the financial problems and the efforts of President Arroyo to redistribute wealth - are very important and we can play a really significant role.

I also pay tribute to Patrick Underwood. It is really sad that he is leaving; however he wants to go back to his family farm and he will probably do an equally good job there as he has done with the exporters. I am looking forward to more travel and further reinforcing and extending relations with our northern neighbours. They are a front line for disease prevention and are very important markets.

Reports noted pursuant to Sessional Order.

PROFESSIONAL STANDARDS BILL (Serial 252)

Bill presented and read a first time.

Mr STIRLING (Employment, Education and Training): Madam Speaker, I move that the bill be now read a second time.

This bill is a further component in the government's legislative response to the insurance crisis. Our previous legislative measures have been designed to reduce pressure on the cost and availability of public liability insurance. This bill, however, is focussed on professional indemnity insurance. This cover insures professionals such as accountants, lawyers and engineers against claims by clients and others relying on their advice or services. Members will be aware of the difficulties faced in recent years by occupational groups in accessing indemnity insurance.

Indeed, the ACCC's third monitoring report, released in August 2004, showed that professional indemnity premiums have risen on average by over 160% since 1999. Furthermore, many professionals are finding that when they renew their cover, it is subject to an increasing number of exclusions. For example, a survey in May 2004 by the Association of Consulting Engineers found that more than 50% of consulting engineering firms renewing their policies had areas of business limited by policy exclusions.

The government is concerned this situation could result in a reduction of services available to consumers as professionals withdraw from providing these services. Alternatively, consumers will increasingly bear the losses arising from poor service because professionals are inadequately insured.

The government has participated in national discussions, which resulted in all jurisdictions committing to introduce nationally consistent professional standards legislation. This bill ensures that the Territory fulfils that commitment. The effect of the bill will also be enhanced by the Commonwealth's amendments. That amendment prevents plaintiffs from using its legislation as a basis for action in order to circumvent limits established under state and territory professional standards legislation.

The bill is consistent, although not identical, with the national model based on New South Wales legislation. This reflects the fact that the Territory has benefited from the experience of other jurisdictions, particularly Victoria, and consultation with stakeholders.

The purpose of the Professional Standards Bill is to limit the liability of members of occupational associations who participate in an approved professional standards scheme. Such schemes are designed to improve occupational standards, while providing greater protection and certainty to consumers about the quality of professional services and level of recovery should adverse events occur.

I will briefly outline the main aspects of the bill. Establishing schemes: the bill does not impose a scheme on any particular profession or occupational group. It is up to occupational associations to seek to establish one, and individuals and firms must join an association to access a scheme. Occupational associations must prepare their scheme then apply to the Professional Standards Council to have the scheme approved.

An approved scheme can apply to all members of the occupational association, or to particular kinds of members of the association. A scheme typically requires members to implement codes of conduct and risk management strategies, develop complaints and disciplinary procedures, and to undertake ongoing professional development. These measures improve occupational standards and reduce the likelihood of claims. In return, the scheme caps the professional liability of members to an approved amount of not less than $500 000.

The capping of liability: under the bill, liability is capped by reference to insurance arrangements, business assets, a multiple of the professional service fee or a combination of these. In order to receive the benefit of the liability cap, it is first of all necessary to be a member of an occupational association that has developed and had approved a professional standards scheme.

Second, members participating in the scheme must maintain insurance cover or business assets, or a combination of these, sufficient to meet claims up to their specified cap. To facilitate this, the bill provides that schemes may require members to have insurance policies of a particular kind that will cover