



annual report
2017–18





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Letter to Ministers

Dear Ministers,

I am pleased to present the relevant Ministers in each state and territory with the 2017–18 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.

The Annual Report is a consolidated volume on the Councils' work and activities over the past year, and includes financial statements for the period 1 July 2017 to 30 June 2018. It has been prepared in accordance with the relevant Professional Standards Legislation in each Australian state and territory, to be tabled in your respective parliaments.

I commend this report to you.



John Vines OAM
Chair
Professional Standards Councils



Chair's Report

I am pleased to present the Annual Report for 2017–18 on behalf of the Professional Standards Councils.

It was a year where Councils continued to deliver against the objects of Professional Standards Legislation through key activities and outcomes. A particular focus for Councils was the CPA Australia Ltd scheme application and hiatus in scheme operation, which highlighted the importance that regulated associations must place on proactively managing the operation of their schemes and engaging productively with the regulator.

It was also a year of unprecedented change in the leadership and membership of the Councils and its national regulatory agency, the Professional Standards Authority.

The year commenced with the appointment of a new interim Chair, Mr Steven Finch SC, who expertly guided the work of Councils through a demanding period, as Councils responded to a number of significant regulatory engagements for the approval of schemes. Mr Finch was supported during this time by Acting Chief Executive Officer, Mr John R Rappell, who ably guided the ongoing work of the Authority and met the increased demands associated with Councils' meetings and briefings on regulatory matters.

In December 2017, the Councils welcomed as new Chief Executive Officer, Ms Roxane Marcelle-Shaw. With more than 25 years' experience in regulating professional and other services to the community, Ms Marcelle-Shaw brings to the Authority expertise in public sector governance together with practical skills and success in regulatory strategy and standards improvement for consumer protection.

In March 2018, I was honoured to be appointed as Chair of Councils. At the same time, Mr Andrew Lumsden was appointed as Deputy Chair.

Through the year, Councils farewelled and thanked Ms Jo Metcalfe and Ms Julie Cameron after more than 12 and 8 years, respectively, of exceptional service to Councils. And Councils welcomed the appointment of Ms Elizabeth Shearer and Ms Caroline Lamb together with the reappointment of Ms Tiina-Liisa Sexton, as well as advice of Ms Cate Wood's appointment from 1 July 2018.

With the benefit of a new leadership team, Councils have been looking at, and asking searching questions about, the way we meet our statutory mandate in the current environment. There is no doubt that recent events, such as the Royal Commission into Misconduct in Banking, Financial Services and Superannuation, are illuminating community expectations

for professionals to be engaged with regulatory systems that set and demand high standards of conduct and professionalism, and that provide consumers with redress when things go wrong.

Councils have already increased the focus on compliance for regulated associations and our efforts in supervising regulated associations and encouraging improved standards through the Professional Standards Improvement Program. However, more is needed if Councils are to continue to deliver improvements in professional standards by regulated associations and if professional standards regulation is able to be offered as an effective vehicle for professional standards improvement to a broader range of occupations seeking to meet increased consumer and government demand for consumer protection.

In June 2018, Councils finalised a response to the changing environment by refining our vision and mission, as well as setting a series of strategic goals to be achieved over the coming three years, to be published as *Strategy 2021*:

1. Make a practical and transparent change to Councils' regulatory focus to enable schemes, including for occupational groups.
2. Drive improvements in professional standards for better consumer protection.
3. Build an evidence base to demonstrate effectiveness.
4. Ensure the regulatory system is robust and protects consumers.
5. Make the regulatory system easy to deal with.

Councils expect to spend the early months of the coming reporting period explaining *Strategy 2021* and the new directions to be taken in the way we will regulate, and engaging stakeholders in our efforts.

Enabling occupational associations to operate professional standards schemes, and ensuring regulated associations are effectively self-regulating their members to continuously improve professional standards in the delivery of services to Australian consumers, remain at the heart of all that Councils do. I thank Councils' members and staff of the Authority for the part each has played in helping to deliver the achievements recorded in this Annual Report.



John Vines OAM
Chair
Professional Standards Councils



CEO's Report

On behalf of the team at the Professional Standards Authority, it is a pleasure to present our contribution to this Annual Report. As the national regulatory agency of the Professional Standards Councils, we take pride in working with the Councils to make a difference in the standards and protections available to Australian consumers of professional services.

Professional standards regulation has enabled occupational associations to maintain high standards in the delivery of competent and ethical services to Australian consumers for over two decades. This year, the number of professionals delivering services subject to a professional standards scheme increased to over 73,000. The continuing growth in the coverage of professional standards schemes speaks to the success of the innovative and co-operative regulatory system established by each of the states and territories to ensure their citizens have access to quality services and effective remedies.

While the core work of professional standards regulation has remained consistent over this time, it is necessary for the regulatory system to adapt to changing needs of government, industry and consumers. Our focus must be to ensure that the national regulatory system is not only robust but also responsive.

A major activity this reporting period was the supervision of, and assistance to, CPA Australia Ltd in securing compliance with its obligations in operating a professional standards scheme. We committed significant resources to advising the Councils in their consideration of a scheme propounded by CPA Australia Ltd, and in working with the association.

Another major activity this year has been in the contribution of our practical experience and expertise in professional standards and occupational risk management through a great many engagements and through submissions.

We expect this work to gather pace in the coming years, as a number of government inquiries and a Royal Commission have all highlighted challenges to the achievement of professional standards and consumer protection in a range of service sectors. There is a growing interest in regulatory solutions that can respond to community expectations, increase accountability and sustain professionalism as a means of securing public trust and confidence.

In this regard, we are uniquely positioned to draw on our body of expertise and experience to assist government and occupational associations in analysing professional standards problems and in designing supervised self-regulatory solutions to address those problems.

There is the opportunity for the professional standards regulatory system to embrace a broader range of occupational groups whose members wish to strengthen their commitment to act in the public interest by implementing professional integrity systems and improving professional standards to protect consumers.

The Councils have reflected this opportunity as a new direction in their three-year plan set out in *Strategy 2021*. We look forward to working with associations and our stakeholders to deliver the assistance and regulatory resources to support this and the other priority initiatives to be achieved under *Strategy 2021*.

Operationally, the reporting year was one of consistent performance, including:

- › Working directly with 19 associations through the operation of their professional standards schemes, extensions and expiries.
- › Receiving, analysing and providing feedback on the Professional Standards Improvement Program annual reports of 18 associations.
- › Working directly with associations committed to applying for professional standards schemes to assist them in developing their self-regulatory capacity and professional integrity systems.
- › Establishing the Professional Standards Officers Meeting, providing a regular forum for liaison and co-operation between all parties in the national system of professional standards regulation.
- › Assisting in the recruitment and appointment processes, and delivering an induction program, for seven new members of the Councils.

It was also my first year in working with the Councils and the community of associations that have committed to improving professional standards and protecting consumers. I take this opportunity to acknowledge the work of the Director Professional Standards Schemes, John R Rappell, who was the Acting Chief Executive Officer until I commenced my appointment on 27 November 2017. He and the entire team made the transition seamless and the record of achievement in this Annual Report is a credit to them.

There is no doubt that a dynamic environment, such as ours has been over the reporting period, places significant demands on the resourcefulness and resilience of staff. They have been tireless in response. Their personal and professional efforts, and their guidance to me over my first six months, have been steadfast and greatly appreciated.

I very much look forward to the year ahead, leading our contribution to achieving the Councils' strategic directions and working closely with governments and associations to build on the success of Australia's unique professional standards regulatory system.



Roxane Marcelle-Shaw
Chief Executive Officer
Professional Standards Authority



Our Vision

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



Our Mission

To regulate associations to facilitate and promote consumer protection through improvement in professional standards under Professional Standards Schemes

Why we're here

Protect consumers

The Professional Standards Councils' goal is to protect consumers of professional services by demanding high levels of professional standards from those who participate in Professional Standards Schemes.

Associations and their members who participate in Professional Standards Schemes have committed to ensuring competent and ethical conduct in providing services to consumers. They have also committed to ensuring avenues of resolution and redress are available to consumers.

Improve professional standards

The Professional Standards Councils encourage and assist associations to develop self-regulatory initiatives and to improve their professional standards by implementing risk management strategies and professional integrity systems.

The Councils conduct research, develop policies and guidelines, and organise events to promote debate and change in the areas of professional standards, codes of ethics and conduct, and risk management, in order to promote professional standards and practices.

Help associations

The role of the Professional Standards Councils is to assist occupational associations in the development of self-regulation of professional standards and enable the creation of Professional Standards Schemes.

The Councils decide whether to approve applications for Professional Standards Schemes under Professional Standards Legislation, and supervise the associations' operation of schemes. Schemes allow limits to be placed on the civil liability of professionals who are members of an association covered by a scheme, and ensure there will be compensation available to consumers up to that limit.

About the Professional Standards Councils

Formation of the Councils and legislation

The origins of the national system of professional standards regulation lie in the economic challenges of the 1980s and 1990s that led to professional indemnity insurers retreating from the market and the risk of consumers receiving services from insured providers at higher and higher costs, or uninsured providers with no protection at all. The NSW Government recognised a need for an efficient and cost-effective system to raise the occupational standards of professionals and others, and to provide for some guarantee of payment for claimants. This resulted in the development of a statutory regime intended to promote self-regulation by occupational associations, with Professional Standards Councils established to assist and encourage the associations, and to supervise the operation of Professional Standards Schemes.

Following the passage of the *Professional Standards Act 1994* (NSW), the Professional Standards Council of NSW was formed in 1995. Over the next 12 years, Professional Standards Legislation was passed, and Councils were established, in each Australian state and territory.

The Councils are statutory bodies with powers to assess and approve applications from occupational associations for a Professional Standards Scheme.

Professional Standards Legislation seeks to strike a balance between:

- › Placing a ceiling on the amount of civil liability that a member of an association participating in a scheme may be exposed to.
- › Ensuring sufficient compensation is available to consumers for the vast majority of claims where liability results in an award of damages.
- › Requiring associations participating in a scheme to continuously improve the standards of conduct of its members, so that claims for negligence are reduced.

Commonwealth prescription

Following the collapse of insurance giant HIH nearly two decades ago, the reach of Professional Standards Legislation was extended. This significant event, which affected thousands of people, highlighted the importance of maintaining stringent corporate governance and liability practices to protect consumers.

Subsequently, the Commonwealth Government passed legislation that permitted the civil liability of occupational associations to be limited under the *Trade Practices Act 1974* (now the *Competition and Consumer Act 2010*), the *Corporations Act 2001*, and the *Australian Securities and Investments Commission Act 2001*.

Role of the Councils

The Councils play a key role in promoting the objects of Professional Standards Legislation. These objects are to:

- › Enable the creation of schemes that limit the civil liability of professionals and others.
- › Facilitate the improvement of occupational standards of professionals and others.
- › Protect consumers who use the services provided by professionals and others.

Professional Standards Schemes

Unique to Australia, Professional Standards Schemes limit the civil liability of association members who have an insurance policy and business assets commensurate with the maximum liability amount. Each association has insurance standards with which its members must comply.

Each scheme has a maximum duration of five years. The relevant Minister may choose to extend a scheme once for up to 12 months on submission of an application by the association. Before the scheme expires, the association must submit an application for an entirely new scheme. This facilitates regular consideration and scrutiny of schemes and liability limits by the Councils and the public, and what may be needed to advance professional standards and protect consumers.

As members of occupational associations may work across multiple states and territories, the Professional Standards Legislation includes mechanisms for approved schemes to operate across multiple Australian state and territory jurisdictions.

Improving standards and protecting consumers

An established group of professional associations and their members have operated Professional Standards Schemes over many years and continue to make significant efforts to improve their professional standards. In 2018, a new and broader range of occupational associations and their members are being called upon to improve their professional standards and protect consumers from misconduct.

Under Professional Standards Legislation, associations can apply to the Councils to operate a Professional Standards Scheme.

The Professional Standards Legislation requires that an occupational association improves the professional standards of its members by implementing robust professional integrity systems and risk management strategies.

The Legislation also requires those who are covered by a Professional Standards Scheme to hold sufficient professional indemnity insurance cover and/or business assets to protect consumers.

Outlook

Strategy 2021

In early 2018, the Councils considered the current environment in which they lead the national system of professional standards regulation, focusing on responding to contemporary community expectations and regulatory challenges in achieving the objects of the Professional Standards Legislation:

- › To enable the creation of Professional Standards Schemes.
- › To facilitate the improvement of occupational standards of professionals and others.
- › To protect the consumers of the services of professionals and others.

The Councils refreshed their shared statement of vision, mission and role. It was recognised that there is an increasing need to promote the creation of schemes and the development of self-regulatory capacity beyond the traditional professions and their associations already operating within the regime, as a catalyst for improving standards and protecting consumers across a broader range of occupations.

The Councils approved *Strategy 2021* in June 2018, setting out five strategic goals to be achieved over the next three years. To achieve these goals, a range of initiatives will be taken to strengthen the professional standards system as an effective regulatory response to ensuring Australian consumers receive the highest standard of services provided by professionals and others, together with appropriate protections.

Strategic goals



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



Drive improvements in professional standards for better consumer protection.



Build an evidence base to demonstrate effectiveness.



Ensure the regulatory system is robust and protects consumers.



Make the regulatory system easy to deal with.

Strategy 2021 aims to enhance the Councils' efforts as rigorous and effective regulator. The Councils will promote the offer of professional standards improvement and limitation of liability, and strengthen the effectiveness and accessibility of the regulatory regime.

Strategy 2021 will be published in the next reporting period, and used by the Councils as a reference point to inform and engage the full range of stakeholders necessary to achieve the Councils' vision and mission. Progress on *Strategy 2021* and outcomes against specified measures will be included in future Annual Reports.

Expected scheme applications

The Councils anticipate that applications for new schemes may be received from the following occupational associations in the next reporting period:

- › The Victorian Bar Association.
- › The Western Australian Bar Association.
- › The Law Society of Western Australia.
- › The Bar Association of Queensland.

The Schemes currently in force for these associations are all due to expire on 30 June 2019. To continue to operate a scheme, an application for a new scheme is required.

A scheme application typically takes 12 months from the receipt of the final application, to the statutory considerations of the Councils including the public interest, through to public notification, gazettal and coming into force in all applicable jurisdictions.

Associations are better placed to serve their members and the public by submitting their final application allowing sufficient time to ensure that their Professional Standards Scheme provides continuous consumer protection, without a gap between approved schemes.

In the pipeline

For occupational associations that do not currently have a Professional Standards Scheme, the process of progressing from interest to the receipt of an application can be broken down into three stages: (i) enquiry and interest; (ii) formal expression of commitment; and (iii) submission of a draft application and payment of the relevant application fee.

The Councils record and track the progress of enquiries and expressions of interest. The Professional Standards Authority (PSA), as directed by Councils, engages with each of the associations that have made enquiries or lodged an expression of commitment, with a view to providing encouragement and assistance towards developing an application for a scheme, consistent with the Councils' statutory mandate.

