmania were entitled to attend eight meetings for the year. Please refer to page 45 for a summary of meeting attendance.

## MAJOR LEGISLATIVE CHANGES

No major changes were made to professional standards legislation during 2012–13.

## FINANCIAL PERFORMANCE

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

Please refer to the Consolidated Financial Performance Statement on page 52 for the Professional Standards Council of Tasmania's revenue and expenses for 2012–13.

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## THE PROFESSIONAL STANDARDS COUNCIL

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# VIC



### CONSTITUTION OF THE COUNCIL

Members of the Professional Standards Council of Victoria were entitled to attend eight meetings for the year. Please refer to page 45 for a summary of meeting attendance.

### MAJOR LEGISLATIVE CHANGES

No major changes were made to professional standards legislation during 2012–13.

### NATIONAL COMPETITION POLICY

The Professional Standards Council of Victoria, to the extent applicable, complies with the requirements of the National Competition Policy.

### REPORTING OF OFFICE-BASED ENVIRONMENTAL IMPACTS

The Minister for Finance issued financial reporting directions that 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 governed by the NSW DAGJ's Environment Policy and Sustainability Policy. The Council and the OPSC have continued to comply with these policies to limit the impact of their operations on the environment.

For example, Council meeting papers are printed on both sides using 50 per cent recycled paper. In most cases, lengthy addenda are provided electronically to Councillors. A number of Councillors only receive electronic copies of their documents, reducing the use of paper and print processing. Promotional material such as the annual report is produced on 55 per cent recycled paper. The Council only prints the required number of annual reports and makes the report available online at [www.psc.gov.au](http://www.psc.gov.au).

## VICTORIAN INDUSTRY PARTICIPATION POLICY

The Professional Standards Council of Victoria did not enter into or complete any contracts worth more than \$3 million in metropolitan Melbourne or \$1 million in regional Victoria, and is not required to report under the Victorian Industry Participation Policy.

### FREEDOM OF INFORMATION REPORTING

The *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 1992* (Vic) during 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) AND PROTECTED DISCLOSURE ACT 2012

The *Protected Disclosure Act 2012* (Vic) which came into force in February 2013, encourages and facilitates disclosures of improper conduct by public officers and public bodies. It repealed the *Whistleblower Protection Act 2001* (Vic). In 2012–13, the Professional Standards Council of Victoria did not receive any disclosures covered by either the *Whistleblowers Protection Act 2001* (Vic) or the *Protected Disclosure Act 2012* (Vic).

### OPSC STAFF PROFILE

Please refer to page 50 for a list of staff members who perform secretariat work for the Professional Standards Council of Victoria.

### FINANCIAL PERFORMANCE

The audited financial statements of the Professional Standards Council of Victoria are attached as an addendum to this report.

Please refer to the Consolidated Financial Performance Statement on page 52 for the Professional Standards Council of Victoria's revenue and expenses for 2012–13.

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## THE PROFESSIONAL STANDARDS COUNCIL

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# WA



### CONSTITUTION OF THE COUNCIL

Members of the Professional Standards Council of WA were entitled to attend eight meetings for the year. Please refer to page 45 for a summary of meeting attendance.

### ENABLING LEGISLATION

The Professional Standards Council of WA was established under section 8 of the *Professional Standards Act 1997* (WA). The Council is listed as a statutory authority in Schedule 1 of the *Financial Management Act 2006* and is subject to the provisions of the *Public Sector Management Act 1994*.

### ADMINISTERED LEGISLATION

The Professional Standards Council of WA assists the Minister in administering the *Professional Standards Act 1997* (WA).

No major changes were made to professional standards legislation during 2012–13.

### RESPONSIBLE MINISTER

The responsible minister is Hon. Michael Mishcin MLC Attorney General.

### SHARED RESPONSIBILITIES WITH OTHER AGENCIES

Please refer to page 48.

### MINISTERIAL DIRECTIVES

No ministerial directives were received during the financial year.

### OTHER FINANCIAL DISCLOSURES

#### CAPITAL WORKS

The Council has no capital works projects.

### EMPLOYMENT AND INDUSTRIAL RELATIONS

#### ORGANISATIONAL STRUCTURE

For information regarding Council's members and their profiles, please refer to page 41.

#### OPSC STAFF PROFILE

Please refer to page 50 for a list of staff members who perform secretariat work for the Professional Standards Council of WA.

### STAFF DEVELOPMENT

The Council is committed to developing its employees. Our strategies are designed to build a highly skilled, professional and fair workforce with the ability to adapt to changing business technology and the environment.

### WORKERS COMPENSATION

No workers compensation claims were recorded during 2012–13.

### GOVERNANCE DISCLOSURES

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

### OTHER LEGAL REQUIREMENTS

#### ADVERTISING AND MARKETING

The Professional Standards Council of WA did not incur any advertising or marketing expenditure under the *Electoral Act 1907* (WA) Section 175ZE (advertising).

#### RECORD KEEPING

Under the *State Records Act 2000* (WA), each government entity is required to have a record keeping plan that accurately reflects its record keeping program. Annual reports must address:

- whether the entity's record keeping systems have been evaluated or when an evaluation is proposed
- the nature and extent of any record keeping training
- whether the training has been reviewed
- assurances that the entity's induction program addresses employee roles and responsibilities.

