

Professional Standards Amendment Bill 1999

Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

Overview of Bill

The object of this Bill is to amend the *Professional Standards Act 1994* to allow a scheme established under that Act by an occupational association for the purpose of limiting the professional liability of members to provide for the exemption of certain persons from the scheme. The Bill also validates the exemption provisions of existing schemes until the expiration of the schemes and certain other provisions of existing schemes for a limited period.

Outline of provisions

Clause 1 sets out the name (also called the short title) of the proposed Act.

Clause 2 provides for the commencement of the proposed Act on the date of assent.

Clause 3 is a formal provision giving effect to the amendments to the *Professional Standards Act 1994* set out in Schedule 1.

Schedule 1 Amendments

Exemptions from schemes

Schedule 1 [1] inserts proposed section 17 (2) into the *Professional Standards Act 1994* to enable a scheme established under that Act to provide that the relevant occupational association may, on application by a person, exempt the person from the scheme. Persons included automatically in a scheme by section 18 (partners of persons to whom a scheme applies), 19 (employees of persons to whom a scheme applies) or 20 (persons prescribed by the regulations as being associated with persons to whom a scheme applies) of that Act cannot be exempted from the scheme.

Schedule 1 [2], [3] and [4] contain consequential amendments.

Schedule 1 [5] enables regulations of a savings and transitional nature consequent on the enactment of the proposed Act to be made.

Provisions of existing schemes

Schedule 1 [6] provides that the provisions of an existing scheme that fail to provide that the scheme applies to all the members of an occupational association or to specified classes of members of an occupational association (and therefore do not comply with section 17 of the *Professional Standards Act 1994*) are taken to be valid until the expiration of 12 months, or until the provisions are amended or until the scheme expires, whichever occurs first.

However, the provisions of an existing scheme that enable the occupational association concerned to exempt a person, on application, from the scheme are taken to be valid for the life of the scheme. Those provisions are to be treated as having been made under proposed section

17 (2) (referred to above). Exemptions granted under those provisions are taken to have been validly granted.