As occupational associations face changing community expectations for ethical conduct, and seek to embrace professionalism, the Professional Standards Scheme regime is being sought as a responsive vehicle for supporting the development of self-regulation and driving improvements in standards. The Councils will be actively focused over the coming years on enabling schemes for a broader range of occupational associations, as an effective regulatory solution to the needs of associations, their communities and to achieve government public policy aims for consumer protection.

Highlights



Associations' commitment to reporting and compliance

The Professional Standards regulated community demonstrated its commitment to continuous improvement by submitting a significant 95% of annual compliance reports prior to the deadline of March 2018 as part of the Professional Standards Improvement Program (PSIP).



Over 73,000 professionals

The number of members covered by Professional Standards Schemes now exceeds 73,000, expanding the benefits of consumer protection.



CPA Australia Ltd scheme approved

A new Professional Standards Scheme was approved for a two-year period for CPA Australia Ltd, resolving a hiatus and ensuring improved occupational risk management strategies for consumer protection.



Consultation and engagement

A positive evolution of Professional Standards Schemes is the introduction of public consultation documents prepared by applicants of new schemes detailing the proposed new scheme's implications for association members and consumers of their services, as part of the public notification process.



New Schemes and extensions

In 2017–18, three new Schemes came into effect for the Law Society of South Australia (LSSA), the South Australian Bar Association (SA BA) and CPA Australia Ltd. A further new scheme, to commence in the next reporting period, was approved for the Law Society of New South Wales (LSNSW). The Australian Computer Society (ACS) and Bar Association of Queensland (BAQ) received extensions to their Professional Standards Schemes for an additional year.

A presentation was held to recognise the Australian Computer Society's Professional Standards Scheme.



ACS

John Rappell (Acting CEO, PSA), Andrew Johnson (CEO, ACS) and Anthony Wong (President, ACS).

The Professional Standards Councils also recognised the approval of the CPA Australia Ltd's Professional Standards Scheme.



CPA

Roxane Marcelle-Shaw (CEO, PSA), Peter Wilson (President and Chair, CPA).

The Australian Property Institute (API) launched its 2018 Risk Management Module program to showcase a flexible blended learning program for its members, which was submitted to Councils in the APIV's PSIP report the previous year.



API

Tyrone Hodge (Chair, API), Robert Hecek (Chair, APIV), Rupert Grayston (National Manager – Education, API), Roxane Marcelle-Shaw (CEO/ Executive Director, PSA), Amelia Hodge (CEO, API), David Leggatt (Partner, DLA Piper) and John Rappell (Director, Professional Schemes, PSA).

The Professional Standards Councils recognised the contribution of retiring ACT member, Ms Jo Metcalfe.



PSC

Jo Metcalfe (PSC Member, ACT) and John Vines (Chair, PSC).

Review of operations and activities

Professional Standards Schemes

The Professional Standards Authority works directly with associations that have a Professional Standards Scheme to assist them to:

- › Improve the professional standards of their members.
- › Increase consumer protection by improving professional standards.
- › Achieve their self-regulatory goals.
- › Understand their legislative obligations.

Councils' consideration of applications

The eight Councils each receive and consider Professional Standards Scheme applications. Before approving a scheme, the Councils must publish a public notification of the proposed scheme. A public notification invites comments and submissions from the general public and interested stakeholders. The Councils consider all the comments and submissions in response to the notification together with other matters prescribed by the Legislation and submitted by the association. If Councils approve a scheme, it is submitted to the relevant Minister, who may then authorise publication of the scheme in the relevant Government Gazette. A scheme will only commence operation after it has been gazetted.

The Councils co-operate with the Commonwealth Treasury during the assessment of an application if an association is seeking to have its scheme prescribed under one of the following Commonwealth statutes:

- › *Competition and Consumer Act 2010.*
- › *Corporations Act 2001.*
- › *Australian Securities and Investments Commission Act 2001.*

Scheme supervision

During the reporting period, the Councils supervised the Professional Standards Schemes of 19 occupational associations, and assisted them with their self-regulation. Most of these schemes operate in multiple jurisdictions under the mutual recognition provisions of the Professional Standards Legislation.

As at 30 June 2018, there were 23 schemes and the number of members increased by 4,846 to 73,391 members, as shown in Figure 1.

Figure 1 Professional Standards Schemes comparison: 1 July 2017 and 30 June 2018



Scheme applications

In 2017–18, the Councils approved Professional Standards Schemes for three associations as shown in Table 1. This Table includes associations whose schemes operate across multiple jurisdictions.

An application for a new scheme in Victoria by the Association of Taxation and Management Accountants (ATMA), intended to have force in the other states and territories, was not approved after consideration by the Councils.

Table 1 Professional Standards Schemes approved by Councils 1 July 2017 – 30 June 2018

Decision date	Professional Standards Scheme
15 September 2017	Institute of Public Accountants New South Wales scheme amended to apply under mutual recognition in all jurisdictions commenced operation on 20 October 2017.
10 November 2017	CPA Australia Ltd New scheme approved in New South Wales, where it commenced on 23 December 2017. It applies under mutual recognition in all jurisdictions.
15 June 2018	Law Society of New South Wales New scheme made in New South Wales, to apply under mutual recognition in all other jurisdictions, approved on 15 June 2018 and intended to commence operation on 22 November 2018.

CPA Australia Ltd Professional Standards (Accountants) Scheme

During the reporting period, there were ongoing media reports about governance issues being experienced by a regulated association, CPA Australia Ltd. The media reporting and public attention on CPA Australia Ltd coincided with the association applying for a new Professional Standards Scheme. The CPA Professional Standards Scheme operating at the beginning of the reporting period was set to expire naturally after four years on 7 October 2017. That date could not be extended.

CPA Australia Ltd submitted a draft application for a new Professional Standards Scheme in January 2017. The Councils were not able to direct that the proposed new scheme progress to public notification, due to concerns about the association's governance, apparent conflicts of interest between members and the association arising from the operation of a wholly-owned financial services licensee, and insufficient data to inform the statutory considerations of the Councils. To address these concerns, the Councils engaged with the application process through meetings between CPA Australia Ltd and the Professional Standards Authority.

In September 2017 CPA Australia Ltd finalised its proposed scheme instrument, with insufficient time for a replacement scheme to commence from the date on which the former CPA Scheme expired. The Councils directed CPA Australia Ltd to communicate with all affected members and advise them of options and actions they were required to take in response to the hiatus in the operation of the Professional Standards Scheme.

To inform the public, and to determine the public interest, the Councils required CPA Australia Ltd to provide an improved Public Consultation Document which was published on the CPA Australia Ltd and Councils' website on 27 September 2017.

A new CPA Australia Ltd Professional Standards (Accountants) Scheme was approved by Councils on 29 November 2017 for a two-year period. The purpose of the shorter scheme period was to provide protection to consumers of accounting services provided by CPA Australia Ltd's almost 7000 public practice accountant members while CPA Australia Ltd implemented the findings of their governance report, improved occupational risk management strategies for consumer protection, and fulfilled other commitments made to the Councils during the Professional Standards Scheme application.

The new CPA Professional Standards (Accountants) Scheme commenced in New South Wales on 23 December 2017.

The course of the CPA Australia Ltd scheme application and hiatus in scheme operation highlights the importance that regulated associations must place on proactively managing the operation of their schemes and engaging productively with the regulator. The Councils strongly encourage regulated associations to use the CPA Australia Ltd experience as a point of reference to review the governance of their schemes and their ability to continuously monitor compliance with professional standards statutory requirements. Comprehensive and continuous scheme coverage is in the interests of association members and their profession, and better protects consumers of their services.

Scheme expirations

During the reporting year, three Professional Standards Schemes expired. The ATMA Scheme expired on 31 December 2017. The College of Investigative and Remedial Consulting Engineers of Australia (CIRCEA) Professional Standards Scheme expired on 27 February 2018. The CPA Australia Ltd Professional Standards (Accountants) Scheme expired on 7 October 2017. A new scheme was approved in November 2017, as reported in Table 1. Table 2 shows the schemes that have expired.

Table 2 Professional Standards Schemes expired between 1 July 2017 – 30 June 2018

Date of expiry	Professional Standards Scheme
7 October 2017	<p>CPA Australia Ltd</p> <p>Scheme commencing 8 October 2013 in New South Wales, applying under mutual recognition provisions in VIC, QLD, SA, WA, ACT and NT, expired 7 October 2017 following a 12-month extension.</p>
31 December 2017	<p>Association of Taxation & Management Accountants</p> <p>Scheme commencing 1 January 2013 in Victoria, applying under mutual recognition provisions in NSW, QLD, SA, WA, ACT and NT, expired 31 December 2017.</p> <p>Members: 204 eligible members.</p>
27 February 2018	<p>College of Investigative and Remedial Consulting Engineers of Australia</p> <p>Scheme commencing 28 February 2013 in New South Wales, applying under mutual recognition provisions in VIC, QLD, SA, WA, ACT and NT, expired 27 February 2018.</p> <p>Members: 14 eligible corporate members.</p>

Scheme extensions of expiry date

Each Professional Standards Scheme approved by the Councils has a lifespan of up to five years. The Minister for the Professional Standards Legislation in each jurisdiction has the discretion to extend the expiry date of a scheme, once only and for up to 12 months, if an occupational association applies for such an extension.

Table 3 shows the schemes that were extended over the reporting period.

Table 3 Professional Standards Schemes extended between 1 July 2017 – 30 June 2018

Association	New expiry date
Australian Computer Society	Scheme to expire 31 December 2018
Bar Association of Queensland	Scheme to expire 30 June 2019

Scheme amendments – mutual recognition

The Councils approved four amendments to schemes as shown in Table 4.

This table includes three associations amending the scheme for mutual recognition in Tasmania only. The Councils also approved an amendment to the Institute of Public Accountants (IPA) Professional Standards Scheme (NSW) for mutual recognition in all states and territories including Tasmania.

Table 4 Professional Standards Schemes amended between 1 July 2017 – 30 June 2018

Decision date	Professional Standards Scheme (approved)
9 October 2017	Law Society of South Australia South Australian scheme commenced 1 July 2017 and was amended 21 November 2017 to operate in Tasmania.
9 October 2017	New South Wales Bar Association New South Wales scheme commenced 1 July 2015 and was amended 10 November 2017 to operate in Tasmania.
11 August 2017	Australian Property Institute Valuers Limited New South Wales scheme commenced 1 September 2016 and was amended 10 November 2017 to operate in Tasmania.
15 September 2017	Institute of Public Accountants New South Wales scheme commenced 1 January 2013 and was amended 20 October 2017 to operate in all other jurisdictions.

Table 5 Number of Professional Standards Schemes extended and amended 1 July 2014 – 30 June 2018

Reporting year	2014–15	2015–16	2016–17	2017–18
Schemes extended	3	4	4	2
Schemes amended	1	8	1	4

Commonwealth prescription

Unless a Professional Standards Scheme has been prescribed under the Regulations to the relevant Commonwealth law, limitation of liability does not apply where a provision of Commonwealth law creates a liability for damages. Commonwealth prescription is currently limited to the misleading and deceptive conduct provisions of the *Competition and Consumer Act 2010* (Cth), the *Corporations Act 2001* (Cth) and the *Australian Securities and Investments Commission Act 2001* (Cth).

Table 6 Professional Standards Schemes prescribed between 1 July 2017 – 30 June 2018

Date	Professional Standards Scheme	Scheme details
10 February 2018	Law Society of South Australia	New scheme commenced 1 July 2017
10 February 2018	South Australia Bar Association	New scheme commenced 1 July 2017
10 February 2018	Australian Computer Society	Scheme extension from 31 December 2017 to 31 December 2018 (under <i>Competition and Consumer Act 2010</i> (Cth) only)
10 February 2018	Royal Institution of Chartered Surveyors Valuers	Scheme amendment (drafting changes) (under <i>Competition and Consumer Act 2010</i> (Cth) only)

Table 7 Fee waiver decisions 1 July 2017 – 30 June 2018

Association	Decision	Special reasons for waiver	Waiver amount
The Victorian Bar	Returned for resubmission, and subsequently withdrawn	None	Not applicable
The New South Wales Bar	Partial waiver of the application fee	Change in Tasmanian legislation	\$5,000
Institute of Public Accountants	Partial waiver of 11/12 of the annual fee	Once-off national mutual recognition of the scheme, in the last month of the scheme year	\$84,700

Requests for waiver of fees payable under Regulations

During the reporting period, the Councils considered requests for waivers of fees otherwise payable under the applicable Regulations from: (i) the Victorian Bar Association (Vic Bar); (ii) the New South Wales Bar Association (NSW Bar); and (iii) the IPA.

In order that the Councils may exercise their discretion to waive any part of a fee payable, the Regulations require that the Councils are satisfied that there are special reasons to do so.

In the case of the Vic Bar, the Councils were not satisfied that special reasons existed and the Vic Bar subsequently withdrew its request.

In the case of the NSW Bar, the request was based on an amendment application to extend its Scheme to Tasmania. The NSW Bar paid the relevant application fee for the amendment and the Councils waived the additional fee payable in respect of the added jurisdiction.

In the case of the IPA, the request was based on an amendment to operate its NSW-based scheme in all other states and territories, such that new interstate members would be covered by the Scheme for a very brief period (a matter of days, in some jurisdictions) before the new scheme year commenced and these members would be counted again for the purposes of the Regulation. Under the circumstances, the Councils determined to waive 11/12 of the annual fee otherwise payable in respect of the new participating members, in jurisdictions other than New South Wales.



Legislative changes

Amendments to the *Civil Law (Wrongs) Act 2002 (ACT)*

The *Justice and Community Safety Legislation Amendment Act 2018 (ACT)* was notified on 18 April 2018. It amended the *Civil Law (Wrongs) Act 2002 (ACT)* to allow the Minister to extend the period for which a Professional Standards Scheme is in force by making a notifiable instrument regardless of whether the instrument is made before or after a scheme has expired in the Australian Capital Territory. That is, this amendment allows a Ministerial extension to apply retrospectively.

Mutual recognition under the *Professional Standards Act 2005 (Tas)*

In December 2016, amendments enabling the approval of Professional Standards Schemes by mutual recognition came into force in Tasmania. Building on the initial approval of three schemes in the last reporting period, in 2017–18 the Councils approved amendments to three Professional Standards Schemes, for mutual recognition in Tasmania, as shown in Table 4, page 20. In addition, the IPA Professional Standards Scheme (NSW) was amended to operate in all states and territory jurisdictions, including Tasmania. As anticipated, the amendments to allow for mutual recognition have provided for greater uniformity in the operation of Professional Standards Schemes across all states and territories in Australia.

