

***Professional Standards Act 2005 (Tasmania)***  
**ENGINEERS AUSTRALIA TASMANIA SCHEME**

**PREAMBLE**

- A. The Institution of Engineers Australia (Engineers Australia) is an occupational association.
- B. Engineers Australia has made an application to the Professional Standards Council (the Council), appointed under the *Professional Standards Act 2005* (Tasmania) (the *Act*), for a scheme under the *Act*.
- C. The scheme is propounded by Engineers Australia for the purposes of limiting occupational liability to the extent to which such liability may be limited under the *Act*.
- D. The scheme propounded by Engineers Australia is to apply to members of Engineers Australia who are also members of The Engineering Science and Technology Professional Standards Society (the Society).
- E. All of the Society's Professional Members are members of Engineers Australia, being those members of Engineers Australia who are from time to time admitted to the membership of the Society by the Society's Management Committee.
- F. Engineers Australia has furnished the Council with a detailed list of the risk management strategies intended to be implemented in respect of its members and the means by which those strategies are intended to be implemented.
- G. The scheme is intended to remain in force for five (5) years from its commencement unless prior to that time it is revoked, its operation ceases or it is extended pursuant to section 35 of the *Act*.

**ENGINEERS AUSTRALIA TASMANIA SCHEME**

**1. Occupational Association**

- 1.1 The Engineers Australia Tasmania scheme (the scheme) is a scheme under the *Professional Standards Act 2005* (Tasmania) (the *Act*) prepared by the Institution of Engineers Australia (Engineers Australia) whose business address is 11 National Circuit, Barton, ACT 2600.

**2. Persons to Whom the Scheme Applies**

- 2.1 The scheme applies to all members of Engineers Australia who are at the same time also members of the Engineering Science and Technology Professional Standards Society (the Society).
- 2.2 This scheme also applies to all persons to whom the scheme applied under clause 2.1 at the time of any act or omission giving rise to occupational liability.

### 3. Limitation of liability

- 3.1 If a person who was at the time of the act or omission giving rise to occupational liability a category A member or a category B member or a category C member or a category D member against whom a proceeding relating to occupational liability is brought is able to satisfy the court that such member has the benefit of an insurance policy:
- (a) of a kind which complies with the standards determined by Engineers Australia,
  - (b) insuring such member against that occupational liability, and
  - (c) under which the amount payable in respect of the occupational liability relating to the cause of action (including any amount payable by way of excess under or in relation to the policy) is not less than the amount of the monetary ceiling (maximum amount of liability) specified in clause 3.2 hereof as applying to such members at the time at which the act or omission giving rise to the cause of action occurred,

the member is not liable in damages in relation to that cause of action above the amount so specified.

- 3.2 The monetary ceiling (maximum amount of liability) required for the purposes of limitation of liability under this scheme at the time at which the act or omission giving rise to the cause of action occurred is to be determined according to the following table:

Class	Description	Monetary ceiling (maximum amount of liability)
1	Category A member	\$1.5 million
2	Category B member	\$4 million
3	Category C member	\$8 million
4	Category D member	\$20 million

- 3.3 This scheme limits the occupational liability in respect of a cause of action founded on an act or omission occurring during the period when the scheme was in force of any person to whom the scheme applied at the time the act or omission occurred.

- 3.4 Relevant definitions for the purposes of this clause are as follows:

**“total annual fee income”** means the amount charged during a financial year for services provided by or on behalf of :

- (a) a body corporate who is a member of Engineers Australia to whom the scheme applies;
- (b) a partnership some of whose members are members of Engineers Australia to whom the scheme applies ;
- (c) a sole trader who is a member of Engineers Australia to whom this scheme applies.

**“financial year”** means a financial accounting period ending 30 June.

**“category A member”** means a person who is a member of Engineers Australia to whom the scheme applies and who is:

- (a) a body corporate whose total annual fee income for the most recent financial year is less than \$1 million;
- (b) an individual who is a member of a partnership, where the total annual fee income of such partnership for the most recent financial year is less than \$1 million; or
- (c) a sole trader whose total annual fee income for the most recent financial year is less than \$1 million.

**“category B member”** means a person who is a member of Engineers Australia to whom the scheme applies and who is:

- (a) a body corporate whose total annual fee income for the most recent financial year is \$1million or more, but is less than \$3 million;
- (b) an individual who is a member of a partnership, where the total annual fee income of such partnership for the most recent financial year is \$1 million or more, but is less than \$3 million; or
- (c) a sole trader whose total annual fee income for the most recent financial year is \$1 million or more, but is less than \$3 million.

**“category C member”** means a person who is a member of Engineers Australia to whom the scheme applies and who is:

- (a) a body corporate whose total annual fee income for the most recent financial year is \$3 million or more, but is less than \$10 million;
- (b) an individual who is a member of a partnership, where the total annual fee income of such partnership for the most recent financial year is \$3 million or more, but is less than \$10 million; or
- (c) a sole trader whose total annual fee income for the most recent financial year is \$3 million or more, but is less than \$10 million.

**“category D member”** means a person who is a member of Engineers Australia to whom the scheme applies and who is:

- (a) a body corporate whose total annual fee income for the most recent financial year is \$10m or more, but is less than \$20m.
- (b) an individual who is a member of a partnership, where the total annual fee income of such partnership for the most recent financial year is\$10m or more, but is less than \$20m. or
- (c) a sole trader whose total annual fee income for the most recent financial year is \$10m or more, but is less than \$20m.

3.5 This scheme only affects the liability for damages arising from a single cause of action to the extent to which the liability results in damages exceeding \$1,500,000.

#### **4. Conferral of discretionary authority**

4.1 Pursuant to section 27(b) of the *Act*, this scheme confers on Engineers Australia a discretionary authority to specify, on application of a member of Engineers Australia to whom the scheme applies, a monetary ceiling (maximum amount of liability) not exceeding \$20 million, in all cases or in any specified case or class of case. In compliance with Section 27(c) of the *Act*, on application in a specific case by a person to whom the Scheme applies, Engineers Australia must approve the higher maximum liability specified by the member than would otherwise apply under the scheme.

**5. Commencement**

5.1 This scheme commences on 1 June 2009.

**6. Duration**

6.1 This scheme will be in force for a period of five years from the date of commencement.