

# **ANNUAL REPORT 2019-20 HIGHLIGHTS**

Protecting consumers by improving professional standards



VIC Professional Standards Councils member, Dr Pam Montgomery.

# OUR VISION, MISSION AND MANDATE

## OUR VISION

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

## OUR MISSION

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

## OUR MANDATE

### PROTECT CONSUMERS

Our goal is to protect consumers of professional services across Australia by demanding high levels of professional standards from those who participate in the national system of professional standards regulation. Occupational associations with an approved professional standards scheme and their members have committed to ensuring competent and ethical conduct in providing services and ensuring avenues of resolution and redress are available to consumers.

### IMPROVE PROFESSIONAL STANDARDS

Our role involves encouraging and assisting associations to improve the professional standards of their members by implementing occupational risk management strategies and professional integrity systems.

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

### HELP ASSOCIATIONS

Our role is to approve and supervise the operation of professional standards schemes. This involves helping occupational associations to develop their professional standards and regulatory systems, as well as to comply with the professional standards legislation.

Participating in an approved scheme allows limits to be placed on the civil liability of professionals who are members of an association and ensure there will be compensation available to consumers up to that limit.

# PERFORMANCE SUMMARY

## SCHEME APPLICATION REDESIGN

Commenced a project in close collaboration with stakeholders to modernise the framework for professional standards scheme applications.

## PROFESSIONAL STANDARDS FORUM

The November 2019 Forum had a respondent satisfaction rating of 93%. The March 2020 Forum was postponed due to COVID-19 public health measures.

## PROFESSIONAL STANDARDS IMPROVEMENT PROGRAM (PSIP)

100% of PSIP reports were provided by associations on time.

## AUSTRALIAN RESEARCH COUNCIL LINKAGE PROJECT

The Councils received an Australian Research Council grant as a major research partner of Griffith University for a three-year Linkage Project - Constructing Building Integrity: Raising Standards through Professionalism.

## SUBMISSIONS TO INQUIRIES AND REVIEWS

The Councils' strategic focus on the financial services and built environment sectors included two submissions to promote professional standards regulation as a response to government policy requirements, changing market conditions and community expectations.

## COVID-19 REGULATED ASSOCIATIONS SURVEY

Feedback was sought from regulated associations to share insights across professions on strategies to respond to COVID-19 related risks and protect consumers of members' services.

## NET PROMOTER SCORE

The Authority established for the first time a baseline Net Promoter Score for combined regulatory services of 56.



## I am proud of the efforts of the Councils to maintain the effective regulation of professional and occupational associations throughout the year, including through the COVID-19 pandemic.

The Councils focused during the year on engaging with all our stakeholders to ensure the regulatory system is well understood and driving continuous improvement in professional standards. We published our first Stakeholder Engagement Framework in August 2019, which sets out the principles and standards that apply when we consult and engage with our stakeholders. Engagement with stakeholders provides the Councils with a greater understanding of the key issues in professional standards regulation and helps to build stakeholder capacity to meet regulatory requirements. We also took a significant step forward on delivering a redesign of the professional standards scheme application framework with a discovery project commencing in February 2020. We are well advanced in understanding the ways in which the application process can be improved, being assisted by a Reference Group of expert and experienced advisers

and representatives from associations. The new application framework will be developed and tested in the next reporting period, ready for a pilot program in early 2021. Other priorities for us in the year ahead are focused on our goals published in Strategy 2021, by extending the benefits of professional standards schemes into the built environment sector, refreshing our guidance on developing codes of ethics and encouraging consumer protection and ethics considerations in addressing sexual harassment in the legal profession. The Councils will also collaborate with researchers and other regulators to investigate ways to improve professional standards in building and construction occupations and the means for measuring change, assisted by an Australian Research Council grant awarded in May 2020 and to be led by Griffith University.

**John Vines OAM**  
Chair  
Professional Standards Councils

From left: WA Professional Standards Councils member, Ms Rachel Webber, presenting President of the Law Society of Western Australia, Mr Greg McIntyre SC, and Acting Chief Executive Officer of the Law Society of Western Australia, Ms Mary Woodford, with a certificate in recognition of their new scheme in August 2019.



**16** / SCHEMES  
IN FORCE  
NATIONALLY

**1** / SCHEME NOT  
APPROVED

NSW BAR ASSOCIATION LTD AND WESTERN AUSTRALIAN BAR ASSOCIATION INC HAD NEW PROFESSIONAL STANDARDS SCHEMES APPROVED FOLLOWING A PREVIOUS SCHEME.

A NEW SCHEME WAS ALSO APPROVED FOR A NEW ASSOCIATION, THE ASSOCIATION OF CONSULTING SURVEYORS NATIONAL LTD.

