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Contributions to *riskmatters* on any subject relating to insurance, risk management or procurement can be forwarded via email to [trmf@treasury.tas.gov.au](mailto:trmf@treasury.tas.gov.au).



**TRMF 2009–10  
Annual Report  
online**

The 2009–10 TRMF Annual Report is now available in PDF format on the TRMF website. The report can be found under Annual Reports at: [www.treasury.tas.gov.au/trmf](http://www.treasury.tas.gov.au/trmf).

## Welcome

Welcome to the December 2010 edition of the Tasmanian Risk Management Fund newsletter, *riskmatters*, published by the Department of Treasury and Finance.

Agencies often run and co-host events that involve parties not covered by the Fund. In this edition we focus on strategies for clarifying responsibility and managing attendant risks. See page 2 for this feature.

Treasury has clarified the claims process in the event that buildings are destroyed. See page 2 for details.

This edition includes an update on procurement training (page 4), and a reminder to ensure that procurement evaluation committees comprise staff with the right mix of knowledge and skills (see page 4).

I would like to take this opportunity to wish you all a safe and happy Christmas period on behalf of the Procurement, Risk and Contract Management teams.

Di Hope  
Editor

## Fund news and updates

### FAA contract extension

The Crown has extended its Fund Administration Agent contract with Marsh for a further two years from 1 July 2011. Marsh is retained under the contract to administer claims, provide advice on claims matters and place insurance as required.

## Insurance requirements – major works

Agencies are reminded of the requirement to notify Marsh as soon as a major works building or construction contract has been entered into.

If accurate and timely details of the contract, including commencement date and sum insured have not been provided, the insurer may not accept the claim.

## Payment of premium – contractor insurance, major works

Agencies are required to pay premiums to Marsh if a contractor has not done so within the required 14 days of receiving an invoice.

## Agency Injury Management Programs need to be provided to Marsh

As Marsh needs to be aware of its and agencies responsibilities under individual agency Injury Management Programs, it is essential that agencies provide Marsh with a copy of all approved Programs.

# Cover for destroyed buildings

**Payment of the market value to an agency for a destroyed building is not automatic.**

A determination of the TRMF contribution to a replacement building is made on a case by case basis. In each instance, agencies will be asked to provide a submission to Treasury setting out what they intend to do with the funds. Treasury will then be in a position to determine whether the market value should be paid and if so, authorise Marsh to make the payment.

Treasury will consider how the funds are provided to an agency based on the agency's submission. For example, an agency may state a preference for progress payments throughout construction of the replacement building or can request a lump-sum payment upon completion.

# Planning and organising events

**Agencies often run and co-host events that involve parties not covered by the Fund. As the Fund is limited to providing cover to agencies and their employees, clarifying responsibility for managing risk is important.**

**Entities that are not covered by the Fund are responsible for their own risks.**

## Identifying and sharing risks

Where several entities are involved in arranging and staging public events, it is important to ensure that each party has its own public liability insurance cover to meet any liabilities arising from their involvement.

**Clarifying responsibilities is an important risk management strategy.**

To reduce doubt as to where responsibility lies, it is recommended that:

- each entity be allocated responsibility for particular event activities and takes responsibility for managing the risks arising from their involvement in these activities;
- the arrangement be formalised in writing to provide evidence, if needed, on agreed responsibilities and to reduce misunderstanding; and
- evidence of each entity's insurance cover, ie Certificate of Currency, be obtained.

Listed below are some factors to consider when reviewing certificates.

## Certificates of Currency – what to look for

All participants, including the venue, should hold their own public liability insurance cover to meet any liabilities arising from their involvement.

**Obtaining evidence of cover is one way to ensure that each participant is adequately covered for their own risks.**

Certificates of Currency provide documentary evidence that insurance cover is in place. However, it is important that agencies review the detail of certificates to ensure that participants are adequately covered to meet any liabilities arising from their involvement.

Listed below are some factors to consider when reviewing the certificates.

**Insurer/Broker**

Has the certificate been issued by the insurer or the broker on their letterhead?

While certificates issued by the insurer are preferred, it is accepted practice for the broker to issue certificates.

**Type/class of insurance**

Check that the type or class of insurance noted matches your requirements eg public liability.

**Policy number**

Check that a policy number has been included.

**Period of Insurance**

Check the period of insurance - this is important. The period should cover the period of contract. Where the policy expires during the currency of the contract the agency should require the contractor to provide a certificate covering the ongoing period.

