

Australian Capital Territory

Civil Law (Wrongs) Australian Property Institute Valuers Limited Scheme 2021 (No 1)

Disallowable instrument DI2021-213

made under the

Civil Law (Wrongs) Act 2002, schedule 4, section 4.10 (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'). Schedule 4, section 4.10 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 Australian Property Institute Valuers Limited Scheme (the Scheme).

The Scheme commences on 1 September 2021 and will remain in force for five years (to 31 August 2026) unless the scheme is revoked, extended, or its operation ceases. It replaces an existing scheme (DI2016-33), which is due to expire on 31 August 2021.

The Scheme limits the occupational liability of members of the Australian Property Institute Valuers Limited (APIV) up to monetary ceilings between \$1 million to \$10 million depending on the category of valuation services and the assessed value of the property. The Scheme also confers discretionary authority on the APIV, on application by a member, to approve a monetary ceiling up to a maximum of \$20 million.

The Scheme has been developed in Victoria under the Professional Standards Act 2003 (Vic) by the APIV, a special purpose company established by the Australian Property Institute (API) to limit occupational liability of API members who undertake valuations of real property. The Scheme is also intended to operate by mutual recognition in New South Wales, the ACT, the Northern Territory, Queensland, South Australia, and Western Australia.

All required processes under the Professional Standards Act 2003 (Vic) 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.