

Professional Standards (Institute of Public Accountants Professional Standards Scheme) Notice 2017

Explanatory notes for SL 2017 No. 235

made under the

Professional Standards Act 2004

General Outline

Short title

Professional Standards (Institute of Public Accountants Professional Standards Scheme) Notice 2017

Authorising law

Section 14 of the *Professional Standards Act 2004* (the Act).

Policy objectives and the reasons for them

Each state and territory in Australia has similar professional standards legislation which is designed to reduce the cost of, and facilitate the obtaining of, professional indemnity insurance for members of an occupational association that has an approved scheme. The professional standards legislation in each jurisdiction provides for a Professional Standards Council (PSC) to approve and monitor schemes. A consequence of a scheme being approved is that occupational liability is restricted to the amount of the monetary ceiling for the scheme.

Section 14(1) of the Act requires the Minister to give notice of the approval of an interstate scheme by the appropriate PSC for the jurisdiction in which the scheme was prepared. Under subsection (2), the notice is subordinate legislation. Under subsection (5), a reference to an 'interstate scheme' includes a reference to an instrument amending a scheme prepared under the corresponding law of another jurisdiction so that the scheme indicates an intention to operate as a Queensland scheme.

The primary objective of the *Professional Standards (Institute of Public Accountants Professional Standards Scheme) Notice 2017* (the Notice) is to give notice of the approval of an instrument amending the Institute of Public Accountants Professional Standards Scheme (the Scheme) by the PSC of New South Wales (the Council).

The effect of the amendment is to extend the operation of the Scheme to all states and territories (the Scheme currently operates only in NSW). The Scheme limits the occupational liability of all members of the Institute of Public Accountants (IPA) who hold a current public practice certificate issued by the IPA, and who are not otherwise excluded.

Achievement of policy objectives

The policy objectives are achieved by giving notice of the approval of an instrument amending the Scheme by the Council.

Consistency with policy objectives of authorising law

The Notice is consistent with the policy objectives of the Act.

Inconsistency with policy objectives of other legislation

The Notice is not inconsistent with the policy objectives of other legislation.

Benefits and costs of implementation

There are no costs associated with the implementation of the Notice.

Consistency with fundamental legislative principles

The Notice is consistent with fundamental legislative principles.

Consultation

Notice of the instrument amending the Scheme was published in newspapers circulating throughout each state/territory. Letters advising of the proposed amendments were also sent to more than 200 stakeholders.