Figure 2 Number of professionals and occupational associations operating under Professional Standards Schemes over the past 10 years

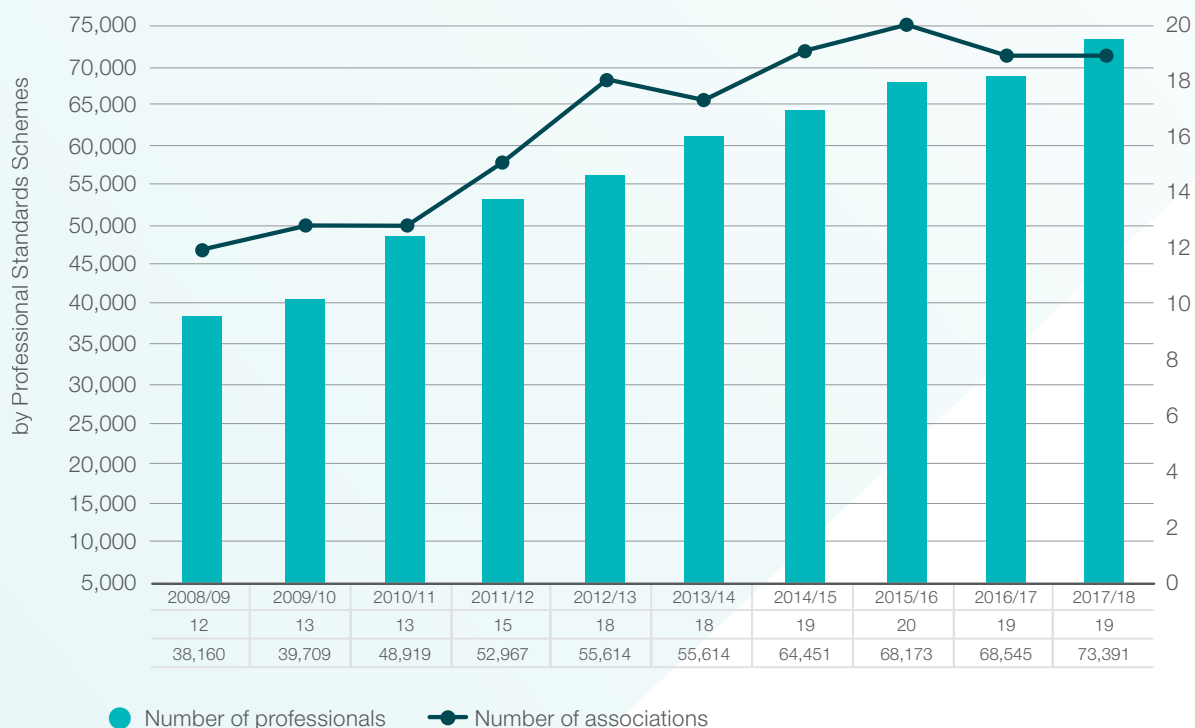
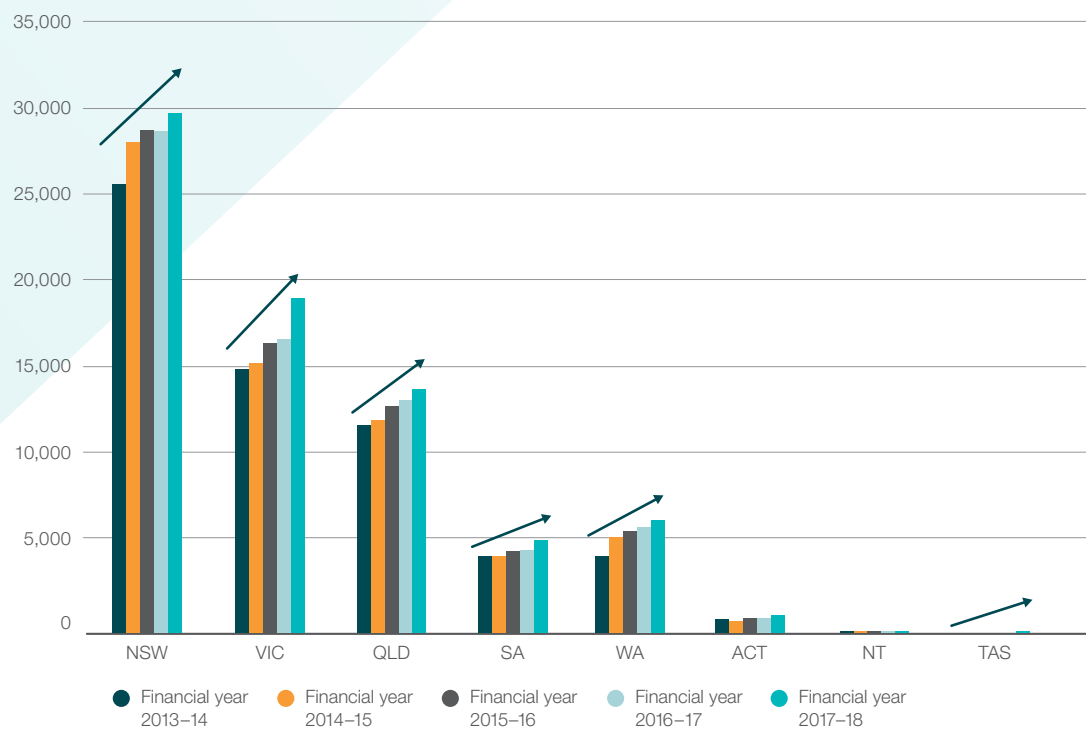


Figure 3 Number of professionals per state and territory covered by Professional Standards Schemes over the past five years (yearly average)



Notes

- 1 Where disaggregated data available.
- 2 Updated data received this year may affect historical data shown in prior annual reports.

Table 8 Professional Standards Schemes mutually recognised in other states and territories during the period 1 July 2017 – 30 June 2018

Association	Profession	Members	Limitation liability	Start date	End date
Australian Capital Territory					
CA ANZ~	Accountants	724	\$2m to \$75m	08/10/14	07/10/19
Mutual recognition	NSW: CPA, IPA, ACS, PSOA, APIV, RICSV, NSW Bar, CIRCEA				
	VIC: Vic Bar, LIV, ATMA				
	QLD: BAQ, QLS				
	SA: SA BA, LSSA				
	WA: WABA, LSWA				
New South Wales					
CA ANZ~	Accountants	11,855	\$2m to \$75m	08/10/14	07/10/19
CPA*	Accountants	4,746	\$2m to \$75m	23/12/17	22/12/19
IPA+	Accountants	4,102	\$1m to \$20m	01/01/13	31/12/18
NSW Bar	Barristers	2,276	\$1.5m	01/07/15	30/06/20
CIRCEA	Engineers	9	\$1m, \$5m or \$10m	28/02/13	27/02/18
ACS	IT	7	\$1.5m to \$10m	01/01/16	31/12/18
LSNSW	Lawyers	10,739	\$1.5m to \$10m	22/11/12	21/11/18
PSOA	Surveyors	37	\$1.5m to \$30m	11/11/13	10/11/18
APIV^	Valuers	4,855	\$1m to \$20m	01/09/16	31/08/21
RICSV	Valuers	6	\$1m to \$20m	01/01/16	31/12/20
Mutual recognition	VIC: Vic Bar, LIV, ATMA				
	QLD: BAQ, QLS				
	SA: SA BA, LSSA				
	WA: WABA, LSWA				
Northern Territory					
CA ANZ~	Accountants	126	\$2m to \$75m	08/10/14	07/10/19
Mutual recognition	NSW: CPA, IPA, ACS, PSOA, APIV, RICSV, NSW Bar, CIRCEA				
	VIC: Vic Bar, LIV, ATMA				
	QLD: BAQ, QLS				
	SA: SA BA, LSSA				
	WA: WABA, LSWA				
Queensland					
CA ANZ~	Accountants	4,776	\$2m to \$75m	08/10/14	07/10/19
BAQ	Barristers	980	\$2m to \$75m	01/07/13	30/06/19
QLS	Lawyers	5,358	\$1.5m to \$10m	01/07/16	30/06/21
Mutual recognition	NSW: CPA, IPA, ACS, PSOA, APIV, RICSV, NSW Bar, CIRCEA				
	VIC: Vic Bar, LIV, ATMA				
	SA: SA BA, LSSA				
	WA: WABA, LSWA				

Association	Profession	Members	Limitation liability	Start date	End date
South Australia					
CA ANZ~	Accountants	2,134	\$2m to \$75m	08/10/14	07/10/19
SA BA	Barristers	214	\$1.5m to \$50m	01/07/17	30/06/22
LSSA	Lawyers	1,381	\$1.5m to \$50m	01/07/17	30/06/22
Mutual recognition	NSW: CPA, IPA, ACS, APIV, RICSV, NSW Bar, CIRCEA VIC: Vic Bar, LIV, ATMA QLD: BAQ, QLS WA: WABA, LSWA				
Tasmania					
CA ANZ~	Accountants		\$2m to \$75m	08/10/14	07/10/19
Mutual recognition	NSW: CPA, IPA, APIV, NSW Bar VIC: CAANZ SA: SA BA, LSSA				
Victoria					
CA ANZ~	Accountants	8,462	\$2m to \$75m	08/10/14	07/10/19
Vic Bar	Barristers	1,124	\$2m	01/07/14	30/06/19
LIV	Lawyers	4,515	\$1.5m to \$10m	01/07/16	30/06/21
ATMA	Accountants	114	\$1m to \$100m	01/01/13	31/12/17
Mutual recognition	NSW: CPA, IPA, ACS, PSOA, APIV, RICSV, NSW Bar, CIRCEA QLD: BAQ, QLS SA: SA BA, LSSA WA: WABA, LSWA				
Western Australia					
CA ANZ~	Accountants	3,104	\$2m to \$75m	08/10/14	07/10/19
WABA	Barristers	225	\$2m	01/07/14	30/06/19
LSWA	Lawyers	1,522	\$1.5m to \$10m	01/07/14	30/06/19
Mutual recognition	NSW: CPA, IPA, ACS, APIV, RICSV, NSW Bar, CIRCEA VIC: Vic Bar, LIV, ATMA QLD: BAQ, QLS SA: SA BA, LSSA				
Total		73,391			

Notes

Where disaggregated data is available

± = Yearly average.

~ = Total number under mutually recognised Victorian scheme was 22 in Tasmania.

* = Total number under mutually recognised scheme per state/territory is 52 in ACT, 1,343 in NSW, 19 in NT, 886 in Qld, 202 in SA, 1,617 in Vic., 605 in WA and 22 in Tas.

+ = Total number under mutually recognised scheme per state/territory is 33 in ACT, 1,746 in NSW, 30 in NT, 461 in Qld, 291 in SA, 1,103 in Vic., 375 in WA and 63 in Tas.

^ = Total number under mutually recognised scheme per state/territory is 114 in ACT, 1,614 in NSW, 52 in NT, 1,012 in Qld, 298 in SA, 1,261 in Vic., 456 in WA and 48 in Tas.

Table 9 Professional Standards Schemes mutually recognised in other states and territories

Jurisdiction	Associations							
Australian Capital Territory								
NSW	CPA	IPA	ACS	PSOA	APIV	RICSV	NSW Bar	CIRCEA
VIC	Vic Bar	LIV	ATMA					
QLD	BAQ	QLS						
SA	SA BA	LSSA						
WA	WABA	LSWA						
New South Wales								
QLD	BAQ	QLS						
SA	SA BA	LSSA						
VIC	Vic Bar	LIV	ATMA					
WA	WABA	LSWA						
Northern Territory								
NSW	CPA	IPA	ACS	PSOA	APIV	RICSV	NSW Bar	CIRCEA
SA	SA BA	LSSA						
QLD	BAQ	QLS						
VIC	Vic Bar	LIV	ATMA					
WA	WABA	LSWA						
Queensland								
NSW	CPA	IPA	ACS	PSOA	APIV	RICSV	NSW Bar	CIRCEA
SA	SA BA	LSSA						
VIC	Vic Bar	LIV	ATMA					
WA	WABA	LSWA						
South Australia								
NSW	CPA	IPA	ACS	APIV	RICSV	NSW Bar	CIRCEA	
QLD	BAQ	QLS						
VIC	Vic Bar	LIV	ATMA					
WA	WABA	LSWA						
Tasmania								
VIC	CAANZ							
NSW	CPA	IPA	APIV	NSW Bar				
SA	SA BA	LSSA						
Victoria								
NSW	CPA	IPA	ACS	PSOA	APIV	RICSV	NSW Bar	CIRCEA
QLD	BAQ	QLS						
SA	SA BA	LSSA						
WA	WABA	LSWA						
Western Australia								
NSW	CPA	IPA	ACS	APIV	RICSV	NSW Bar	CIRCEA	
QLD	BAQ	QLS						
SA	SA BA	LSSA						
VIC	Vic Bar	LIV	ATMA					

Compliance monitoring and reporting

When applying for a Professional Standards Scheme, the association commits to ensuring that it will continuously meet the statutory obligations over the life of the Scheme. The association also commits to regulating its members to improve professional standards, in order to protect consumers of their occupational services.

Those professional standards systems include: codes of ethics, codes of practice, quality management, risk management, complaints resolution, voluntary mediation services, membership entry requirements, member discipline, and continuing occupational education.

Supervising and monitoring each association's compliance with Professional Standards Legislation, and its commitments and promises to its community, is key to the successful and purposeful operation of Professional Standards Schemes. It is also central to protecting consumers of professional services. Associations with a scheme will have a PSIP, and are required to report to the Professional Standards Councils annually on the implementation of their professional standards improvements. The Councils are then required to report on the activity of the associations and their Professional Standards Schemes in the Councils' annual reports, provided to the Minister and Parliament of each state and territory. In this way the public are also advised of the professional standards improved.

The PSIP contains information and data self-reported by the associations, which is analysed and compared over time and across associations. This provides Councils with rich insights on the operation of schemes and is an evolving part of Councils supervision approach.

If an association does not meet its statutory obligations, the Councils may: make recommendations for improvement; review a scheme; conduct a compliance audit or compel an association to undertake a compliance audit; institute proceedings to prosecute offences under the legislation or regulations; take injunctive or other relief relating to such offences; or initiate the revocation of the association's Professional Standards Scheme.

Professional Standards Improvement Program Reports for calendar year 2017

A Professional Standards Scheme is a significant statement of recognition by an occupational association, and has important legal and strategic consequences for its members as well as for the consumers of their services. The associations' annual reporting to the Councils through the PSIP is a vital element of good self-regulatory practice, driven by commitments made by each association to improve professional standards in its community and deliver consumer protection.

The Councils provided a consistent annual reporting template for the 2017 calendar year, with some improvements, to provide a basis for comparison with each association's previous annual PSIP reports, and to provide further affirmation of the Councils' regulatory assurance strategy and requirements of associations in the PSIP process. The PSIP reporting template was distributed in December 2017; associations were required to report on activities during the 2017 calendar year, as always, on or before 31 March 2018. The Professional Standards Authority engaged with associations to support their uptake of the new 2017 template. The standardised PSIP reporting template resulted in improved quality and integrity of reporting, including greater clarity on the required statutory elements of legal compliance, risk management strategies and results, and other elements required by the Councils to ensure that the statutory objectives are met.

