



What are the benefits of participating in a *Cover of Excellence*[®] scheme?

- > Capped civil liability on claims in return for complying with high standards of risk management, as well as having a required level of Professional Indemnity Insurance (PII) cover or equivalent business assets that meet the limit of liability.
- > Enhancement of your reputation – PSL and *Cover of Excellence*[®] schemes are in the public interest, as PSL will protect consumers by making insurance and risk management programs for professionals compulsory. Occupational associations and their members are likely to benefit from the positive image associated with consumer protection.
- > PSL may also have some positive effects in the area of PII, with benefits flowing to members of occupational associations. Some suggest PSL may lead to lower PII premiums over time. Others believe the availability of cover may improve; or that PII policies may start offering an expanded range of cover. While it is still too early to confirm developments like these, the Professional Standards Councils are confident that these (or similar) benefits will soon become more obvious.
- > Annual reporting by associations and periodic monitoring by the Councils provide an informal feedback mechanism to associations through monitoring the professional risks and reviewing practices.

The Professional Standards Councils

Each State and Territory has its own Professional Standards Council to assess applications for schemes and decide whether to approve *Cover of Excellence*[®] schemes in their State or Territory. This includes assessing the sufficiency of risk management strategies and scrutinising historical claims data to assess the proposed limit to occupational liability, from the perspective of consumer protection.

All assessments are made in accordance with the objectives of PSL; namely, to enable the creation of schemes limiting occupational liability, to facilitate the improvement of professional standards, and to protect the consumers of services provided by professionals. To ensure efficiency and consistency, each Council has the same members, nominated by each State and Territory and the Commonwealth Government.

The Councils then monitor the operation of each scheme, in line with its specific requirements, and in conjunction with updated information regarding claims made against members of the association.

The Professional Standards Councils in each State and Territory in Australia are served by the Office of the Professional Standards Councils (OPSC) based in Sydney.



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Nothing in this brochure should be construed as legal advice.
Please consult your legal practitioner for any legal advice.



Professional Standards Councils

Excellence in Professional Standards:
What it means for an occupational association like yours





Occupational Associations and the growth of professionalism in Australia

In Australia, a growing number of occupational associations and their members have become part of a movement to improve professional standards in their field of work. Coupled with this drive for professionalism is a desire to improve consumer protection, and both are being aided in Australia by Professional Standards Legislation (PSL) and *Cover of Excellence*[®] schemes.

This brochure introduces PSL and *Cover of Excellence*[®] schemes, and explains what they can mean to members of occupational associations like yours.

What is an “occupational association”?

An occupational association is an organisation that represents people who work in the same profession or occupation (e.g., the NSW Law Society for lawyers in New South Wales; or the Australian Computer Society for IT professionals). Individuals must be members of an occupational association before they are entitled to representation by their association or to be covered by its scheme. It is also important to understand that not all members of an occupational association with a *Cover of Excellence*[®] scheme are automatically covered by the scheme; eligibility is determined by the scheme itself.

About Professional Standards Legislation and *Cover of Excellence*[®] schemes

Each State and Territory in Australia has its own PSL, which allows the creation of schemes known as *Cover of Excellence*[®] schemes. These schemes commit the members of occupational associations that participate in them to a high standard of professional service and consumer care.

PSL was created to help occupational associations improve the professional standards of their members so that consumers of their services would be better protected in the event of negligence.

A *Cover of Excellence*[®] scheme indicates that an occupational association and its members who are covered by the scheme are committed to these high standards of professional practice, as evidenced by having the following systems in place:

- > Continuing Professional Development (or continuing occupational education) of its members
- > Admission requirements to the association
- > A publicly accessible Complaints and Discipline process
- > A Code of Ethics
- > A requirement that all members to whom the scheme applies have compulsory professional indemnity insurance and/or business assets (or a combination of both) sufficient to cover their specified level of liability
- > Risk Management systems that track claims made against any members, matters concerning complaints and discipline of members, and the association's program of continuing professional development

A person who is a member of an association with a scheme and to whom the scheme applies benefits by having their civil liability capped.

What does *Cover of Excellence*[®] mean for occupational associations?

If a member of an occupational association is covered by a *Cover of Excellence*[®] scheme, they will be recognised as being committed to high standards of professionalism and consumer protection.

To have a *Cover of Excellence*[®] scheme approved, an occupational association will have to demonstrate strategies to minimise risk and ensure consumer protection. In addition to having specific entry requirements and compulsory continuing professional education, the association will also need a Code of Ethics, quality assurance programs, and complaints and disciplinary procedures. Some may also need to strengthen their mechanisms that monitor professional indemnity insurance claims so that any trends can be identified.

Eligible members of occupational associations with *Cover of Excellence*[®] schemes are also covered by an upper limit of occupational liability provided they comply with all the other requirements of the scheme.

What do I have to do to get a *Cover of Excellence*[®] scheme?

An individual can only benefit from a *Cover of Excellence*[®] scheme if they are a member of an occupational association with a scheme, and a member to whom the scheme applies.

The process of applying for a *Cover of Excellence*[®] scheme is managed by the Professional Standards Councils in each Australian State and Territory. Individual members of an occupational association cannot apply directly for a *Cover of Excellence*[®] scheme. Any application must come from the occupational association.

Satisfying the application criteria can take upwards of several months, depending on the nature of the application and the proposed *Cover of Excellence*[®] scheme. This time excludes a mandatory public notification period for each scheme, with opportunity given for public comment. After approval, the scheme must then be published in the relevant Government Gazette/s, before taking effect.