

Civil Law (Wrongs) CPA Australia Professional Standards Scheme 2025*

Disallowable instrument DI2025-311

made under the

Civil Law (Wrongs) Act 2002, sch 4, s 4.10 (Schemes are subject to disallowance)

1 Name of instrument

This instrument is the *Civil Law (Wrongs) CPA Australia Professional Standards Scheme 2025*.

2 Commencement

This instrument commences the day after notification.

3 Notice

1) I give notice of the Professional Standards Council of New South Wales' approval of the attached The CPA Australia Professional Standards Scheme.

2) The Scheme is in force until 20 August 2030.

4 Revocation

This instrument revokes DI2025-215 *Civil Law (Wrongs) CPA Australia Ltd Professional Standards (Accountants) Scheme 2025*.

Tara Cheyne MLA
Attorney-General
5 December 2025

*Name amended under Legislation Act, s 60

The CPA Australia Professional Standards Scheme

Preamble

- A. CPA Australia Ltd (**CPA Australia**) is an occupational association for the purposes of the Professional Standards Act 1994 (NSW) (the Act).
- B. The Scheme is prepared by CPA Australia for the purposes of limiting Occupational Liability to the extent to which such liability may be limited under the Act.
- C. The Scheme applies to all participating members referred to in clause 2 of the Scheme unless otherwise stated in that clause.
- D. The Scheme will have force in New South Wales, Australia and is intended to apply in all Australian states and territories. To the extent that the Scheme applies to limit liability in the other jurisdictions, it is subject to the professional standards legislation of those jurisdictions.
- E. CPA Australia has furnished the Council with a detailed list of the risk management strategies to be implemented in respect of its members, and details of the means by which those strategies are to be implemented.
- F. CPA Australia has furnished the Council with details of its insurance standards and professional indemnity insurance claims monitoring process. CPA Australia will not amend these insurance standards while the Scheme is in force without prior approval of the Council.
- G. CPA Australia has advised its members to whom the Scheme applies that they must have the benefit of a professional indemnity insurance policy that complies with the association's insurance standards and that the member remains liable for any difference between the amount payable to a plaintiff under the policy and the monetary ceiling specified in the Scheme.
- H. CPA Australia has furnished the Council with details of its complaints system and discipline system.
- I. CPA Australia and its members to whom the Scheme applies have undertaken to comply with all reporting obligations associated with the scheme, in furtherance of the statutory objects of improvement of the occupational standards of its members, and protection of the consumers of such members' services.
- J. CPA Australia has undertaken to remit all Fees payable under the *Professional Standards Regulation 2024* (NSW) to the Council as and when these become due.
- K. The Scheme is intended to commence on 21 August 2025 and remain in force for 5 years from its commencement unless, prior to that time, it is revoked, its operation ceases, or it is extended.
- L. Occupational liability limited by this Scheme may also be subject to the provisions of Commonwealth legislation, which may provide for a different limitation of liability, or unlimited liability, in a particular case, and thereby alter the effect of the Scheme.

The CPA Australia professional standards scheme

1. Occupational association

- 1.1 The CPA Australia Professional Standards Scheme (the Scheme) is a scheme under the Professional Standards Act 1994 (NSW) (the Act) prepared by the CPA Australia Ltd (CPA Australia) whose business address is Level 20, 28 Freshwater Place, Southbank Victoria 3006.

2. Persons to whom the Scheme applies

2.1 The Scheme applies to:

- 2.1.1 all members of CPA Australia who hold a current Public Practice Certificate issued by CPA Australia; and
- 2.1.2 all persons to whom the Scheme applies, by virtue of the Act and the Corresponding Laws of other jurisdictions in which the Scheme applies.
(collectively “Participants” and each a “Participant”).

- 2.2 A person referred to in clause 2.1.1 may, on application, be exempted from participation in the Scheme by CPA Australia with effect from the date specified CPA Australia.

3. Jurisdiction

3.1 The Scheme applies in New South Wales.

- 3.2 In addition to New South Wales, the Scheme is intended to operate in Australian Capital Territory, Northern Territory, Queensland, South Australia, Tasmania, Victoria and Western Australia in accordance with the Professional Standards Legislation of those states and territories and subject to the requirements of that legislation (“the Corresponding Laws”), so that references to a provision of the Act, the application of the Scheme to a liability, the limit of a liability under the Act, or what constitutes Occupational Liability, are intended to pick up the relevant provisions of the Corresponding Laws, applied mutatis mutandis, to the extent that is necessary for the application of the Scheme in any of those jurisdictions.