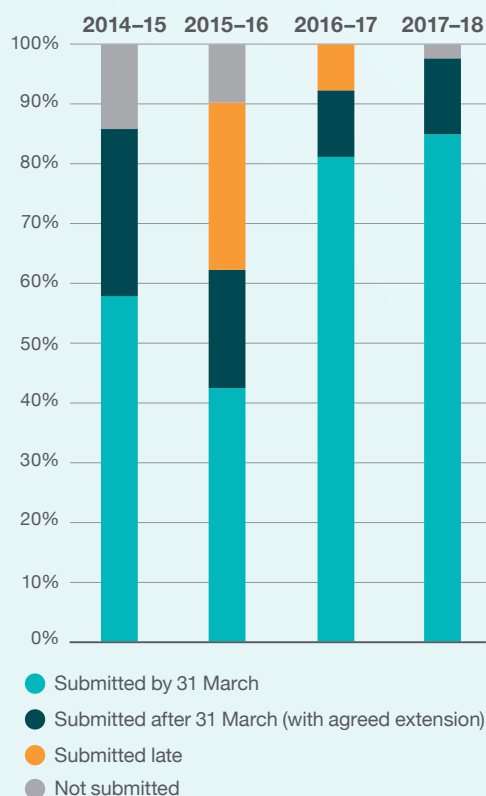
Improved annual reporting format uptake

In this reporting period, association governing body oversight showed an increase of commitment. The Councils recorded an increase in the evidence demonstrating that governing bodies had been actively engaged in the review and approval of the annual risk management and compliance report to Councils.

This year's PSIP reporting process showed an improved response in terms of the timeliness and quality of the reporting, facilitated by the introduction of a dedicated email address for submitting the reports. Eighteen associations' reports were received in electronic format – 17 by email and one via USB.

Figure 4 below provides the improving trend in compliant lodgement of annual PSIP reports by the associations.

Figure 4 PSIP submission times comparison: 2015 – 2018



Outcomes of this year's PSIP reporting include:

- › All 18 PSIP annual reports were submitted using the template for 2017. In other years, some associations copied their previous reports rather than use the updated template.
- › This year there were no requests for additional information, or explanations, from the associations as had occurred in previous years.
- › PSIP report submission dates improved over previous years. This year, 16 of the 19 scheme associations (85%) submitted their PSIP reports by the 31 March 2018 deadline – compared with 16 (80%) in 2017 and nine (45%) in 2016. Two associations were granted short extensions to meet governance requirements and provided their reports before the extension deadlines (compared with two in 2017, four in 2016 and six in 2015).
- › Contrary to the trend, the CIRCEA declined to submit an annual PSIP report on the basis that their scheme expired naturally in early 2018. CIRCEA was the subject of ongoing compliance oversight by the Councils (which is discussed on page 32 in this annual report).
- › The association's 2017 reports were assessed across 10 elements: (i) association and scheme governance data; (ii) scheme monitoring activities; (iii) scheme monitoring improvements; (iv) risk analysis; (v) risk management system improvements; (vi) complaints and discipline data; (vii) complaints handling system improvements; (viii) notifications and claims data; (ix) association insurance standards; and (x) oversight, member certification, and declaration.

Common opportunities for improvement identified

Although the timeliness of reports improved this year, further analysis of the 2017 PSIP reports revealed common opportunities for further improvement by the regulated associations. These will be the targeted areas of improvement for the Professional Standards Authority to work with each association, during 2018 and 2019, through feedback, engagement, and workshops.

The opportunities for improvement in self-regulatory programs include:

- › **Detailed risk management strategies, their implementation and reporting on the overall effectiveness.** While some associations showed material improvement in occupational risk management for the purposes of consumer protection, many associations continue to focus on enterprise risks, resulting in insufficient risk management review and responsiveness. The required focus on occupational risks and putting the consumer at the centre of risk management continues to be a developing opportunity particularly for associations with a strong commercial orientation. As a result, associations can often identify their professional integrity systems data, but then neglect to integrate the data, information and trends into their risk management framework.
- › **Reporting of compliance obligations in respect of the Professional Standards Legislation, and the Professional Standards Scheme.** Compliance management, as a subset of detailed risk management strategies, enables associations to reliably achieve the scheme's objectives with the principled approach of commitment, implementation, scheme monitoring, measuring, and continual improvement. While associations are generally aware of their regulatory obligations, there is a need to improve the articulation of Professional Standards Legislation related obligations and the relevant controls to promote efficient scheme monitoring.
- › **Analysis and/or discussion of trends identified by complaints and discipline, and notifications and claims data, and the proposal and implementation of risk management strategies in response.** Data collected by associations, through complaints received and proactive collation of notifications and claims data, assists them to identify trends and draw conclusions from an occupational risk management perspective. With some persistent encouragement, associations access to and analysis of data, from a variety of data sources, has improved. However, there is a general opportunity for improvement. Several associations fail to identify trends and typically conduct superficial analysis of data – for example, merely categorising claims and complaints, rather than investigating their root causes. The Professional Standards Authority will continue to work with associations to ensure that valuable data is captured, analysed and used to inform their risk management strategies.
- › **Improving associations' membership agreement and/or renewal to include a positive undertaking to comply with the Professional Standards Legislation, and scheme requirements.** Associations' membership forms and renewals do not include a specific undertaking by members to comply with requirements of their schemes or of the Professional Standards Legislation. Ideally, such undertakings should include agreement to provide details of notifications and claims, complaints and discipline, professional indemnity insurance data, and responding to Professional Standards Legislation requirements through mandatory member surveys. Many association membership forms (and invoices) make no specific mention of the existence of the Professional Standards Scheme, or of members' participation in the scheme. The Professional Standards Authority will continue to work with associations to ensure that they have clear agreements between the scheme participant and the association so that participation in a scheme, and the requirements of such participation, are fully disclosed and transparent to the member, the association, and the public if required.

› **Scheme administration, education, member, and enhanced consumer protection.**

Associations should be able to respond to an enquiry made by a consumer as to whether a member, at a point in time, is either a scheme participant, an excluded or exempted member, or has a higher threshold level of liability than would otherwise apply. Associations need to ensure their members are educated about their scheme and the obligations associated with it, so their members can explain the scheme, limitation of liability and, on request, provide the Scheme Instrument to a consumer. The Professional Standards Authority will be assisting those associations where it has identified the associations' shortcomings in the provision of scheme information provided to eligible members.

Industry sector comparison on compliance elements

Analysis of the 2017 PSIP data, when compared to the previous year, indicates changes in trends within professions, as well as across professions. The professions were identified in the following categories:

- › Accountants.
- › Solicitors.
- › Barristers.
- › Other Professions, including Valuers, Surveyors and IT Professionals.

A comparative trend analysis of each association community for the annual reporting years for 2013 to 2017 shows continual improvement in annual reporting by the associations operating schemes for solicitors, barristers, and accountants.

The following associations have been highlighted as showing improvements with their PSIP reporting.

Accountants

The Chartered Accountants Australia and New Zealand (CA ANZ) operating separate (but substantially identical) Professional Standard Schemes in each state and territory, continues to provide a high quality annual PSIP report, with a strong Compliance Plan which included adequate capture of requirements not identified by most other Associations, and well presented evidence of scheme monitoring. CA ANZ provided a report evidencing a noticeable improvement in the identification, documentation and analysis of risks subject to the Scheme, driven by recent feedback through their interactions with the Professional Standards Authority. CA ANZ reported that a formal Professional Standards Legislation related risk management review and independent compliance audit is to be undertaken in 2018, with outcomes to be provided to the Councils on finalisation.

The IPA operating a Professional Standards Scheme in New South Wales and with mutual recognition in all jurisdictions, recorded noticeable improvements a compliance plan with a higher level of monitoring in 2017.

Solicitors

The LSSA operating a Professional Standards Scheme in South Australia with mutual recognition in all jurisdictions, reported their 2017 Five-Year Risk Management Plan with utilisation of professional integrity data to mitigate professional practice risks. LSSA demonstrated a comprehensive understanding of their compliance obligations, consistently undertaking scheme monitoring activities to ensure compliance with professional standards obligations, particularly ensuring that compliance with disclosure requirements extended to scheme participant's websites.

The Law Society of Western Australia (LSWA) operating their first Professional Standards Scheme in Western Australia with mutual recognition in all states and territories excluding Tasmania, has developed an Integrated Risk and Compliance Framework. LSWA proactively established a management committee to monitor the progress of a centralised Risk Management Model, which seeks to support the objectives of the scheme. Auditing of members' disclosure requirements resulted in an increase of awareness and scheme participation, demonstrating effective scheme monitoring activities.

The LSNSW operating its Professional Standards Scheme in New South Wales alone, provided an improved PSIP report for 2017, with several initiatives implemented to improve the management of membership agreement undertakings and risk. LSNSW reported increased scheme monitoring in 2017, the development of an improved member application form that included an undertaking and acknowledgement of member's Professional Standards Legislation obligations. A comprehensive review of LSNSW's risk management policy, in respect of their Professional Standards Scheme, was initiated in late 2017, which resulted in an improved Scheme Risk Management framework.

Barristers

There was a noticeable improvement by the NSW Bar in the operation of its Professional Standards Scheme in New South Wales with mutual recognition in all jurisdictions. Its 2017 Compliance Plan was reported to be consistent with Australian Standard AS:3806 Compliance Programs, and sets out the obligations and mechanisms for compliance with Professional Standards Legislation.



The Western Australian Bar Association (WABA) operating its Professional Standards Scheme in Western Australia and with mutual recognition in all jurisdictions excluding Tasmania, provided improved notifications and claims data in 2017 by sourcing profession specific complaints data from the Legal Profession Complaints Committee, rather than just providing data for the entire legal profession, of which barristers comprise about 5%. It was the only Bar Association to report a specific members' agreement requirement to comply with Professional Standards Legislation on application and renewal of membership.

Other professions

The Australian Property Institute Valuers Limited (APIV) operating its Professional Standards Scheme in New South Wales with mutual recognition in all jurisdictions, continues to maintain its high standard of annual reporting, with its Compliance Plan being one of the most comprehensive. The annual PSIP report provided clear evidence of scheme monitoring, a formalised exemptions and higher discretionary cap process, and review and update of risk management strategies based on trend analysis and results of reviews.

CIRCEA declined to file its 2017 annual PSIP report in contravention of the Professional Standards Legislation. The CIRCEA Professional Standards Scheme expired on 27 February 2018.

Regulatory assurance action

The Professional Standards Councils have several regulatory assurance powers, including but not limited to, reviewing a scheme, conducting a compliance audit, compelling an association to undertake a compliance audit, compelling specific information, and initiating the revocation of a scheme.

During the year, the Councils continued to give regulatory assurance attention to two associations: CIRCEA and the ATMA.

CIRCEA declined to apply for a new scheme when its Professional Standards Scheme expired on 27 February 2018.

The ATMA Professional Standards Scheme expired on 31 December 2017. An application for a new Professional Standards Scheme lodged by ATMA on 18 December 2017 was not approved by the Councils on 15 June 2018 as the Councils were unable to form a view that ATMA would be compliant with the Professional Standards Legislation and its regulations during the proposed term of the Scheme.

The Professional Standards Councils exercise their approval powers and enforcement obligations in the public interest, and must take appropriate regulatory assurance actions when associations are non-compliant with Professional Standards Legislation.

Regulatory fees

Associations are required to pay an annual fee for each person to whom the scheme applies who is a member of the association at any time during the relevant annual fee period. The due date for payment of annual fees is specified by the Professional Standards Regulations. In accordance with the Regulations, interest is payable when the payment is received on or after 31 days past the due date.

In the financial year 2017–18, all associations paid their fees on time except seven associations who paid their annual fees late, namely:

- › Australian Computer Society (ACS).
- › Chartered Accounts Australia & New Zealand (CA ANZ).
- › Law Institute of Victoria (LIV).
- › Queensland Law Society (QLS).
- › Royal Institution of Chartered Surveyors Valuers (RICSV).
- › South Australian Bar Association (SA BA).
- › Victorian Bar Association (Vic Bar).

Table 10 below identifies the associations where interest was levied on an overdue annual fee payment, the interest charged, and the days in arrears.

Table 10 Late payment of annual fees

Association	State	Interest \$	Fees due \$	Days late	Annual fee due date
ACS	NSW	4.13	250	33	31 Mar 18
CA ANZ	QLD	38.70	6,450	42	30 Jun 17
LIV	VIC	170.78	10,350	33	30 Jun 17
QLS	QLD	258.64	1,500	375	30 Jun 17
RICSV	NSW	3.10	200	31	31 Mar 18
SA BA	SA	951.75	10,750	178	30 Sep 17
Vic Bar	VIC	51.75	1,500	69	31 Jan 18
Total		\$1,478.85	\$31,000		

Assistance and advice

A significant part of our work is engaging with associations and a variety of stakeholders across government and the community, providing resources and our expertise through many channels.

We actively provide assistance and advice to associations on developing self-regulatory capacity and improving professional standards as one of the key ways in which we work to protect consumers.

Throughout the year, the Professional Standards Authority met with and made presentations to:

- › 24 Associations.
- › 7 Government agencies.
- › 6 Regulatory and standard setting bodies.
- › 2 Other stakeholders.

We respond to a range of enquiries on schemes, professional standards regulation and operational issues via email, telephone and in person. A comprehensive range of resources and publications are made available on the Councils' website and in hard copy upon request. The Councils' website recorded over 75,000 visits, with more than 150,000 page views.

To support our continuing engagement, we are developing a stakeholder framework to ensure the interests of associations and other stakeholders are canvassed and addressed, particularly in advancing Councils' *Strategy 2021*. A key initiative in the next reporting period will be the delivery of forums to provide insights from the rich body of data gathered by the Councils, to share experience and drive improvements in professional standards, and to assist associations to take a proactive approach to meeting the requirements of the Professional Standards Legislation.

Risk workshops

Consistent with the Professional Standards Councils' function to encourage and assist in the development of self-regulatory capacity, the Professional Standards Authority has conducted a number of occupational risk management workshops with associations.

These workshops are tailored to meet the needs of each association and run for between a half-day and two days. The workshops aim to enumerate and document the risks that exist between the occupational association member and the client, drawing on the evidence across a wide range of occupations as well as the data collected by the association specific to their members. Workshop participants include association governing body representatives, association staff including quality assurance staff, insurance brokers and underwriters, litigation lawyers, mediators, and most importantly the experienced and senior representatives from the occupation.

The workshops focus on identifying the underlying causes of failures in professional standards to enable the association to develop strategies that effectively target and treat the risks. The association is then positioned to deliver better consumer protection through the continuous improvement of the professional standards system.

Australian Research Council (ARC) linkage project

The ARC linkage project *Professions in the 21st Century: Regulatory Engagement, Design and Strategy*, continued to progress.

Led by the University of New South Wales in partnership with the Professional Standards Councils, the project is supported by the University of Technology Sydney, Griffith University, University of Melbourne, Harvard University, University College Dublin, University of Leeds and industry partners Allens, Corrs Chambers Westgarth, and the Investment Industry Association of Canada.

The project is funded by an ARC grant to the amount of \$520,070 over three years. In 2017–18, the Professional Standards Councils agreed the final release of funds for the delivery of final project elements including a project to measure and evaluate the Value of Professionalism and Regulatory Structures and Mapping Models of Professions across the Globe.