**3** / SCHEMES  
APPROVED

**1** / SCHEME  
EXPIRED


**82,193**

ASSOCIATION MEMBERS SUBJECT TO SCHEMES

**3** / FEE WAIVERS  
WERE  
DECIDED

**3** / PUBLIC  
NOTIFICATIONS  
CONDUCTED

FOR PUBLIC CONSULTATION ON SCHEMES

AN INCREASE OF  
**5.5%** 



**We have stepped up our engagements to encourage a broader range of occupational associations considering professional standards schemes and their benefits.**

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

## ACHIEVEMENTS

- ✓ Provided advice and assistance to the Building Ministers' Forum on the professional standards regulatory system.
- ✓ Published a new Stakeholder Engagement Framework.
- ✓ Provided advice to regulators in the built environment on the operation of professional standards schemes and their mutually reinforcing relationship with statutory regulation.
- ✓ Delivered encouragement to over 50 associations in the built environment sector, receiving three letters of commitment to progress applications for professional standards schemes.
- ✓ Facilitated the amendment by all jurisdictions of the Professional Standards Inter-Departmental Service Agreement 2016 to remedy issues related to the use of retained fee revenue by the Councils in fulfillment of their mandate.
- ✓ Engaged with all regulated associations to consult on the identification and treatment of risks to their operational, compliance and regulatory objectives arising out of the COVID-19 pandemic.
- ✓ Joined with Griffith University as a major research partner in successfully applying for an Australian Research Council grant for a three-year Linkage Project – Constructing Building Integrity: Raising Standards through Professionalism.
- ✓ Delivered a Professional Standards Forum on 'Complaints as a Risk Management Tool' and how associations can better use their intelligence holdings to facilitate and promote consumer protection through improvement in professional standards.
- ✓ Released an exposure draft of a new Guidance Note on Scheme Expirations for public consultation.
- ✓ Released a new Annual Membership Assurance Report, developed in consultation with the Australian Accounting Standards Board 9.
- ✓ Released an update to the Policy Statement of Payment of Annual Fees.
- ✓ Released an update to the Guidance Note on Fee Waivers and Remissions.
- ✓ Launched a feedback tool to understand user experience of the Councils' website and inform the development of improvements.



# ASSOCIATION RESPONSES TO COVID-19 (CORONAVIRUS)

Since March 2020, COVID-19 and the public health measures to prevent its spread have significantly changed the circumstances in which occupational associations and professions are serving their communities. Not only are they affected by the pandemic, they are also playing a vital role in assisting their clients and consumers through the pandemic; helping businesses navigate an economic downturn and recovery, advising on access to government financial support and ensuring the administration of justice, to name but a few of the areas where there has been a surge in demand placed upon regulated associations and their members.

In this challenging environment, associations have maintained their professional standards regulatory activities, such as annual reporting, which assists the Councils to ensure the regulatory system remains robust and responsive to the changing needs of consumers and professions across Australia.

In April 2020, the Councils consulted with all regulated associations on the identification and treatment of risks to operational, compliance and regulatory objectives arising out of the COVID-19 pandemic. The Councils also consulted on the needs of the associations so that, if necessary, an adjusted regulatory approach could be considered to accommodate changed priorities and circumstances during the COVID-19 pandemic.

Seventy-five per cent of associations responded to the consultation. No requests were made for an adjusted regulatory approach, indicating a resilient and responsive governance environment.

The results of the consultation enabled the Councils to identify good practice measures and areas that may require further risk management across the professions in the national regulatory system to encourage and assist in the reduction of harms to consumers of professional services.

2 POTENTIAL CONSUMER RISKS ARISING OUT OF COVID-19

CYBER AND DEVICE SECURITY FOR REMOTE WORKING ARRANGEMENTS

TAKING ON NEW WORK/CLIENTS IN UNFAMILIAR AREAS OF PRACTICE LEADING TO ERROR

QUALITY ASSURANCE / MANAGEMENT

Reported as self-regulatory measure exposed to highest risks of non-compliance

67%

ASSOCIATIONS ENCOURAGED MEMBERS TO COMMUNICATE MORE REGULARLY WITH THEIR CLIENTS

75% / ASSOCIATIONS ADJUSTED MEMBERS' CPD OBLIGATIONS, INCLUDING METHOD OF DELIVERY TO ONLINE

67% / SURVEYED ASSOCIATIONS REPORTED RISKS ASSOCIATED WITH MEMBERS' PI INSURANCE ARISING OUT OF COVID-19

 ALL SURVEYED ASSOCIATIONS IDENTIFIED AND TREATED RISKS IN RELATION TO MEMBERS' WELLBEING ARISING OUT OF COVID-19

Survey response rate = 75%.

Approx 92% of total regulated association professional standard scheme members are covered in the responses.



BAR ASSOCIATION OF QUEENSLAND



PROFESSIONAL SURVEYORS OCCUPATIONAL ASSOCIATION



CPA AUSTRALIA



NEW SOUTH WALES BAR ASSOCIATION



WA BAR Association



API AUSTRALIAN PROPERTY INSTITUTE



INSTITUTE OF PUBLIC ACCOUNTANTS



THE LAW SOCIETY OF NEW SOUTH WALES



Queensland Law Society



CHARTERED ACCOUNTANTS AUSTRALIA + NEW ZEALAND



The Law Society OF WESTERN AUSTRALIA The voice of the legal profession in Western Australia



THE LAW SOCIETY OF SOUTH AUSTRALIA



LAW INSTITUTE VICTORIA



RICS

SABAR



VICTORIAN BAR



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