

This scheme commenced on 26 July 2001 and ceases on 25 July 2006.

THE INSTITUTE OF CONSULTING VALUERS SCHEME
Professional Standards Act 1994 (NSW)

PREAMBLE

OCCUPATIONAL ASSOCIATION

The Institute of Consulting Valuers Scheme is a scheme under the Professional Standards Act 1994 (NSW) applying in respect of The Institute of Consulting Valuers Co-operative Limited. The Institute of Consulting Valuers Co-operative Limited is a professional association which has its registered business address located at 26 Ross Street North Parramatta NSW

The Institute of Consulting Valuers Scheme limits the occupational liability of Participating Members of the scheme who provide services to the public within their professional competencies.

The occupational group represented by the Institute consists of approximately 120 current practicing members who hold a Certificate of Public Practice issued by the Institute.

The objectives of the Institute are outlined in the Co-operatives Rules, paragraph 5:

The objectives of The Institute shall be to bring together those engaged as Valuers and who are interested in the administration and/or development of the profession for the interchange of views and experience and for mutual consultation and advantage and in particular to carry out any or all of the following:-

- i) To encourage and foster the observance of high professional standards by its members and to establish and prescribe such standards.
- ii) To arrange meetings, discussions, conferences, etc on matters of common interest, and generally to act as a clearinghouse for the exchange of ideas.
- iii) To provide facilities and opportunities for research and analysis of any and all features of the field of valuation through forums, discussions, surveys, exhibitions and conferences.
- iv) To develop and foster relations with other kindred bodies or authorities.
- v) To issue a bulletin or journal and to disseminate information of value to its members.
- vi) To publish pamphlets, books, monographs.
- vii) To institute a register of members with details of experience and specialist knowledge or qualifications, and to bring to the knowledge of its members, organisations desirous of obtaining their services.
- viii) Generally to undertake all activities, including the incorporation of The Institute, as are likely to be of benefit to the practice, administration, interests and welfare of its members.

- ix) To protect and/or safeguard the interests of members individually or collectively and/or intercede on their behalf where in the opinion of The Board of Directors it is in the interests of the profession and the member or members to do so.

The objects encapsulate the common goals of improving professional knowledge and service through a conceptual framework of continuous feedback from those within and associated with the industry. The Institute's Code of Ethics requires members to practice their vocation with integrity, honour and professionalism, to act impartially and objectively when providing independent advice, and to respect the public interest.

The focus of the Institute and the makeup of the members represent property valuers who carry out work mainly in the residential property market.

NATURE OF THE SCHEME

A scheme operates for the purpose of improving the occupational standards of professionals and others, and to protect the consumers of their services. It also limits the civil liability of persons to whom the scheme applies.

The liability limited by the scheme includes, to the extent permitted by the Act, all civil liability arising (in tort, contract or otherwise) directly or vicariously from anything done or omitted by a member of the Institute or to any person to whom this scheme applies in acting in the performance of his or her occupation. The scheme does not apply to liability for damages arising from any matter to which the Act does not apply, including, but not limited to, liability for damages arising from death or personal injury to a person, a breach of trust, fraud or dishonesty.

The scheme does not affect damages which are below \$500,000. Except for residential valuations, the scheme limits liability for damages to \$5 million provided the person has insurance which is not less than \$5 million. However, the scheme limits liability for residential valuations to \$500,000 provided the person has insurance which is not less than \$500,000.

RISK MANAGEMENT

The Institute administers strategies designed to minimise risk through adherence to high standards of professional conduct and maintenance of professional competencies. As a primary strategy, the Institute maintains membership entry prerequisites with minimum educational and experience requirements.

Members are also required to undertake continuing professional development and to provide evidence annually that they have complied with the continuing education requirements specified in the Rules of the Institute. The Institute believes that enforcing professional development will help continue to provide a more skilled, professional service both now and in the future.

Each member holding a practicing certificate is required to have professional indemnity

insurance cover which, as a minimum, meets the standards specified by the Institute

The Institute in an effort to provide a more efficient, effective and professional service has adopted a Complaint and Disciplinary Code as set out in Schedule 1 of the Institutes Rules. This provides that all members have to account for their actions firstly to the Institute itself, but equally as important, to the general public for whom the services are provided. Any member who fails to comply with any of the provisions as set out within the Rules or the Code of Ethics are subject to disciplinary action and may have their membership terminated.

The Institute provides members with advisory and support services including education seminars and workshops and a quarterly newsletter to communicate industry trends and awareness.

The Institute will report annually on the implementation and monitoring of its risk management strategies, the effect of those strategies and any changes made or proposed to be made to them.

STANDARDS OF INSURANCE

Participating members, as defined in clause 2.2 of the scheme, are required to maintain a current professional indemnity insurance policy that meets the standards specified from time-to-time by the Institute. The amount payable under the insurance policy in respect of occupational liability is to be not less than the amount of the person's limitation of liability. In addition, participating members are to maintain business assets the net current market value of which is not less than any deductible amount applicable under the insurance policy.

CLAIMS MONITORING

The Institute will monitor claims made against members by annually surveying members and maintaining records of claims and, arising from that monitoring and through research, will develop strategies to improve standards and to minimise claims. The Institute will report annually on claims monitoring, strategies and research.

COMPLAINTS AND DISCIPLINE

Members to whom the scheme applies are subject to a complaints and discipline system administered by the Institute under the Complaints and Discipline Code of the Rules of the Institute.

SCHEME ADMINISTRATION

Administration of the scheme will be undertaken by The Institute of Consulting Valuers Co-

operative Limited. The Institute will establish a Scheme Management Committee to administer the scheme as it relates to their members and the Institute will maintain a register of the Participating Members, stored at its registered office.

DURATION

The scheme remains in force for a period of 5 years from its commencement unless it is revoked, extended or ceases in accordance with section 32 of the Act.

THE INSTITUTE OF CONSULTING VALUERS SCHEME

1. Occupational Association

- 1.1. The Institute of Consulting Valuers Scheme (the scheme) is a scheme under the Professional Standards Act 1994 (NSW) (the Act) of the The Institute of Consulting Valuers Co-operative Limited (the Institute) whose business address is 26 Ross Street North Parramatta NSW.

2. Persons to Whom the Scheme Applies (Participating Members & Other Persons)

- 2.1. The scheme applies to "Participating Members" and "Other Persons" as defined in clauses 2.2, and 2.3 of the scheme
- 2.2. All members of the Institute ordinarily resident in NSW who hold a current certificate of public practice issued by the Institute.
- 2.3. Persons to whom the scheme applies by virtue of section 18, 19 and 20 of the Act.

3. Limitation of Liability

- 3.1. A participating member or other person to whom this scheme applies is not liable in damages above a monetary ceiling (a maximum amount of liability) of \$5,000,000 in relation to a cause of action relating to occupational liability where the participating member or other person is able to satisfy the court that the participating member or other person has the benefit of an insurance policy insuring the participating member or other person against that occupational liability, and under which the amount payable in respect of the occupational liability relating to that cause of action is not less than the maximum amount of liability specified in the scheme in relation to the participating member or other person at the time at which the act or omission giving rise to the cause of action occurred.
- 3.2. However, a different maximum amount of liability of \$500,000 applies where the kind of work in relation to the cause of action relating to the occupational liability is of the kind specified in clause 3.2.1 of the scheme.
 - 3.2.1. Kind of Work: Valuations of established residential property and vacant residential property in post subdivision form.