In May 2018, the design and development work required to build and populate the research onto a new resources portal on the Councils' website was completed. A communications strategy and plan for the roll-out of the resources portal, which will incorporate user experience testing and collaboration with partners was prepared for delivery in the next reporting period.

The resources portal will be a valuable repository of the research generated by the project, expanding academic, professional and community access to contemporary knowledge of professional standards regulation. In particular, the research will assist emerging professions to engage with professionalism and the development of self-regulatory capacity.

Details of expenditure are contained in Tables 15 and 16 on pages 46 and 47.

Council members

The Councils' members have experience across a diverse range of industries and specialties, including law, accounting, standards development, compliance, engineering, auditing and regulation.

Members are selected for their qualifications, experience and ability to contribute to the Councils' work. The Chair and Deputy Chair are nominated on an alternating basis by NSW and Victoria under the Professional Standards Agreement 2011.



JOHN VINES OAM

Chair | MBA, BEd, Dip Civil Engineering, FIEAust, FAICD

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

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

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

Interim Chair (17 July 2017 to 31 March 2018)

Steve Finch SC | LLB (USyd) BEd (Hons) (USyd)

In 1982 Steven Finch was admitted to the NSW Bar. In 1997, he was appointed Senior Counsel. Appointed Interim Chair: 17 July 2017 to 31 March 2018. Appointed to NSW: 17 July 2017 to 31 March 2018. Retired: 31 March 2018.

- › Appointed Chair: 1 April 2018 to 31 December 2018.
- › Appointed to VIC: 1 January 2016 to 31 December 2018.



ANDREW LUMSDEN

Deputy Chair | BA LLB, MAICD, SA Fin, FCIS

Andrew Lumsden is a member of the Board at Corrs Chambers Westgarth. He specialises in corporate and securities law, corporate governance and mergers and acquisitions. Andrew is the Chair of the National Public Securities Practice Group and Co-chair of the China Practice Group. Andrew is Corrs' National Legal Excellence Partner, with responsibilities for the professional development of Corrs lawyers. From 1998 until 2001, Andrew was Chief of Staff to the then Minister for Financial Services & Regulation, the Hon Joe Hockey, MP. Prior to 1998, Andrew was a partner of Corrs Chambers Westgarth.

- › Appointed Deputy Chair: 1 April 2018 to 1 April 2021.
- › Appointed to NSW: 17 July 2017 to 31 March 2018.



JULIE CAMERON

BCom, LLB (Hons), LLM

Julie Cameron initially joined the Councils in June 2015 as a partner at Corrs Chambers Westgarth in Brisbane and practised predominantly in the areas of insurance, health law and medical malpractice defence, and public and general liability. She also advised and represented clients in investigations by the Health Ombudsman and professional registration boards. Julie is an accredited personal injuries specialist, and was a member of the Specialist Accreditation Board of the Queensland Law Society (QLS) and the QLS Accident Compensation Committee. She was a practitioner member of the Queensland Civil and Administrative Tribunal and was Chair (Brisbane) of the Medicare Participation Review Committee. She was also a member of the Human Research Ethics Committee for one of Queensland's major metropolitan hospitals.

- › Appointed to QLD: 6 April 2010 to 30 June 2011 and 19 July 2011 to 30 June 2014 and 16 July 2014 to 30 June 2020.
- › Retired: 8 December 2017.



TERRY EVANS

LLM, FAICD

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

- › Appointed to SA: 12 September 2006 to 31 December 2008 and 22 March 2009 to 31 December 2020.



WILL HAMILTON

BBus, Grad Dip Applied Finance, MBA (Melb), SF FIN, FAICD, FHKSI

Will Hamilton is the Managing Partner of Hamilton Wealth Management. Prior to this, he was the General Manager Wealth Services at NAB. Will previously held the position of Head of Private Wealth Management at Goldman Sachs JBWere, and prior to this was the Managing Director and Chief Executive Officer of Deutsche Securities Asia in Hong Kong. In addition to his qualifications, Will is a fellow of the Hong Kong Securities and Investment Institute a fellow of the Australian Institute of Company Directors and a Senior Fellow of FINSIA.

- › Commonwealth nominee: 10 August 2017 to 10 August 2020.



CAROLINE LAMB

BA LLB, MBeth, GAICD

Caroline commenced her professional career as a solicitor at a major commercial law firm. Attracted to commerce, she joined a steel manufacturer as general counsel. An interest in organisational development and corporate operations led naturally towards general management, including several challenging executive positions in both the public and private sector.

Caroline established, and for several years operated, a successful consulting business, becoming recognised for expertise in risk management and organisational change programs.

- › Appointed to NSW: 1 April 2018 to 1 April 2021.



JO METCALFE

BLArch (Hons), MBA, GAICD

Jo Metcalfe has worked in the professional services industry for 20 years, and for her current employer, GHD, for nearly 15. Her role at GHD sees her manage Canberra's largest consultancy firms of engineers, scientists, architects and project managers and she recently transitioned to the global role of chief strategist. Jo has been a member of the Councils for nearly 14 years, and served on its Finance, Audit and Risk Management Committee and Governance & Policy Advisory Group. She has been involved in professional peak industry bodies including the Property Council of Australia, Australian Institute of Architects and Professionals Australia for more than 20 years, and is a member of the University of Canberra Council.

- › Appointed to ACT: 16 January 2007 to 31 December 2008 and 11 March 2009 to 30 June 2018.
- › Retired: 30 June 2018.



PAM MONTGOMERY

BA (Hons), PhD

Pam Montgomery has many years' experience in developing, maintaining and improving professional standards in the health sector.

She currently holds several Board positions with government, statutory and not-for-profit organisations. This includes membership of the Medical Board of Australia, the Australian Pharmacy Council Accreditation Committee, a Human Research Ethics Committee and local community groups. Pam also provides consultancy services in medical education and standards development.

Prior to retirement from full-time employment, Pam was Deputy CEO and Director of Fellowship and Standards at the Royal Australasian College of Surgeons for 12 years. She trained initially as a forensic psychologist and worked in private and public clinical practice and at Monash University.

› Appointed to VIC: 1 July 2017 to 30 June 2020.



TIINA-LIISA SEXTON

BCom, FCA, FtIA, FAICD

Tiina-Liisa Sexton is a chartered accountant with a background in risk and financial management, governance and ethics. She has worked in the private, public, academic and not-for-profit sectors, and was the national Professional Standards Adviser in ethics and corporate governance at CPA Australia for 14 years until 2011.

Tiina-Liisa is Company Secretary of Woodlands Wines Pty Ltd and Director of St Giles Society. She is a former director of Housing Choices Australia, Aurora Energy Pty Ltd, Hobart Water and Connect Credit Union.

› Appointed to TAS: 1 January 2012 to 31 December 2014 and 1 June 2015 to 31 December 2017 and 28 March 2018 to 28 March 2021.



ELIZABETH SHEARER

BA LLB (Hons) MLM

Elizabeth Shearer is a Brisbane solicitor. She has a strong interest in consumer protection and access to justice, operating Affording Justice, an innovative model of legal practice to assist individuals and small businesses with their everyday legal needs. Elizabeth is chair of the Queensland Law Society's Access to Justice / Pro Bono Committee and the Queensland solicitor member of the Law Council of Australia's Access to Justice Committee. She is also a member of the Supreme Court of Queensland Library Committee and Chair of its Finance and Risk Management subcommittee.

› Appointed to QLD: 3 April 2018 to 3 April 2021.



IAIN SUMMERS

BCom, LLB (Hons), Grad Dip Mgt Psych, FCA FCPA FAICD FIML

Iain Summers has been a Council member since 2006 and chairs the Finance, Audit and Risk Management Committee. He is a chartered accountant and governance consultant, providing advice and assistance to community services and public sector entities. He is an accredited facilitator for the Australian Institute of Company Directors' programs. Iain is a board member, and Chair of the Audit Committees, of Traditional Credit Union Limited and Health Network Northern Territory Limited. He also chairs a number of audit and risk committees for community services and public sector entities.

- › Appointed to NT: 1 January 2006 to 31 December 2011 and 13 February 2012 to 31 December 2020.



RACHEL WEBBER

BJuris, LLB

Rachel Webber's primary areas of expertise include corporate and commercial law, with an emphasis on ASX and Corporations Act compliance, financial services regulation, managed investments and credit regulation. She holds the role of Senior Legal Counsel with a major financial institution.

Rachel is an executive member of the Business Law Section (BLS) of the Law Council of Australia, a peak industry body which advises governments, courts and federal agencies on the ways in which the law and the justice system can be improved for the benefit of the community. She also serves as a member of the BLS Corporations Committee and of the Commercial Law Committee of the Law Society of Western Australia.

- › Appointed to WA: 15 May 2013 to 31 December 2018.



CATHERINE (CATE) WOOD

BSocSc, Fellow AIST

Cate Wood is an experienced Executive, Director and Chair who has served on numerous not-for-profit and government Boards. She has been active in the development of governance training and practice in the profit-to-member superannuation sector and promoting diversity.

Cate is currently a director of CareSuper (past Chair), ISPT Pty Ltd, Industry Super Australia, Women in Super (Chair) and the Mother's Day Classic Foundation. She is also a member of the Victorian Legal Services Board.

- › Appointed to ACT: 1 July 2018 to 30 June 2021.

Cate held executive positions as CEO of AGEST Super and The Trade Union Training Authority, was Assistant Secretary of the Australian Services Union Victorian Branch and is a past President of the Australian Institute of Superannuation Trustees (AIST).

Structure and governance

Structure of the Professional Standards Councils

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

Under the Professional Standards Agreement 2011, all states and territories have agreed to appoint the same 11 members to each Council. New South Wales and Victoria nominate two members each, while every other state and territory together with the Commonwealth nominate one member each.

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

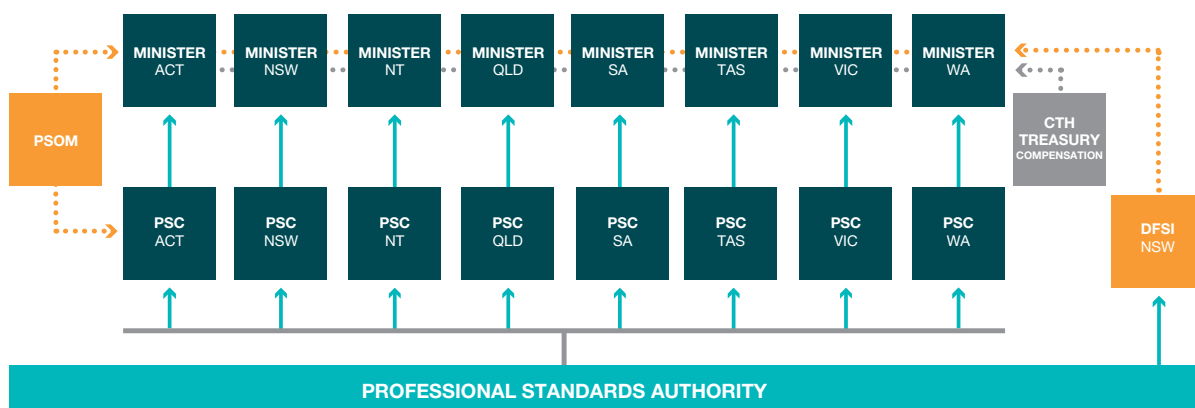
Each of these committees and advisory groups may make recommendations to the Councils. Committee members may include Councils' members or external appointees, are appointed on an annual basis, and are eligible to be reappointed at the end of their term.

National system

The success of Australia's national system of professional standards regulation relies on the goodwill, co-operation and partnership of relevant Ministers and their respective Departments.

Figure 5 below provides a diagram of the national system structure.

Figure 5 Structure of the national system as at June 2018



The Professional Standards Officers Meeting (PSOM) was established in March 2018, replacing the Professional Standards Legislation Working Group (PSLWG). The PSOM provides a regular forum for liaison and co-operation between the Professional Standards Authority (PSA) and all parties to the national system of professional standards regulation.

The PSOM is convened by the Executive Officer from the PSA and brings together officials from the relevant Departments of each state and territory and from the Commonwealth Treasury.

The PSOM convenes quarterly to discuss issues that require consideration at a national level, including operation of the Inter-Departmental Service Agreement, and the Ministerial Professional Standards Agreement.

The Councils thank the officials from each state, territory and the Commonwealth for their leadership and assistance throughout the reporting period.

Councils governance

There are eight Councils — one in each state and territory — acting co-operatively.

Each Council is constituted by the same 11 Council members (including the Chair and the Deputy Chair), appointed to each Council by the responsible Minister in each state and territory.

Council members are appointed for a term not exceeding three years, and are eligible to be reappointed when their term expires. To ensure transparency and probity in relation to the Councils' decisions, Council members must declare any conflicts of interest on their appointment and at the start of each meeting.

Each Council has established a Finance, Audit and Risk Management Committee, constituted by the same members and with common Terms of Reference.

Table 11 Council member remuneration rates

Chair per annum	Chair per meeting	Member per meeting
\$2,640	\$608	\$370

Table 11 shows remuneration rates of each member for 2017–18. The average sitting time of the Council members during 2017–18 was up to four hours per meeting. The remuneration of committees is consistent with the Councils' remuneration arrangements.

For longer meetings, the Chair was paid \$128 per extra hour or part thereof, and Council members were paid \$77 per extra hour or part thereof.

In compliance with Queensland, South Australian, Victorian and Western Australian reporting requirements, the Chair and all Council members were concurrently appointed to these Professional Standards Councils for the entire 2017–18 financial year, receiving the remuneration shown in Table 11. As indicated above, the amounts were paid per meeting, except for the Chair's retainer which was paid quarterly.

Table 12 Council members' remuneration and meeting attendance

Name	Role	Jurisdiction	Total Remuneration	Councils meetings attended	Out of session Councils meetings attended	Committee meetings attended	Out of session Committee meetings attended	Tenure
Steven Finch SC	Chair to 31 March 2018	NSW	\$4,971.30	3	2			2017
John Vines OAM	Chair from 23 May 2018	Vic	\$9,134.51	8	2	3	4	2016
Julie Cameron	Council member	Qld	\$2,784.59	5	2			2010
Terry Evans	Council member	SA	\$3,932.15	6	2			2006
Will Hamilton	Council member	Cth	\$2,210.81	4	2			2017
Caroline Lamb	Council member	NSW	\$1,063.25	1	2			2018
Andrew Lumsden	Council member	NSW	\$3,679.21	6	2		1	2017
Jo Metcalfe	Council member	ACT	\$3,189.74	5	1	1	1	2007
Pam Montgomery	Council member	Vic	\$4,337.31	5	2	1		2017
Tiina-Liisa Sexton	Council member	Tas	\$4,742.46	6	2	3	2	2012
Elizabeth Shearer	Council member	Qld	\$1,721.34	2	2			2018
Iain Summers	Council member	NT	\$6,218.53	8	2	4	4	2006
Rachel Webber	Council member	WA	\$4,894.67	8	2			2013

Notes

Note 1

- › Standard remuneration rates are based on a meeting of up to four hours. Members are paid \$370, and the Chair is paid \$608.
- › Chair is paid \$128 per hour thereafter and Council members \$77 per hour thereafter.
- › Remuneration values are shown inclusive of additional hours.
- › Remuneration is calculated on amounts receivable for attendance during the financial year ending 30 June 2018.

