

# **Professional Standards (The Institute of Public Accountants Professional Standards Scheme) Notice 2021**

Explanatory notes for SL 2021 No. 168

Made under the

*Professional Standards Act 2004*

## **General Outline**

### **Short title**

*Professional Standards (The Institute of Public Accountants Professional Standards Scheme) Notice 2021*

### **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 section 14(2), the notice is subordinate legislation.

The primary objective of the *Professional Standards (The Institute of Public Accountants Professional Standards Scheme) Notice 2021* (the Notice) is to give

notice of the approval of The Institute of Public Accountants Professional Standards Scheme (the Scheme) by the PSC of Victoria (the Council).

The Scheme will limit the occupational liability of all participating members of the Institute of Public Accountants (IPA) who reside in Australia and hold a current Professional Practice Certificate, unless otherwise exempted. The Scheme provides for monetary ceilings (caps) based on the annual turnover of members. The Scheme also provides a discretionary authority for the IPA to specify a higher cap.

## **Achievement of policy objectives**

The policy objectives are achieved by giving notice of the approval of 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**

The Notice will allow the Scheme to have effect in Queensland. 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**

In accordance with the public notification requirements under the professional standards legislation, the Council published notices of the Scheme in a newspaper circulating throughout each state and territory inviting comment on the Scheme within 28 days (the public consultation period). The Council also wrote to interested stakeholders inviting comment on the Scheme within the public consultation period. All submissions received during the public notification period were considered by the Council before approving the Scheme.

The Office of Best Practice Regulation has not been consulted because the Notice is excluded from regulatory impact analysis under *The Queensland Government Guide to Better Regulation*, as a regulatory proposal of a machinery nature.