4. Limitation of liability

- 4.1 This Scheme only affects the Occupational Liability of a Participant for Damages arising from a single Cause of Action to the extent to which the liability results in Damages exceeding \$2 million.
- 4.2 If a Participant who is, or was, at the time of the act or omission giving rise to Occupational Liability, a Participant to whom the Scheme applies, or applied, and against whom a proceeding relating to Occupational Liability is brought, is able to satisfy the court that the Participant has the benefit of an Insurance Policy in respect of the Occupational Liability relating to the Cause of Action (including any amount payable by the Participant by way of excess under or in relation to the Insurance Policy):
- a) of a kind which complies with the standards determined by CPA Australia;
 - b) insuring such person against the Occupational Liability to which the Cause of Action relates; and
 - c) under which the amount payable in respect of that Occupational Liability is not less than the applicable monetary ceiling specified in clauses 4.3, 4.4 and 4.5 of this Scheme,

then that Participant is not liable in Damages in relation to that Cause of Action above the amount specified in the monetary ceiling in accordance with the relevant table set out at clauses 4.3, 4.4 and 4.5 of this Scheme.

4.3 The Category 1 monetary ceiling is an amount specified in the table below:

Groups	Monetary ceiling
1. Participants who at the Relevant Time were in an Accounting Practice which generated total annual Fee income, for the financial year immediately preceding the Relevant Time, of less than \$10 million.	\$2 million
2. Participants other than those in Groups 1 and 3.	\$10 million
3. Participants who at the Relevant Time were in an Accounting Practice which generated total annual Fee income, for the financial year immediately preceding the Relevant Time, greater than \$20 million.	\$75 million

4.4 The Category 2 monetary ceiling is an amount specified in the table below:

Groups	Monetary ceiling
1. Participants who at the Relevant Time were in an Accounting Practice which generated total annual Fee income, for the financial year immediately preceding the Relevant Time, of less than \$10 million.	\$2 million
2. Participants other than those in Groups 1 and 3.	\$10 million
3. Participants who at the Relevant Time were in an Accounting Practice which generated total annual Fee income, for the financial year immediately preceding the Relevant Time, greater than \$20 million.	\$20 million

4.5 The Category 3 monetary ceiling specified in the table below:

Groups	Monetary ceiling
1. Participants who at the Relevant Time were in an Accounting Practice which generated total annual Fee income, for the financial year immediately preceding the Relevant Time, of less than \$10 million.	\$2 million
2. Participants other than those in Groups 1 and 3.	\$10 million
3. Participants who at the Relevant Time were in an Accounting Practice which generated total annual Fee income, for the financial year immediately preceding the Relevant Time, greater than \$20 million.	\$20 million

- 4.6 Clause 4.2 does not limit the amount of Damages to which a Participant is liable if the amount is less than the amount specified for the purpose in this Scheme in relation to a Participant.
- 4.7 In circumstances where the services provided by a Participant comprise a combination of Category 1 services and any of:
- a) Category 2 services;
 - b) Category 3 services;
 - c) Category 2 services and Category 3 services,
- the Participant's liability under this scheme for Damages in respect of a proceeding in relation to Occupational Liability in excess of the applicable amount specified in clause 4.1 will be determined in accordance with those provisions of the scheme relating to Category 1 services only.
- 4.8 In circumstances where the services provided by a Participant comprise a combination of Category 2 services and Category 3 services, the Participant's liability under this scheme for Damages in respect of a proceeding in relation to Occupational Liability in excess of the applicable amount specified in clause 4.1 will be determined (subject to clause 4.7) in accordance with those provisions of the scheme relating to Category 2 services only.
- 4.9 This Scheme limits the Occupational Liability in respect of a Cause of Action against a Participant and founded on an act or omission committed by that Participant during the period when the Scheme was in force.
- 4.10 This Scheme only limits the amount of Damages for which a Participant is liable if and to the extent that the Damages exceed the amount specified in clause 4.1. Where the amount of Damages in relation to a Cause of Action exceeds the amount specified in clause 4.1, liability for Damages will be limited to the amount specified in the applicable other provisions of this clause 4, as provided for by section 28 of the Act.
- 4.11 Nothing in this Scheme is intended to increase, or has the effect of increasing, a Participant's liability for Damages to a person beyond the amount that, other than for the existence of this Scheme, the Participant would be liable in law.
- 4.12 Notwithstanding anything to the contrary contained in this Scheme if, in particular circumstances giving rise to Occupational Liability, the liability of any Participant is capped both by this Scheme and also by any other scheme under Professional Standards Legislation (whether of this jurisdiction or under the law of any other Australian state or territory) and, if the amount of such caps should differ, then the cap on the liability of such Participant arising from such circumstances which is higher shall be the applicable cap.