Sound record keeping practices underpin good governance. In accordance with the requirements of the *State Records Act 1998* (NSW), the Council's record keeping system (maintained by the OPSC within the NSW DAGJ) ensures documents can be accurately captured, stored and retrieved.

### OCCUPATIONAL SAFETY, HEALTH AND INJURY MANAGEMENT

The Council is committed to providing and maintaining a safe and healthy work environment for its employees and the general public, and acknowledges its responsibilities under the *Occupational Safety and Health Act 1984* and the *Workers Compensation and Injury Management Act 1981*. During the 2012–13 reporting period, no workers compensation claims were lodged nor was any time lost from work as a result of illness or injury.

#### REPORT OF ANNUAL PERFORMANCE AGAINST TARGETS

MEASURE	TARGET 2012–13	ACTUAL 2012–13
Number of fatalities	0	0
Lost time injury and/or disease severity rate	0	0
Lost time injury severity rate	0	0
Percentage of injured workers returned to work within	Greater than or equal to 80%	N/A
(i) 13 weeks		N/A
(ii) 26 weeks		N/A
Percentage of managers trained in occupational safety, health and injury management responsibilities	Greater than or equal to 80%	100%

#### FINANCIAL PERFORMANCE

The audited financial statements of the Professional Standards Council of WA are attached as an addendum to this report.

Please refer to the Consolidated Financial Performance Statement on page 52 for the Professional Standards Council of WA's revenue and expenses for 2012–13.

## APPENDIX

The Professional Standards Councils are funded by an annual fee paid by each participating member of an association with a *Cover of Excellence*<sup>®</sup> scheme.

The NSW Audit Office validates the revenue received by each Council and its proportion of expenditure as part of the annual reporting process.



# ACRONYMS, ABBREVIATIONS *and Definitions*

ACT	Australian Capital Territory
ACS	Australian Computer Society
APIV	Australian Property Institute Valuers Limited
APRA	Australian Prudential Regulation Authority
ARMR	Annual Risk Management Report
ASIC	Australian Securities and Investments Commission
ATMA	Association of Taxation & Management Accountants
AVI	Australian Valuers Institute (formerly Institute of Consulting Valuers)
BAQ	Bar Association of Queensland
CIRCEA	College of Investigative and Remedial Consulting Engineers of Australia
COAG	Council of Australian Governments
CoE	Cover of Excellence®
COE	Continuing Occupational Education
CPA	CPA Australia Limited
CPD	Continuing Professional Development
DAGJ	Department of Attorney General and Justice
EA	Engineers Australia
FARMCs	Finance, Audit and Risk Management Committees
FOI	Freedom of Information legislation
GIPA	<i>Government Information (Public Access) Act 2009</i>
ICAA	Institute of Chartered Accountants in Australia
IFAC	International Federation of Accountants
IPA	Institute of Public Accountants
IRMP	Internal Risk Management Plan
LIAG	Legal Issues Advisory Group
LIV	Law Institute of Victoria
LRSR	Liability Reform Steering Group
LSNSW	Law Society of New South Wales
LSSA	Law Society of South Australia



<b>NIA</b>	National Institute of Accountants
<b>NSW</b>	New South Wales
<b>NSW Bar</b>	New South Wales Bar Association
<b>NSW DAGJ</b>	New South Wales Department of Attorney General and Justice
<b>NT</b>	Northern Territory
<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>PSC</b>	Professional Standards Council
<b>PSLWG</b>	Professional Standards Legislation Working Group
<b>PSOA</b>	Professional Surveyors Occupational Association
<b>Professional association</b>	The terms 'professional association' and 'occupational association' (or 'association') are used interchangeably in this document
<b>Qld</b>	Queensland
<b>QLS</b>	Queensland Law Society
<b>RICS</b>	Royal Institution of Chartered Surveyors
<b>RMP</b>	Risk Management Plan
<b>SA</b>	South Australia
<b>SABA</b>	South Australian Bar Association
<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>SCLJ</b>	Standing Councils on Law and Justice
<b>Secretariat</b>	The staff of the Office of the Professional Standards Councils, within the NSW Department of Attorney General and Justice
<b>Tas</b>	Tasmania
<b>The Councils</b>	The Professional Standards Councils of the Australian Capital Territory, New South Wales, the Northern Territory, Queensland, South Australia, Tasmania, Victoria and Western Australia
<b>Vic</b>	Victoria
<b>Vic Bar</b>	Victorian Bar Incorporated
<b>WA</b>	Western Australia

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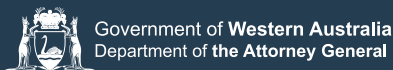
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This information can be provided in alternative formats such as Braille, audiotape, large print or computer disk. Please contact the Diversity Services business centre of the NSW Department of Attorney General and Justice on (02) 8688 7507 (voice), (02) 8688 7733 (TTY – for people who are deaf or have a speech impairment) or [diversity\\_services@agd.nsw.gov.au](mailto:diversity_services@agd.nsw.gov.au).

Photographs by Matthew Fatches and Graham Jepson.

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