

Professional Standards (Chartered Accountants Australia and New Zealand Professional Standards Scheme) Notice 2019

Explanatory notes for SL 2019 No. 199

made under the *Professional Standards Act 2004*

General Outline

Short title

Professional Standards (Chartered Accountants Australia and New Zealand Professional Standards Scheme) Notice 2019

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.

The objective of the *Professional Standards (Chartered Accountants Australia and New Zealand Professional Standards Scheme) Notice 2019* (the Notice) is to give notice of the approval of the Chartered Accountants Australia and New Zealand Professional Standards Scheme 2019 (the Scheme) by the PSC of New South Wales (the Council).

The Scheme limits the occupational liability of all members of Chartered Accountants Australia and New Zealand (CAANZ) who hold a current Australian Certificate of

Public Practice, Affiliate Members or incorporated Practice Entity Members and who hold the requisite professional indemnity insurance/ business assets.

CAANZ (formerly known as the Institute of Chartered Accountants in Australia), currently has seven approved schemes in force, which commenced simultaneously on 8 October 2014 and which are due to expire on 7 October 2019. The Scheme will replace the seven existing schemes with a single new scheme which will commence on 8 October 2019 and continue for a period of five years.

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

Notice of the interstate scheme was published in newspapers circulating throughout each state/territory.