Note 2

- › The Chair receives a retainer of \$2,640.00 per annum, paid quarterly. Mr Finch SC received a retainer of \$1,980 (three quarters), Mr Vines OAM is entitled to \$660.00, representing one quarter's retainer.

Note 3

- › Mr Evans was also remunerated for a September 2016 Grants committee meeting (\$370 Superannuation Guarantee exclusive).

Note 4

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

Note 5

- › During the financial year ending 30 June 2018, eight Councils' meetings and two out of session meetings were held. Four Finance, Audit and Risk Management Committees meetings and four out of session meetings were held.

Councils committees

The Professional Standards Councils can delegate work to a committee, or a working group, including:

- › Finance, Audit and Risk Management Committees.
- › Grants Committee.

The Professional Standards Authority Chief Executive Officer is the Secretary of each committee.

The Association Development Advisory Group (ADAG), Governance and Policy Advisory Group (GPAG) and Law Reform Working Group (LRWG) did not meet during the reporting period.

Finance, Audit and Risk Management Committees (FARMC)

This committee oversees financial management, risk management, budget management, the annual reporting process and content, and associations' risk management and compliance reporting.

There were four scheduled committee meetings and four out-of-session committee meetings held during the 2017–18 reporting year.

Achievements

- › Reviewed and endorsed the content for the Councils' 2016–17 Annual Report.
- › Accepted the FY2016–17 income and expenses for annual reporting and commitments to Councils.
- › Accepted the accumulated reserves for reporting in the PSC's FY2016–17 Annual Reports (combined SA, WA, VIC and QLD).
- › Endorsed the Financial Statements for the year ending 30 June 2017.
- › Endorsed the jurisdictional FY2016–17 audit reports received.
- › Endorsed the 2017 Annual Professional Standards Improvement Program (PSIP) Report guideline and template.
- › Advised Councils on FY2018–19 budget.
- › Advised Councils on a range of regulated fee and reporting matters.
- › Monitored and advised Councils on management of risk.

Table 13 FARMCs' members' meeting attendance

Member	Committee meetings attended	Out of session committee meetings attended	Total
Iain Summers (Chair)	4	4	8
John Vines	3	4	7
Jo Metcalfe	1	1	2
Pam Montgomery	1	0	1
Tiina-Liisa Sexton	3	2	5
Andrew Lumsden	0	1	1

Grants Committee

No new grants were issued in the reporting period. This committee only meets, as required, to oversee grants, and did not meet in the reporting period.

Professional Standards Authority

The Professional Standards Authority provides regulatory and support services for the Professional Standards Councils. The Professional Standards Authority is a business unit of the Better Regulation Division of the NSW Department of Finance, Services and Innovation (NSW DFSI).

The Professional Standards Authority delivers the services to Councils that are set out in schedule 1 of the Professional Standards Inter-Departmental Service Agreement. These services include assisting Councils to approve, renew, amend or revoke schemes; maintaining the Councils' website; monitoring and administering schemes; payment of invoices for Councils' costs; facilitating Council and committee meetings; responding to Ministerial directions; managing breaches of Professional Standards Legislation; supporting the information gathering, advisory and educational functions of Councils; and maintaining proper financial records. The Professional Standards Authority also provides guidance and information to occupational associations, and consumers, about Professional Standards Schemes on behalf of the eight Councils.

The Professional Standards Authority delivered regulatory services including:

- › Supervising 25 schemes across Australia covering accountants, valuers, computer professionals, surveyors, solicitors and barristers.
- › Monitoring scheme compliance, including reporting and analysis.
- › Working with associations to improve their member's professional standards and risk management.
- › When issues arose, liaising with associations and other stakeholders regarding remediation.

Intergovernmental agreements

Three agreements work together to provide the national system of professional standards regulation. Ministers in all states and territories entered into the Professional Standards Agreement 2011.

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

- › The Professional Standards Inter-Departmental Service Agreement 2016, an agreement between state and territory departments that services to the Councils will be provided by the NSW Department of Finance, Services, and Innovation; and
- › The Professional Standards Councils and the Departmental Procurement of Services Agreement 2016, an agreement between state and territory departments and Councils to ensure that Councils have services they require to carry out their functions.

Structure of the Professional Standards Authority

The Professional Standards Authority has a 14-member team of qualified and experienced staff delivering regulatory and support services. The budget approved in accordance with the Inter-Departmental Service Agreement 2016 sets the capacity for staffing and operational costs within the PSA.

Figure 6 PSA organisation chart

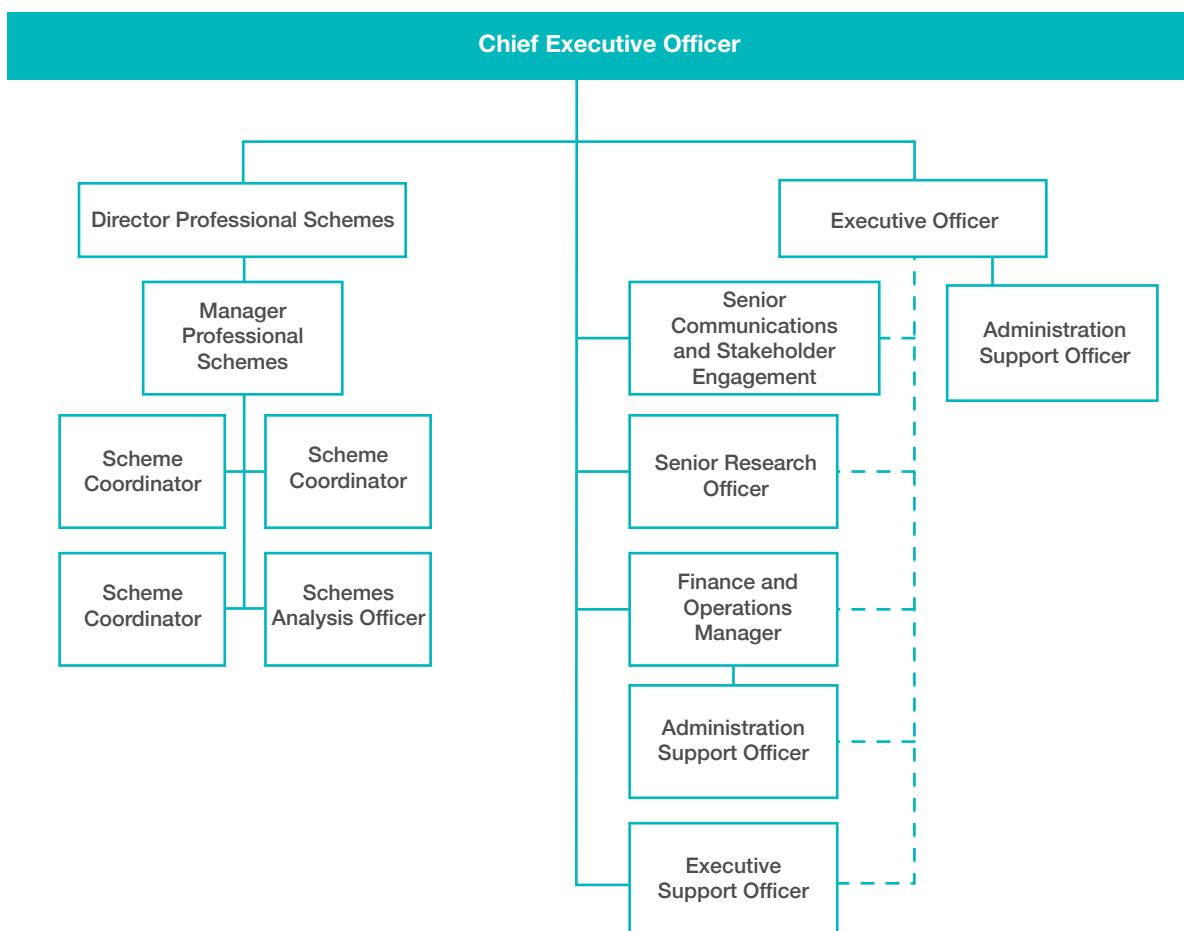


Table 14 PSA staff profile

Position grade	No of positions	Male	Female	Non/Ongoing
Senior Executive Band 2	1		1	Ongoing
Senior Executive Band 1	1	1		Ongoing
Clerk Grade 11/12	2	1	1	Ongoing
Clerk Grade 9/10	6	3	3	Ongoing
Clerk Grade 7/8	1		1	Ongoing
Clerk Grade 5/6	1		1	Ongoing
Clerk Grade 3/4	2		2	Ongoing

Financial Performance

Financial performance of the Professional Standards Councils

Table 15 Consolidated financial performance statement 2017–18¹

Summary of Income and Expenses as for year ended 30 June 2018	Combined	NSW	QLD	SA	VIC	WA	ACT	NT	TAS
Revenue									
Scheme membership fees ²	3,630,524	1,883,992	557,193	191,848	712,465	242,555	36,189	6,282	0
Scheme application fees ³	135,000	125,000	5,000	0	5,000	0	0	0	0
Interest from associations ³	1,479	7	297	952	223	0	0	0	0
Other income ⁴	102	0	0	0	102	0	0	0	0
Interest on invested funds ⁵	91,688	64,793	16,928	0	9,969	(2)	0	0	0
Total revenue⁶	3,858,793	2,073,792	579,418	192,800	727,759	242,553	36,189	6,282	0
Expenditure									
Employment costs ⁷	1,769,144	950,775	265,646	88,393	333,656	111,203	16,591	2,880	0
Other operating expenses ⁸	1,750,090	940,532	262,785	87,441	330,063	110,006	16,413	2,850	0
Councils endorsed national and strategic items (incl. grants/ARC) ⁹	154,406	82,980	23,185	7,715	29,121	9,706	1,448	251	0
Total expenditure	3,673,640	1,974,287	551,616	183,549	692,840	230,915	34,452	5,981	0
Less FY2016/17 expenses invoiceable to states/territories¹⁰	3,673,640	1,974,287	551,616	183,549	692,840	230,915	34,452	5,981	0
Actual charges to states/territories ⁵	2,483,631	1,301,019	377,926	125,771	486,003	163,811	24,695	4,406	0
Accrued charges to states/territories ⁵	1,190,009	673,268	173,690	57,778	206,837	67,104	9,757	1,575	0
% expenditure recharged/rechargeable ¹¹	100.00%	53.74%	15.02%	5.00%	18.86%	6.29%	0.94%	0.16%	0.00%

Note 1: This unaudited statement is derived from the information provided by the New South Wales Department of Finance, Services and Innovation (NSW DFSI) and records kept by the Professional Standards Authority (PSA). NSW DFSI provided financial reporting services to the Councils. All revenue and expenditure figures are prepared based on an accruals basis of accounting and are exclusive of Goods and Services Tax. The annual financial statements for South Australia, Queensland, Western Australia and Victoria are required under their respective legislation and audited financial statements are provided separately to the relevant jurisdictional departments, for tabling in their respective parliaments.

Note 2: Scheme membership revenue is recognised over the scheme year; some scheme annual periods are not aligned to a fiscal year resulting in a deferred revenue component. This deferred component is recognised during the subsequent fiscal year.

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

Note 4: Other income is interest received from the ATO.

Note 5: Interest (from financial institutions) is recognised on an accrued, not on a received basis.

Note 6: Amounts shown as revenue, expenses and accrued charges are calculated to the nearest cent, however are shown subject to rounding to the nearest dollar.

Note 7: Employment expenses are for the PSA and include contingent workforce. This is determined on an accruals basis and contains all relevant on-costs and also includes Workers compensation charges for Councils members. The Senior Executive Band position was held by two officers; a male with an annual remuneration package (including superannuation guarantee) of \$280,214 (16-17 \$273,380 and the incumbent as at

Table 16 Detailed expenditure 2017–18

	Combined	NSW	QLD	SA	VIC	WA	ACT	NT	TAS
	100.00%	53.74%	15.02%	5.00%	18.86%	6.29%	0.94%	0.16%	0.00%
Employment expenses									
Employees	1,621,868	871,625	243,532	81,035	305,880	101,946	15,210	2,640	0
Contingent workforce	147,276	79,150	22,114	7,358	27,776	9,257	1,381	240	0
Total employment expenses	1,769,144	950,775	265,646	88,393	333,656	111,203	16,591	2,880	0
Other operating expenses									
Councils ¹²	55,762	29,967	8,373	2,786	10,517	3,505	523	91	0
Occupancy ¹³	541,079	290,787	81,246	27,034	102,046	34,011	5,074	881	0
ITC	197,227	105,993	29,615	9,854	37,197	12,397	1,850	321	0
DFSI Shared Services ¹⁴	48,000	25,797	7,207	2,398	9,053	3,017	450	78	0
Advertising ¹⁵	50,199	26,978	7,538	2,508	9,467	3,155	471	82	0
Administration ¹⁶	152,467	81,938	22,894	7,618	28,755	9,584	1,430	248	0
Communications and marketing ¹⁷	94,246	50,649	14,152	4,709	17,775	5,924	884	153	0
Travel	125,946	67,686	18,911	6,293	23,753	7,917	1,181	205	0
Capital usage charges ¹⁸	394,070	211,780	59,171	19,690	74,320	24,770	3,696	643	0
Professional services (consultancy) ¹⁹	91,094	48,957	13,678	4,551	17,180	5,726	854	148	0
Total other operating expenses	1,750,090	940,532	262,785	87,441	330,063	110,006	16,413	2,850	0
Councils' endorsed national and strategic items									
Consultancy ¹⁹	104,406	56,108	15,678	5,216	19,692	6,563	979	170	0
ARC ²⁰	50,000	26,872	7,507	2,499	9,429	3,143	469	81	0
Total Councils' endorsed national and strategic items	154,406	82,980	23,185	7,715	29,121	9,706	1,448	251	0
Total expenses	3,673,640	1,974,287	551,616	183,549	692,840	230,915	34,452	5,981	0

30 June 2018 (female) of \$267,250. Noting that the CEO position was vacant from 16 September to 26 November 2017. One officer (male) employed within Senior Executive Band 1 (unchanged from 16-17) with an annual remuneration package (including superannuation guarantee) of \$210,215 (16-17 \$205,000). Employment expenses are net of Crown Assumed liabilities. Council members workers compensation are included with employment costs.

Note 8: Other operating expenses include depreciation/amortisation of assets that were used exclusively by PSA.

Note 9: Councils' endorsed national and strategic expenditure is not considered operating expenses. This Australian Research Council and consultancy expenditure.

Note 10: Expenses chargeable to each state and territory are based on PSA total expenses, for the financial year ending 30 June 2017. These expenses are derived from the financial records of NSW DFSI and are recharged to each Professional Standards Council, per the Professional Standards Inter-Departmental Agreement 2016. Under this agreement, a proportion of PSA's total expenditure is recharged to each Council.

