

Australian Capital Territory

Civil Law (Wrongs) RICS Valuers Ltd Scheme 2015 (No 1)

Disallowable instrument DI2015–329

made under the

Civil Law (Wrongs) Act 2002, section 4.10, schedule 4 (Schemes are subject to disallowance)

EXPLANATORY STATEMENT

Professional Standards Legislation (PSL) was developed on a national basis following the insurance crisis of 2002.

PSL, which has been passed by all States and Territories, involves a trade-off whereby professionals have their negligence liability for economic loss capped in return for a commitment to higher standards of service delivery, monitored by a professional standards council operating on a national basis.

In 2004, the ACT passed its own PSL, which was incorporated as schedule 4 of the *Civil Law (Wrongs) Act 2002* ('the Act'). Section 4.10, schedule 4 of the Act provides that the Attorney-General must give notice of an interstate scheme submitted by the appropriate council for the jurisdiction in which the scheme was prepared.

This instrument gives notice of the ACT Professional Standards Council's endorsement of the *RICS Valuers Ltd Scheme* (the Scheme). The Scheme commences on 1 January 2016 and will remain in force for five years (to 31 December 2020) unless the scheme is revoked, extended, or its operation ceases.

The Scheme limits the occupational liability of members of the Royal Institution of Chartered Surveyors Values Ltd (RICSV) for damages arising from a single cause of action, to the extent to which the liability results in damages exceeding \$1 million. The occupational liability of all RICSV members is limited under the Scheme by reference to Property Value, up to a monetary ceiling of \$4 million. The Scheme also confers discretionary authority on the RICSV, on application by a member, to approve a monetary ceiling up to a maximum of \$20 million.

To enliven their limited liability the Scheme requires RICSV members to have the benefit of an insurance policy under which the amount payable in respect of their occupational liability is not less than the amount of their limited liability. The RICSV also requires that members to whom the Scheme applies comply with relevant risk management strategies.

The Scheme has been developed in New South Wales under the *Professional Standards Act 1994* (NSW) by the RICSV, an international body that delivers professional accreditation, qualifications and standards in the development of and management of land, real estate, construction and infrastructure. The Scheme is also intended to operate by mutual recognition in Victoria, Queensland, South Australia, Western Australia, the Northern Territory and the ACT.

All required processes under the *Professional Standards Act 1994* (NSW) and the Act, including the prescribed period of public notification and submission by the ACT Professional Standards Council to the ACT Attorney-General, were observed in the development of the Scheme.