5. Conferral of discretionary authority

- 5.1 CPA Australia has discretionary authority, on application by a Participant to specify in relation to that Participant a higher maximum amount of liability than would otherwise apply under the Scheme, in all cases or in any specified case or class of case.

6. Commencement and duration

- 6.1 The Scheme will commence:

- 6.1.1 in New South Wales, the Northern Territory, Tasmania, Western Australia, Victoria, and Queensland, on 21 August 2025; and

- 6.1.2 in the Australian Capital Territory and in South Australia, on this same date, or such other later date, provided the date is specified in the relevant Minister's notice in relation to the Scheme; or
- 6.1.3 in all other cases, on this same date subject to the statutory provisions of each applicable jurisdiction.
- 6.2 The Scheme will be in force in all applicable jurisdictions for 5 years from the date of its commencement in New South Wales.
- 6.3 Clause 6.2 is subject to the provisions of each jurisdiction in relation to the revocation, extension, or cessation of a scheme.

7. Definitions

7.1 Relevant definitions for the purpose of this scheme are as follows:

"Accounting Practice" means the activities of a member including those who provide Public Accounting Services through an Approved Practice Entity (in accordance with the requirements of By-Law 9.3 of the By-Laws).

"Act" means *Professional Standards Act 1994 (NSW)*.

"Approved Practice Entity" means such entities as defined as an Approved Practice Entity in By-Law 9.3 of the By-Laws.

"By-Laws" means the By-Laws of CPA Australia Ltd.

"Category 1 services" means:

- (a) all services required by Australian law to be provided only by a registered company auditor;
- (b) all other services provided by a registered company auditor in their capacity as auditor;
- (c) all services the deliverables from which:
 - (i) will be used in determining the nature, timing and extent of audit procedures in the context of an audit of a financial report; or
 - (ii) will be incorporated into the financial report of an entity; or
 - (iii) are required by law or regulation to be filed with a regulator (excluding returns signed by a registered tax agent).

"Category 2 services" means:

- (a) services to which Chapter 5 or Chapter 5A of the Corporations Act 2001 (Cth) applies;
- (b) services provided pursuant to section 233(2) of the Corporations Act;
- (c) services to which the Bankruptcy Act 1966 (Cth) applies; or
- (d) services arising out of any court appointed liquidation or receivership.

"Category 3 services" means any services provided by a Participant in the performance of their occupation, which are not Category 1 or Category 2 services.

"Cause of Action" means and includes all causes of action arising from the same source or originating cause.

"Corresponding Laws" means the Professional Standards Act 2004 (Qld) Professional Standards Act 2003 (Vic), the Professional Standards Act 2004 (SA), the Professional Standards Act 1997 (WA), the Professional Standards Act 2005 (Tas), the Professional Standards Act (NT), and the Civil Law (Wrongs) Act 2002 (ACT).

“Court” has the same meaning as it has in the Act.

“Damages” has the same meaning as it has in the Act.

“Fee” means a payment made to a Participant in exchange for services but excludes disbursements and goods and services taxes.

“Insurance policy” means an insurance policy that complies with By-Law 9.8 of the By-Laws and section 27 of the Act.

“Occupational Liability” has the same meaning as it has in section 4 of the Act.

“Participant” means any person to whom the Scheme applies in accordance with clause 2.1.

“Public Accounting Services” means those services defined as Public Accounting services in the By-Laws.

“Public Practice Certificate” means a public practice certificate issued by CPA Australia Ltd, permitting a member to provide Public Accounting Services.

“Relevant Time” means, in respect of a liability potentially limited by the Scheme, the period from the time(s) of the act(s) or omission(s) giving rise to the liability until the date that is seven years after the last such act or omission took place.