

***Professional Standards Act 2004 (SA)***

**THE LAW SOCIETY OF SOUTH AUSTRALIA  
PROFESSIONAL STANDARDS SCHEME**

PREAMBLE

- A. The Law Society of South Australia (**the Society**) is an occupational association.
- B. The Society has made an application to the Professional Standards Council, appointed under the *Professional Standards Act 2004 (SA)* (**the Act**), for a scheme under the Act.
- C. The scheme is prepared by the Society 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 the Society is to apply to Admitted Members or Company Members of the Society who have professional indemnity insurance that complies with the Legal Practitioners Act 1981 (SA) in respect of a liability potentially limited by the Scheme.
- E. The Society 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.
- F. The scheme is intended to commence on 1 January 2012 and 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 34 of the Act.
- G. The scheme is also intended to apply in all other jurisdictions, except Tasmania.

## 1 Definitions

“*Act*” means the *Professional Standards Act 2004 (SA)*;

“*Acts*” means the Act and each corresponding law;

“*Admitted Member*” means a person who is or was at a relevant time an Admitted Member within the meaning of and pursuant to the Rules of the Society;

“*Company Member*” means a company who is or was at a relevant time a Company Member within the meaning of and pursuant to the Rules of the Society;

“*corresponding law*” means a law of another jurisdiction that corresponds to the Act;

“*Court*” has the same meaning as it has in the Acts;

“*Duration of the Scheme*” means the period commencing on the date specified in clause 7.1 and ending upon the cessation of the Scheme pursuant to clause 7.2;

“*Exempted Member*” means an Admitted Member or Company Member who is or was at a Relevant Time exempted by the Society from participation in the Scheme pursuant to clause 4.3;

“*Legal Practitioners Act*” means the *Legal Practitioners Act 1981 (SA)* or any Act enacted in substitution therefor;

“*Monetary Ceiling*” means, in respect of a liability in respect of a cause of action founded on an act or omission occurring after the commencement of the Scheme:

(a) the higher of –

Description	Monetary ceiling
1. Participating Admitted Members or Company Members other than those in item 2 below.	\$1.5 million
2. Participating Admitted Members or Company Members who were as at the 30 June immediately preceding the Relevant Time in a Law Practice:  (a) consisting of greater than 20 Admitted Members; or  (b) which generated total annual fee income for the financial year ended on 30 June immediately preceding the Relevant Time greater than \$10 million.	\$10 million

OR

(b) such higher amount as has been specified in relation to a specified Scheme Participant in respect of such case or class of case or generally as has been specified by the Society pursuant to clause 5.1;

*“occupational liability”* has the same meaning as it has in the Acts;

*“person”* means an individual or a body corporate;

*“relevant time”* means, in respect of a liability potentially limited by the Scheme, the time(s) of the act(s) or omission(s) giving rise to the liability;

*“the Scheme”* means the Law Society of South Australia Professional Standards Scheme constituted herein;

*“Scheme Participant”* means a person referred to in clause 4.1 or 4.2

*“the Society”* means the Law Society of South Australia.

## **2 Occupational Association**

2.1 The Scheme is a scheme under the Act prepared by the Society whose business address is 123 Waymouth Street Adelaide South Australia.

## **3. Jurisdictions in which the Scheme Applies**

3.1 The Scheme applies in South Australia pursuant to the Act.

3.2 The Scheme applies in New South Wales, Victoria, Queensland, Western Australia, the ACT and the Northern Territory pursuant to the corresponding laws of each of those jurisdictions respectively.

## **4. Persons to Whom the Scheme Applies**

4.1 The scheme applies to all persons who:

- 4.1.1 are or at the relevant time were Admitted Members or Company Members of the Society;
- 4.1.2 are or were at the relevant time not Exempted Members; and
- 4.1.3 have professional indemnity insurance that complies with the Legal Practitioners Act in respect of a liability potentially limited by the Scheme.

4.2 The scheme applies to all persons to whom the scheme applies by virtue of sections 20, 21, and 22 of the SA Act and the corresponding sections of the corresponding laws.

4.3 The Society may, upon application by an Admitted or Company Member, exempt that person from participation in the Scheme with effect from a date specified by the Society on or after the date on which the exemption is granted.

4.4 . The Society may, upon application by an Admitted or Company Member, revoke an exemption of that person from participation in the Scheme with effect from a date specified by the Society.

## **5. Conferral of discretionary authority**

5.1 The Scheme confers on the Society a discretionary authority, on application by a Scheme Participant, to specify in relation to the person a higher maximum amount of liability than would otherwise apply under the Scheme in relation to the person either in all cases or in any specified case or class of case, being a specified Monetary Ceiling not exceeding \$50 million.

## **6. Limitation of Liability**

6.1 The occupational liability of a person who is or at the relevant time was a Scheme Participant in respect of a cause of action founded on an act or omission occurring during the Duration of the Scheme is limited to the amount of the Monetary Ceiling.

6.2 The liability which is limited by clause 6.1 extends to a liability for damages (including interest and costs) within the meaning of the Acts but excludes a liability to which the Act does not apply from time to time by reason of section 5 thereof or, if the liability is governed by a corresponding law, excludes a liability to which the corresponding law does not apply from time to time by reason of its provisions.

6.3 The operation of clause 6.1 limiting the liability of a person is subject to the proviso that the person is able to satisfy the Court that:

6.3.1 the person has the benefit of an insurance policy complying with the Legal Practitioners Act insuring the person against the occupational liability to which the cause of action relates; and

6.3.2 the amount payable under the policy in respect of that occupational liability is not less than the amount of the Monetary Ceiling.

6.4 The limitation of liability that, in accordance with this Scheme, applies in respect of an act or omission continues to apply to every cause of action founded on it, irrespective of when the proceedings are brought in respect of it, and even if the

Scheme has been amended or has ceased to be in force.

6.5 For the purposes of section 28 of the Act, the Scheme only affects a liability for damages arising from a Single Claim (including a claim by a person who has 2 or more causes of action arising out of a single event) exceeding \$1,500 000.

## **7. Duration of the Scheme**

7.1 The scheme commences on 1 January 2012.

7.2 Subject to clause 7.3, the scheme will remain in force for a period of 5 years from its commencement unless:

7.2.1 it is revoked or ceases in accordance with the Act, or

7.2.2 it is extended in accordance the Act.

7.3 The scheme will cease to operate in a jurisdiction referred to in clause 3.2 if it is revoked or ceases in accordance with the corresponding law of that jurisdiction.