



Australian Government



Australian
**Small Business and
Family Enterprise**
Ombudsman

7 May 2018

Psychology Board of Australia

By email: psychconsultation@ahpra.gov.au

Dear Sir/Madam

2018 REVIEW OF PROFESSIONAL INDEMNITY INSURANCE ARRANGEMENTS REGISTRATION STANDARDS

Thank you for the opportunity to submit comments on the above. The Australian Small Business and Family Enterprise Ombudsman (ASBFEO) represents the concerns of small businesses and family enterprises in Australia.

In general, we support increased clarity and functionality of private indemnity insurance (PII) for psychologists. However, we consider that impacts on small to medium enterprises (SMEs) have not been clearly considered in the 2018 Review. To reflect SMEs level of resources and capacity, we request that PII standards are based on the SMEs location, organisation structure, level of revenue, and type of industry.

Potential for significant cost savings on PII is contingent upon SMEs locality and clientele. Self-assessment to determine the required level of cover can be a significant burden on SMEs with the need to navigate complex insurance information, particularly where there is an undetermined client base. This can foster increased reliance on insurance providers and potentially increased costs for SMEs.

We do not support the proposed changes on PII costs based on SMEs location: metropolitan vs regional areas. Metropolitan practitioners could reduce their PII costs by specialising and tailoring their PII to their clientele, based on a larger client base. In contrast, regional and rural practitioners may require a more expensive PII to cover a broad range of risks associated with a more diverse range of clients. This translates into higher PII costs, potentially creating a barrier to long-term viability for regional SMEs.

To support SMEs to navigate insurance options, we request educational resources be provided to psychology-based SMEs. Guidelines or case studies could accompany the registration standard form to help SMEs understand PII options and the consequences of under-insuring.

I trust these comments assist you. [REDACTED]

Yours sincerely

Kate Carnell AO

Australian Small Business and Family Enterprise Ombudsman

T 1300 650 460 E info@asbfeo.gov.au
www.asbfeo.gov.au

Office of the Australian Small Business and Family Enterprise Ombudsman
GPO Box 1791, Canberra City ACT 2601