**Territorial limits**

If the certificate has been issued outside Australia, ensure that cover is extended to Australia.

**Limit of liability**

This must be for at least the level of cover requested under the contract.

**Special conditions**

Check that there are no conditions that appear to limit the extent of cover. Consult with either Marsh or if a legal matter, Crown Law if uncertain.

**Signature/stamp**

Check that the certificate is signed by an officer of the insurer or broker on the appropriate letterhead and with the insurer's/broker's stamp displayed.

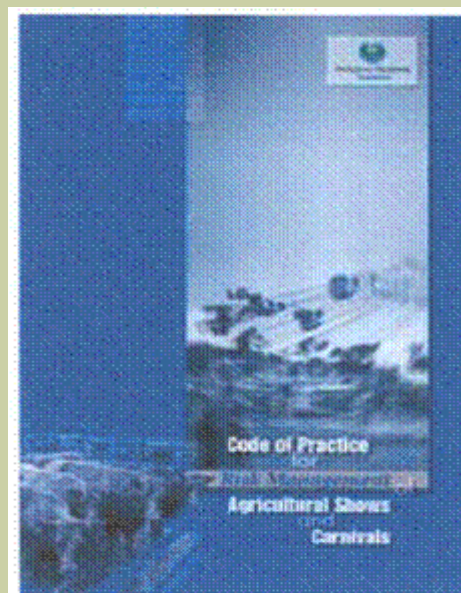
**For further information on Certificates of Currency contact Martin Broad at Marsh on telephone 6281 3133.**

**Cover for volunteers**

Volunteers assisting with an event (ie people acting under the control and direction of an agency as authorised agency volunteers), will be covered for personal accident by the Fund.

A register of the names of volunteers assisting with the event should be maintained.

**Organising events for the first time**



If you have been asked to organise an event for the first time and would like hints on the types of risks that need to be considered, you will find the ***Code of Practice for Risk Management of Agricultural Shows and Carnivals*** published by Workplace Standards Tasmania a useful tool.

## Tenders website

Recent changes to the Tasmanian Government Tenders website will ensure that business users receive a single email notification of opportunities to compete for business.

The Tenders website has been improved, and registered business users will be provided with a single email per category, notifying them of tendering opportunities.

## Composition of evaluation committees for procurement

**Agencies are reminded of the importance of evaluation committees comprising staff with the right mix of knowledge and skills to enable thorough consideration of all offers and ensure identification and assessment of the risks associated with the procurement.**

The composition and size of an evaluation committee will depend on the complexity and value of the procurement.

The committee, which is normally chaired by the person managing the procurement process, should include an end user and, where appropriate, the contract manager. Other members of the committee will depend on the nature of the purchase, but could include people with skills in the following areas:

- technical analysis (eg for scientific or IT purchases or building construction projects);
- financial assessment;
- probity; and
- legal knowledge.

If the necessary expertise is not available internally then the Agency may need to seek specialist advice to assist with the evaluation.

## Procurement training

Training courses on “Procuring Goods and Services”, “Managing Contracts”; and “Procurement and Contracting for Construction” were held throughout the year.

Feedback provided by participants has been very positive.

The contract with the training provider, Major Training Services, has been extended until February 2012.

Thank you to agencies for their input on the level of need for these courses within agencies. This was critical in formulating the recommendation to continue with the contract.

If you would like to be notified of future course dates as they are scheduled, please contact Annette Kingston at [purchasing@treasury.tas.gov.au](mailto:purchasing@treasury.tas.gov.au) and your name will be placed on our electronic mailing list.

Alternatively, the Training Consortium website located at [www.ttc.tas.gov.au](http://www.ttc.tas.gov.au) >What's On, details all the courses as scheduled.

## Meetings and notices

### TRMF Steering Committee

The role of the TRMF Steering Committee is to serve as a consultative forum through which agencies can provide input into the operations of the Fund and feedback to Treasury, the Fund Administration Agent and the Actuary.

The Steering Committee is representative of the agencies participating in the Fund.

The next meeting will be held on Tuesday, **29 March 2011**.

## Procurement Reference Group

The role of the Procurement Reference Group is to facilitate agency input into the development of procurement policy, training and tools.

Each agency is represented on the Reference Group by an officer nominated through their Head of Agency.

The next meeting is scheduled for February 2011. The date is yet to be set.

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