Note 11: The recharge amount to each state and territory's Council is based on that Council's share of the total revenue generated by all Professional Standards Councils. The percentage allocation reported for each state and territory is shown only to two decimal places.

Note 12: 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 remuneration paid, please refer to Table 12 on page 42. This category also includes the Superannuation Guarantee Levy (9.5%), Payroll Tax as applicable. Workers compensation is included as an "employment cost".

Note 13: Includes occupancy of leased premises, unwinding of discount of lease make good provision, lease make good adjustments and electricity costs.

Note 14: Includes HR support and costs of payroll processing and the processing of payments and financial accounting support.

Note 15: Includes the expenses associated with the public notification and gazettal requirements.

Note 16: Includes expenses associated with audit/reviews of all relevant jurisdictions, insurance, property maintenance, staff training, and office stationery.

Note 17: Includes costs associated with the publishing of the Annual Report and addenda and website maintenance and development. The cost to print this annual report and the accompanying four jurisdictional annual financial reports (SA, Qld, Vic, and WA) is \$30,000 GST exclusive, as incurred up to 30 June 2018.

Note 18: Represents the annual depreciation/amortisation charges determined by NSW DFSI to recoup prior years' capital expenditure.

Note 19: Professional Services, represents seven consulting engagements providing actuarial advice (4); strategic and risk advice (2) and advice on Professional Standards Improvement Program annual reports 2016 and 2017 (1). Consultancy comprises eight consulting engagements providing assistance on a submission to the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry (1); advice on the analysis and reporting of claims data and actuarial data to inform regulatory guidance (1); advice on the professional indemnity insurance issues relevant to the Professional Standards Legislation (1); Former Council member engagements to assist with recruitment and advise Councils (5). No engagements exceeded \$50,000 (GST inclusive).

Note 20: Represents contribution to Australian Research Council Linkage project 'Professions in the 21st Century: Regulatory Engagement, Design and Strategy'.



State and Territory Professional Standards Councils

Legislated reporting

Australian Capital Territory

Constitution of the Council

Members of the Professional Standards Council of the Australian Capital Territory were entitled to attend eight scheduled and two out-of-session meetings for the year. Please refer to Table 12 on page 42 for a summary of meeting attendance.

Major legislative changes

Changes were made to the Professional Standards Legislation (schedule 4 of the *Civil Law (Wrongs) Act 2002 (ACT)*) to provide that instruments in force under section 4.28(4) are effective to extend the period for which a scheme is in force, even if the instrument is notified after the scheme has ended.

Fraud

There were no instances of fraud during the reporting period.

Risk management

The risk management and internal audit practices of the Council are described on page 43.

Public interest disclosure

There were no public interest disclosures for the 2017–18 reporting period.

Freedom of information

Under the *Freedom of Information Act 2016* (ACT) the Council must report on freedom of information requests received and handled during the reporting year. Section 96 of the Act requires the Council to report on the particulars of the operations of the agency, including numbers of and the types of access applications received by the agency. The statements are correct as at 30 June 2018.

Organisation and function

Please refer to page 40 for the Council's organisational structure and function.

Category of documents

The Council holds several categories of documents that are available on the Professional Standards Councils' website, including:

- › Annual report
- › Scheme application form
- › Scheme guidance
- › Policy papers
- › Application guidelines
- › Scheme documents

Documents informing the making of decisions or recommendations

The Council makes its decisions to approve Professional Standards Schemes by considering relevant legislative criteria. To do this the Councils consider a number of documents, including an association's application, and advice and recommendations provided by the PSA and independent actuarial advice. Associations must provide a large amount of information to the Councils when they apply for the scheme.

This includes insurance data about the highest claims, types of claims and level of claims. Associations must also include their risk management strategies, education and other qualification requirements, and code of ethics and conduct.

PSA staff profile

Please refer to page 45 for the organisational structure of the PSA which provides services and support to the Professional Standards Council of the Australian Capital Territory.

Work health and safety (WHS)

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

Territory records

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

Financial performance

The PSA is responsible for collecting revenue and operating within budget. Please refer to the Consolidated Financial Performance statement on page 46 for the Professional Standards Council of the ACT's revenue and expenses for 2017–18.

Reporting on procurement and contracting activities

The Council's share of the combined annual spend on consultancy was \$1,833 GST exclusive (see detailed expenditure on Table 16, page 47).

Per the Inter-Departmental Service Agreement 2016, all expenditure is processed by the NSW Department of Finance, Service and Innovation and allocated to the eight national Professional Standards Councils.

Sixteen contracts were awarded to consultants during the financial year, with three contracts above \$25,000:

1. Creative Consequences Pty Ltd for their assistance on a submission to the *Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry*. Award: \$45,454 (GST exclusive);
2. Taylor Fry Pty Ltd for providing advice on the analysis and reporting of claims data and actuarial data to inform regulatory guidance. Award: \$45,095 with \$32,818 (both values GST exclusive) incurred during the 2017–18 financial year, with the balance to be incurred in 2018–19; and
3. Meridian Lawyers Ltd for providing advice on the professional indemnity insurance issues relevant to the Professional Standards Legislation. Award: \$30,000 with \$22,000 (both values GST exclusive) incurred during the 2017–18 financial year with the balance to be incurred in 2018–19.

For further details of consultancy spend, refer to Note 19 of the detailed expenditure in Table 16 on page 47.

New South Wales

Constitution of the Council

Members of the Professional Standards Council of New South Wales were entitled to attend eight scheduled and two out-of-session meetings for the year. Please refer to page 42 for a summary of meeting attendance.

Legal changes

No major changes were made to Professional Standards Legislation during 2017–18.

Credit cards

The operation of staff provided credit cards complies with the directions of NSW Treasury (TPP 05-01).

Public interest disclosure

There were no public interest disclosures for the 2017–18 reporting period.

Government Information (Public Access) Act 2009 (NSW)

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

The NSW Department of Finance, Services and Innovation received three requests under the GIPA Act in relation to the Professional Standards Council of NSW during the reporting period.

Two requests related to the CPA applications for Professional Standards Schemes and one request related to office space rented by the NSW Government in the Sydney CBD.

Consumer response

Before any Professional Standards Scheme can be considered for approval by the Councils, a formal process of consultation called Public Notification (described in section 8 of the NSW legislation and similar in all other statutes) is undertaken, whereby any person can make a submission to the Councils with their views on the proposed scheme during the minimum 28 day period.

During the 2018 reporting year, the following schemes were publicly notified: the CPA Australia Ltd Professional Standards (Accountants) Scheme, the Institute of Public Accountants Professional Standards Scheme and the Law Society of New South Wales Scheme.

In addition to these regular, statutory consultation processes, any member of the community is entitled to provide feedback, make submissions or complaints about the operation of a Professional Standards Scheme.

Work health and safety (WHS)

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

Funds granted to non-government community organisations

During 2017–18 no grants were awarded.

Consultants

The Council's share of the combined annual spend on consultancy was \$105,065 GST exclusive.

Per the Inter-Departmental Service Agreement 2016, all expenditure is processed by the NSW Department of Finance, Service and Innovation and allocated to the eight national Professional Standards Councils.

Sixteen contracts were awarded to consultants during the financial year, with no contracts above \$50,000 GST exclusive.

For further details of consultancy spend, refer to Note 19 of the detailed expenditure in Table 16 on page 47.

Overseas travel

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

Land disposal

The Professional Standards Council of New South Wales and the PSA do not own properties, nor did they acquire or dispose of properties during the reporting period.

Risk management

The risk management and internal audit practices of the Council are described on page 43.

Privacy obligations

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

Multicultural policies and services programs

The PSA multicultural policies and service programs are guided by the NSW Department of Finance, Services and Innovation's Diversity and Inclusion strategy, Aboriginal Workforce strategy and Disability Inclusion Action Plan, and the *Government Sector Employment Act 2013*, which prioritises diversity in the workforce.

Financial performance

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

Please refer to the Consolidated Financial Performance statement on page 46 for the Professional Standards Council of NSW's revenue and expenses for 2017–18.

Social programs

No social programs were provided by the Professional Standards Council of New South Wales during the reporting period.

Economic or other factors

The factors that have affected the achievement of the operational objectives of the Professional Standards Council of New South Wales during the reporting period are set out on pages 16-34.

Workforce diversity

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

Disability inclusion action plans

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

Annual Report

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

The cost to produce the combined Councils' Annual Report and the individual financial addendum is estimated to be \$45,000. These costs will be recognised in the next reporting period.

Northern Territory

Constitution of the Council

Members of the Professional Standards Council of the Northern Territory were entitled to attend eight scheduled and two out-of-session meetings for the year. Please refer to page 42 for a summary of meeting attendance.

Administered legislation

The Professional Standards Council of the Northern Territory assists the Minister in administering the *Professional Standards Act* (NT).

Major legislative changes

No major changes were made to Professional Standards Legislation during 2017–18.

Public interest disclosure

There were no public interest disclosures for the 2017–18 reporting period.

Staff development

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

Organisational structure

For information regarding Council members and their profiles, please refer to pages 35-39.

PSA staff profile

Please refer to page 45 for the organisational structure of the PSA which provides services and support to the Professional Standards Council of the Northern Territory.

Work health and safety (WHS)

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

Information Act 2002 (NT)

The Council received no requests for information under the *Information Act 2002* (NT) during the reporting period. The PSA may collect and handle personal information on the Council's behalf. Any inquiries about access to information, or access or correction of personal information should be directed to the PSA.

Record keeping

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

Financial performance

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

Please refer to the Consolidated Financial Performance statement on page 46 for the Professional Standards Council of the NT's revenue and expenses for 2017–18.

Public sector employment and management

The Professional Standards Council of the Northern Territory did not have any compliance issues arising from the Public Sector Standards and NT Code of Ethics during the reporting period.

Ministerial directives

No Ministerial directives were received during the reporting period.

Queensland

Constitution of the Council

Members of the Professional Standards Council of Queensland were entitled to attend eight scheduled and two out-of-session meetings for the year. Please refer to page 42 for a summary of meeting attendance.

Major legislative changes

No major changes were made to the Professional Standards Legislation during 2017–18.

Risk management

The risk management and internal audit practices of the Council are described on page 43.

Right to information reporting

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

Consultation notices for new professional standards schemes are also published on the website and in major newspapers. Once a scheme becomes operational, the scheme document is also made publicly available on the website.

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

Protection of personal information

Section 40 of the *Information Privacy Act 2009* (Qld) advises that a person has a right to access documents that contain their personal information. No access applications were received under the *Information Privacy Act 2009* (Qld) during the reporting period.

Public interest disclosure

The Professional Standards Council of Queensland did not receive any disclosures covered under the *Public Interest Disclosure Act 2010* (Qld) during the reporting period.

Consultants

The Council's share of the combined annual spend on consultancy was \$29,356 GST exclusive.

Per the Inter-Departmental Service Agreement 2016, all expenditure is processed by the NSW Department of Finance, Service and Innovation and allocated to the eight national Professional Standards Councils.

Sixteen contracts were awarded to consultants during the financial year.

For further details of consultancy spend, refer to Note 19 of the detailed expenditure in Table 16 on page 47.

Overseas travel

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

Public sector employment and management

The Professional Standards Council of Queensland did not have any compliance issues arising from the Public Sector Standards and Qld Code of Ethics during the reporting period.

Recordkeeping

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

Waste management

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

For example, promotional material such as the annual report is produced on FSC certified paper and is made carbon neutral. The Council only prints the required number of annual reports and makes the report available on the Councils' website.

Financial performance

The audited financial statements of the Professional Standards Council of QLD are attached as an addendum to this report. Please refer to the Consolidated Financial Performance Statement on page 46 for the Professional Standards Council of QLD's revenue and expenses for 2017–18.

Ministerial directives

No ministerial directives were received during the reporting period.

South Australia

Constitution of the Council

Members of the Professional Standards Council of South Australia were entitled to attend eight scheduled and two out-of-session meetings for the year. Please refer to page 42 for a summary of meeting attendance.

Major legislative changes

No major changes were made to Professional Standards Legislation during 2017–18.

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 statement is correct as at 30 June 2018.

Organisation and functions

Please refer to page 40 for the Council's organisational structure and function.

Administered legislation

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

Document categories

The Council holds several categories of documents, including those which are available on request and without charge. These can be found on the Professional Standards Councils' website.

Specifically, these include:

- › Annual reports
- › Scheme application form
- › Policy papers
- › Application guidelines
- › Scheme documents

Arrangements can be made to inspect documents available under the *Freedom of Information Act 1991* (SA) by contacting the PSA between 9am and 5pm from Monday to Friday (except public holidays). The Council did not receive any applications to access documents (initial requests) during the reporting year. The Council did not receive any applications to internally review its decisions.

Record keeping

Sound record keeping practices underpin good governance. In accordance with the requirements of the *State Records Act 1997* (SA), the Council's record keeping system ensures documents can be accurately captured, stored and retrieved. This includes a computerised records management system and databases that record certain details of applications, submissions and correspondence.

Consultants

The Council's share of the combined annual spend on consultancy was \$9,767 GST exclusive per the Inter-Departmental Service Agreement 2016, all expenditure is processed by the NSW Department of Finance, Service and Innovation and allocated to the eight national Professional Standards Councils.

Sixteen contracts were awarded to consultants during the financial year, with seven contracts above \$10,000.

- › Creative Consequences Pty Ltd for their assistance on a submission to the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry Award: \$45,454 (GST exclusive).
- › Taylor Fry Pty Ltd for providing advice on the analysis and reporting of claims data and actuarial data to inform regulatory guidance. Award: \$45,095 with \$32,818 (both values GST exclusive) incurred during the 2017–18 financial year, with the balance to be incurred in 2018–19.
- › Taylor Fry Pty Ltd for providing actuarial advice in regard to the Law Society of New South Wales scheme application. Award: \$22,727 (GST exclusive).
- › Taylor Fry Pty Ltd for actuarial advice in regard to the Institute of Public Accountants scheme application. Award: \$19,182 (GST exclusive).
- › Taylor Fry Pty Ltd for actuarial advice in regard to the CPA Australia scheme application. Award: \$16,945 (GST exclusive).
- › Meridian Lawyers Ltd for providing their advice on the professional indemnity insurance issues relevant to the Professional Standards Legislation. Award: \$30,000, with \$22,000 (both values GST exclusive) incurred during the 2017–18 financial year with the balance to be incurred in 2018–19.
- › Douglas Hall Clark for providing advice on Professional Standards Improvement Program annual reports 2016 and 2017 – \$16,000. Work completed for \$11,500 (both values GST exclusive).

For further details of consultancy spend, refer to Note 19 of the detailed expenditure in Table 16 on page 47.

Public interest disclosure

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

Work health and safety (WHS)

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

Financial performance

The audited financial statements of the Professional Standards Council of South Australia are attached as an addendum to this report. Please refer to the Consolidated Financial Performance statement on page 46 for the Professional Standards Council of South Australia's revenue and expenses for 2017–18.

