

SOME OF THE CLIENT BENEFITS ARISING FROM UTILISING PROFESSIONALS COVERED BY THE PROFESSIONAL STANDARDS LEGISLATION

To assist clients in understanding the benefits that arise from employing consulting engineers and professional persons covered by Professional Standards Legislation, the following notes have been prepared.

CLIENT BENEFITS

Whilst a small benefit that flows to a professional covered by a 'Limitation of Liability' scheme is the availability of realistic professional indemnity *[PI]* and other insurances, consumers of professional services greatly benefit from the use of persons / organisations covered by such schemes.

These client benefits include:

1. An assurance that the work will be undertaken by persons / organisations that are well regarded by their technical peers.
2. A much lower 'risk' of things going wrong [i.e. a failure or faulty advice incident], on a particular project.
3. Formal documentation / evidence that the persons / organisations:
 - have appropriate professional and other business insurances in place in the event that there is a problem or other issue on a particular project;
 - provide ongoing professional development and risk management training for their staff;
 - are audited at least every two years for compliance with current professional standards and risk management procedures, including Workplace Health & Safety *[WH&S]*.

It is also emphasised that the prime purpose of the Professional Standards Legislation is **not** to provide a mechanism for professionals to escape liability or reduce the PI Premiums; rather, the **chief purpose of the Professional Standards Legislation is to reduce the likelihood of a claim**. As such, clients obtain significant benefits from professionals who are members of an approved scheme because of the improved risk management procedures adopted, with these procedures usually including:

1. Peer review of all advice provided.
2. Random independent audits of the advice given.
3. Regular workshop training sessions and requirements for continuing professional development *[CPD]*.

Another important issue for a client to consider is the cost to the client of a claim should a failure or faulty advice incident occur. In this regard, the following are noted:

- a) Irrespective of the level of a professional's PI insurance cover, a client will always be put to considerable cost as a result of a claim, with a substantial proportion of these costs not being able to be recovered from the insurance payment.
- b) A client can suffer significant other losses [e.g. environmental, political, etc] as a result of a failure or faulty advice situation, which are not recovered from legal processes.

In view of the foregoing, clients have a substantial interest in minimising the risk of a claim, which is the prime purpose of the PSC legislation. Thus, to minimise this risk, clients should normally engage professionals covered by the PSC legislation.

Additional information on the Professional Standards Legislation and Limitation of Liability Schemes is available at the Professional Standards Councils website www.psc.gov.au.