

Australian Capital Territory

# **Civil Law (Wrongs) Certified Public Accountants Australia Limited Professional Standards Scheme 2017**

**Disallowable instrument DI2017–310**

made under the

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

## **EXPLANATORY STATEMENT**

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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' occupational liability for negligence is limited in return for commitments to higher standards of service delivery and insurance. These standards are monitored by a professional standards council operating on a national basis (i.e. the ACT Professional Standards Council).

In 2004, the ACT passed its own PSL, which was incorporated as schedule 4 of the *Civil Law (Wrongs) Act 2002* (the Act). Where an interstate scheme is intended to operate in the ACT, schedule 4, section 4.10 of the Act requires the Attorney-General to give notice that the scheme has been approved by the professional standards council for the jurisdiction in which the scheme was prepared. Notice of an interstate scheme is pre-requisite to its operation by mutual recognition in the ACT and renders the scheme subject to disallowance in the ACT Legislative Assembly.

This instrument gives notice of the Professional Standards Councils' (PSC) approval of the Certified Public Accountants Australia Limited Professional Standards Scheme (the CPA Scheme). The CPA Scheme commences in the ACT on 1 January 2018, and will remain in force until 1 January 2020 unless the scheme is revoked, extended, or its operation ceases.

Certified Public Accountants Australia Limited (CPA Australia) is a national occupational association. The terms of the CPA Scheme limit a member's occupational liability for damages arising from a single cause of action to the extent to which the liability results in damages exceeding \$2 million. The Scheme is intended to operate by mutual recognition in New South Wales, the ACT, the Northern Territory, Victoria, Queensland, South Australia, Tasmania and Western Australia.

This is a new scheme developed in cooperation with the PSC. All required processes under the *Professional Standards Act 2004* (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.