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

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

Tasmania

Constitution of the Council

Members of the Professional Standards Council of Tasmania were entitled to attend eight scheduled and two out-of-session meetings for the year. A summary of meeting attendance is shown on page 42.

Major legislative changes

In December 2016, amendments to the *Professional Standards Act (2005) (Tas)* commenced. The amendments addressed two long-term barriers to national harmonisation by repealing subsection 27(c) and inserting mutual recognition provisions into the *Professional Standards Act 2005*. These long-outstanding amendments removed the final impediments to the approval of Professional Standards Schemes by mutual recognition in Tasmania. The Professional Standards Legislation now provides great uniformity through mutual recognition across all states and territories in Australia.

Financial performance

The Professional Standards Council of Tasmania is not required to compile financial statements.

The PSA is responsible for collecting revenue and operating within budget. Please refer to the Consolidated Financial Performance statement on page 46 for the Professional Standards Council of Tasmania's revenue and expenses for 2017–18.

Victoria

Constitution of the Council

Members of the Professional Standards Council of Victoria were entitled to attend eight scheduled and two out-of-session meetings for the year. Please refer to page 42 for a summary of meeting attendance.

Major legislative changes

No major changes were made to Professional Standards Legislation during 2017–18.

Ministerial directives

No Ministerial directives were received during the reporting period.

National Competition Policy

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

Reporting of office based environmental impacts

The Minister for Finance issued financial reporting directives that require all entities defined as a 'department' under section 3 of the *Financial Management Act 1994 (Vic)* to report on office based environmental impacts. The Council does not fall within this definition.

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

For example, promotional material such as the annual report is produced on FSC certified paper and is made carbon neutral. The Council only prints the required number of annual reports and makes the report available on the Councils' website.

Victorian Industry Participation Policy

The Professional Standards Council of Victoria is not required to report under the *Victorian Industry Participation Policy Act 2003*, as it did not enter into or complete any contracts worth more than \$3 million in metropolitan Melbourne or \$1 million in regional Victoria.

Freedom of information reporting

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

Compliance with the *Building Act 1993 (Vic)*

The Professional Standards Council of Victoria is not required to report under the *Buildings Act 1993 (Vic)* as it does not own or lease property or any government building.

Protected disclosures

The *Protected Disclosure Act 2012 (Vic)* encourages and facilitates disclosures of improper conduct by public officers and public bodies. It repealed the *Whistle-blower Protection Act 2001 (Vic)*. In 2017–18, the Professional Standards Council of Victoria received no disclosures covered by either the *Whistle-blowers Protection Act 2001 (Vic)* or the *Protected Disclosure Act 2012 (Vic)*.

PSA staff profile

Please refer to page 45 for the organisational structure of the PSA which provides services and support to the Professional Standards Council of Victoria.

Work health and safety (WHS)

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

Financial performance

The audited financial statements of the Professional Standards Council of Victoria are attached as an addendum to this report. Please refer to the Consolidated Financial Performance statement on page 46 for the Professional Standards Council of Victoria's revenue and expenses for 2017–18.

Consultants

The Council share of the combined annual spend on consultancy was \$36,872 GST exclusive.

Per the Inter-Departmental Service Agreement 2016, all expenditure is processed by the NSW Department of Finance, Service and Innovation and allocated to the eight national Professional Standards Councils.

Sixteen contracts were awarded to consultants during the financial year, with seven contracts above \$10,000:

- › Creative consequences Pty Ltd for their assistance on a submission to the *Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry*. Award: \$45,454 (GST exclusive);
- › Taylor Fry Pty Ltd for providing advice on the analysis and reporting of claims data and actuarial data to inform regulatory guidance. Award: \$45,095 with \$32,818 (both values GST exclusive) incurred during the 2017–18 financial year, with the balance to be incurred in 2018–19;
- › Taylor Fry Pty Ltd for providing actuarial advice regarding the Law Society of New South Wales scheme application. Award: \$22,727 (GST exclusive);
- › Taylor Fry Pty Ltd for providing actuarial advice regarding the Institute of Public Accountants scheme application. Award: \$19,182 (GST exclusive);

- › Taylor Fry Pty Ltd for providing actuarial advice regarding the CPA Australia scheme application. Award: \$16,945 (GST exclusive);
- › Meridian Lawyers Ltd for providing advice on the professional indemnity insurance issues relevant to the Professional Standards Legislation. Award: \$30,000, with \$22,000 (both values GST exclusive) incurred during the 2017–18 financial year with the balance to be incurred in 2018–19; and
- › Douglas Hall Clark for providing advice on Professional Standards Improvement Program (PSIP) annual reports 2016 and 2017. Award: \$16,000. Work completed for \$11,500 (both values GST exclusive).

For further details of consultancy spend, refer to Note 19 of the detailed expenditure in Table 16 on page 47.

Western Australia

Enabling legislation

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

Responsible Minister

The responsible Minister is The Hon. John Quigley MLA Attorney-General.

Organisational structure

For information regarding Council members and their profiles, please refer to pages 35–39.

Mission

Please refer to page 8 for the Council's mission statement.

PSA staff profile

Please refer to page 45 for the organisational structure of the PSA which provides services and support to the Professional Standards Council of Western Australia.

Administered legislation

The Professional Standards Council of Western Australia assists the Minister in administering the *Professional Standards Act 1997 (WA)*. No major changes were made to Professional Standards Legislation during 2017–18.

Shared responsibilities with other agencies

Please refer to the section on Intergovernmental Agreements and the PSA on page 44.

Financial performance

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

Please refer to page 46 for the Professional Standards Council of WA's revenue and expenses for 2017–18.

Code of Ethics

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

For 2017–18 no breach claims were lodged in relation to either the Public Sector standards or the WA Public Sector Code of Ethics.

Ministerial directives

No Ministerial directives were received during the financial year.

Capital works

The Council has no capital works projects.

Pricing policies

Under the *Professional Standards Act 1997* and the Professional Standards Regulations 1998, associations that apply for or operate a Professional Standards Scheme are required to pay an application fee and annual fees for each person to whom their professional standards scheme applies and who is a member of the association at any time during the annual fee period. These fees are prescribed in the legislation and are available on the Council's website.

Government building training policy

The Council did not issue any building or construction contracts during 2017–18.

Staff development

The Council is committed to supporting the development of employees. The Authority builds a highly skilled, professional and fair workforce with the ability to adapt to changing business technology and the environment.

Significant issues impacting the agency

The significant issues affecting the operational objectives of the Council during 2017–18 are set out on pages 16–34.

Workers' compensation

No workers' compensation claims were recorded during 2017–18.

Public Sector Commission's policy framework for substantive equality

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

Contracts with senior officers

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

Credit cards – unauthorised use

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

Constitution of the Council

Members of the Professional Standards Council of WA were entitled to attend eight scheduled and two out-of-session meetings for the year. Please refer to page 42 for a summary of meeting attendance.

Board and committee remuneration

Please refer to page 42 for a summary of the remuneration for each board and committee member.



The Council is committed to creating an inclusive and supportive working environment

Expenditure on advertising, market research, polling and direct mail

In accordance with section 175Ze of the *Electoral Act 1907 (WA)*, the Council incurred the following expenditure in advertising, market research, polling, direct mail and media advertising. Total Councils' expenditure for 2017–18 was \$50,198.80*. Expenditure was incurred in the following areas:

Table 17 Expenditure on advertising, market research, polling and direct mail

Expenditure	Total	Organisation	Amount
Advertising agencies	\$2,949.88	Zenith Optimedia	\$2,245.08
		Blaze Advertising	\$704.80
Market research organisations	Nil		Nil
Polling organisations	Nil		Nil
Direct mail organisations	Nil		Nil
Media advertising organisations	\$205.47	WA Department of the Premier and Cabinet (State Law Publisher)	\$115.08
		Queensland Department of Housing and Public Works (Gazette Advertising)	\$90.39
Total	\$3,155.35		\$3,155.35

*The expenditure shown is the WA Professional Standards Council's share (6.29%) of the consolidated pool of expenses shared by all eight Councils which is based on each individual Council's revenue compared to total revenue.

Disability access and inclusion plan outcomes

The Council is committed to creating an inclusive and supportive working environment for people with disability, including those who require adjustment. The Council's office has wheelchair and lift access and convenient parking close by. Council's publications are designed to be print-accessible for people with disabilities and can be supplied in alternative formats on request.

Record keeping

Sound record keeping practices underpin good governance.

The Council has a system in place to ensure documents can be accurately captured, stored and retrieved, in accordance with the record keeping policy and procedures used by the Department of the Attorney-General (DotAG) and pursuant to the *State Records Act 2000* (WA).

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

Occupational safety, health and injury management

The Council is committed to providing and maintaining a safe and healthy work environment, and acknowledges its responsibilities under the *Occupational Safety and Health Act 1984* (WA) and the *Workers' Compensation and Injury Management Act 1981* (WA). During the 2017–18 reporting period, no workers' compensation claims were lodged, nor was any time lost from work as a result of illness or injury as shown in Table 18.

Table 18 Report of annual performance against targets

Measure	Actual results		Results against target
	2016–17 ¹	2017–18 ²	Target
Number of fatalities	0	0	0
Lost time injury and/or disease incidence rate	0	0	0 or 10% reduction
Lost time injury and/or disease severity rate	0	0	0 or 10% reduction
Percentage of injured workers returned to work:			(i) 100%
(i) within 13 weeks	(i) N/A ³	(i) N/A ³	(ii) Greater than
(ii) within 26 weeks	(ii) N/A ³	(ii) N/A ³	or equal to 80%
Percentage of managers trained in occupational safety, health and injury management responsibilities		100%	Greater than or equal to 80%

Notes

- ¹ This is a three year trend, i.e., the year is to be three years prior to the current reporting year, e.g., the current year is 2017–18 and the comparable year is 2016–17.
- ² The current year is 2017–18.
- ³ There were no injured workers during this reporting year.

Other legal requirements – section 40 estimates of the *Financial Management Act 2006 (WA)*

In accordance with Treasurer’s instruction 953, the section 40 estimates for 2018–19, as submitted to the Hon. Attorney-General, are shown below. These estimates do not form part of the 2017–18 financial statements and are not subject to audit.

Table 19 Section 40 estimates 2018–19

	2016–17 actuals \$000	2017–18 estimated actuals \$000	2018–19 section 40 estimates \$000
Statement of comprehensive income			
COST OF SERVICES			
Expenses			
Supplies and services	262	294	314
Other expenses	–	–	–
Total cost of services	262	294	314
INCOME			
Income from other than State Government			
Other revenue	225	237	247
Total income from other than State Government	225	237	247
Income from State Government			
Resources received free of charge	55	57	58
Total income from State Government	55	57	58
SURPLUS / (DEFICIT) FOR THE PERIOD	18	–	(9)

	2016–17 actuals \$000	2017–18 estimated actuals \$000	2018–19 section 40 estimates \$000
Statement of financial position			
Current assets			
Cash and cash equivalents	372	343	334
Receivables	19	10	10
Total current assets	391	353	344
TOTAL ASSETS	391	353	344
Current liabilities			
Payables	65	24	24
Revenue received in advance	37	39	39
Total current liabilities	102	63	63
Non-current liabilities			
	–	–	–
	–	–	–
TOTAL LIABILITIES	102	63	63
NET ASSETS	290	290	281
EQUITY			
Accumulated surplus / (deficit)	290	290	281
TOTAL EQUITY	290	290	281
Statement of changes in equity			
ACCUMULATED SURPLUS			
Balance at start of period	272	290	290
Total comprehensive income for the period	18	–	(9)
Balance of equity at end of period	290	290	281

	2016-17 actuals \$000	2017-18 estimated actuals \$000	2018-19 section 40 estimates \$000
Statement of cash flows			
CASH FLOWS FROM STATE GOVERNMENT			
Appropriation	-	-	-
Net cash provided by State Government	-	-	-
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Supplies and services	349	275	256
GST payments on purchases	35	27	26
Receipts			
Other receipts	226	240	247
GST receipts from taxation authority	32	33	26
Net cash provided by / (used in) operating activities	(126)	(29)	(9)
Net increase / (decrease) in cash held	(126)	(29)	(9)
Cash assets at the beginning of the financial year	498	372	343
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	372	343	334

Acronyms, abbreviations and definitions

ACT	Australian Capital Territory
ACS	Australian Computer Society
ADAG	Association Development Advisory Group
API	Australian Property Institute
APIV	Australian Property Institute Valuers Limited
ARC	Australian Research Council
ATMA	Association of Taxation & Management Accountants
BAQ	Bar Association of Queensland
CA ANZ	Chartered Accountants Australia and New Zealand
CIRCEA	College of Investigative and Remedial Consulting Engineers of Australia
CPA	Certified Practising Accountant Australia Limited
CTH/Cth	Commonwealth
DFSI	NSW Department of Finance, Services and Innovation
DotAG	Department of the Attorney-General
FARMC	Finance, Audit and Risk Management Committees
GIPA	<i>Government Information (Public Access) Act 2009</i> (NSW)
GPAG	Governance and Policy Advisory Group
IPA	Institute of Public Accountants
LIV	Law Institute of Victoria
LRWG	Law Reform Working Group
LSNSW	Law Society of New South Wales
LSSA	Law Society of South Australia
LSWA	Law Society of Western Australia
NSW	New South Wales
NSW Bar	New South Wales Bar Association
NT	Northern Territory
PSA	Professional Standards Authority ('The Authority') located within the NSW Department of Finance, Services and Innovation which provides services and support to the Professional Standards Councils
PSC	Professional Standards Councils ('The Councils')
PSIP	Professional Standards Improvement Program
PSLWG	Professional Standards Legislation Working Group
PSOA	Professional Surveyors Occupational Association
PSOM	Professional Standards Officers Meeting
Professional association	The terms 'professional association' and 'occupational association' (or 'association') are used interchangeably within this document
QLD/Qld	Queensland
QLS	Queensland Law Society
RICSV	Royal Institution of Chartered Surveyors Valuers Ltd
SA	South Australia
SA BA	South Australian Bar Association
Schemes	Professional Standards Schemes approved and gazetted under Professional Standards Legislation
TAS/Tas	Tasmania
The Councils	The Professional Standards Councils of the Australian Capital Territory, New South Wales, the Northern Territory, Queensland, South Australia, Tasmania, Victoria and Western Australia
VIC/Vic	Victoria
Vic Bar	Victorian Bar Association
WA	Western Australia
WABA	Western Australian Bar Association

Professional Standards Councils Professional Standards Authority

Level 2, St James Centre, 111 Elizabeth St Sydney NSW 2000
GPO Box 4021 Sydney NSW 2001

1300 555 772 (toll-free) or 02 8315 0800
pscinfo@psc.gov.au | psc.gov.au



ACT
Government



Finance,
Services &
Innovation



**NORTHERN
TERRITORY**
GOVERNMENT



Queensland
Government



Government of
South Australia



Justice
and Regulation



Tasmanian
Government



Government of **Western Australia**
Department of **Justice**

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