

## In this Issue

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<b>Welcome</b>	<b>Pg 1</b>
<b>TRMF team news and changes</b>	<b>Pg 1</b>
<b>TRMF Annual Report 2007-08 online</b>	<b>Pg 1</b>
<b>Return to Work and Injury Management Model - update</b>	<b>Pg 2</b>
<b>Immediate notification of potential liability claims</b>	<b>Pg 2</b>
<b>DEPHA staff put their best foot forward</b>	<b>Pg 3</b>
<b>Workers compensation administration costs compared</b>	<b>Pg 3</b>
<b>Treasurer's Instructions</b>	<b>Pg 4</b>
<b>Actuary tender</b>	<b>Pg 4</b>
<b>Study findings – workers compensation experience</b>	<b>Pg 4</b>
<b>Tasmania's new housing indemnity scheme</b>	<b>Pg 5</b>
<b>TRMF meetings and notices</b>	<b>Pg 6</b>
<b>Treasury contacts</b>	<b>Pg 6</b>

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## Welcome

Welcome to the January 2009 edition of the Tasmanian Risk Management Fund newsletter, *riskmatters*, published by the Department of Treasury and Finance.

Treasury periodically reviews the Treasurer's Instructions relating to procurement to ensure that the Instructions are accurate and clearly reflect the policy intentions of the Government. See page 4 for details.

On page 2 we advise that tenders are to be called to provide actuarial services for the TRMF.

Also included in this issue are updates on the WorkCover Tasmania Board's Return to Work and Injury Management Model (page 2) and Tasmania's new Housing Indemnity Scheme (page 5).

Di Hope  
Editor

## TRMF – team news and changes

A recent restructure within the Procurement and Property Branch at Treasury has seen a change to the internal management of the TRMF. These changes were brought about, in part, to allow for planned extended leave of Alison Lyne (maternity leave) and Penny Macintyre (study leave). Day to day operations relating to the TRMF have been moved to the new Procurement and Risk Management Unit managed by Cheryl Johnston (with Di Hope remaining as the key point of contact), while the financial and contract management of the Fund and its service providers is now being

undertaken by the Contract Management Unit managed by Brian Mignot (with Jan Wilson remaining as the key contact on these matters). Telephone extension numbers have remained the same.

We are in the process of recruiting to fill the resulting fixed-term vacancy arising from Penny/Alison's leave.

## Return to Work and Injury Management Model - update

The latest version of the WorkCover Tasmania Board's Return to Work and Injury Management Model is available at [www.workcover.tas.gov.au](http://www.workcover.tas.gov.au). The Model has been developed to deliver better health and return to work outcomes for injured workers at a lower cost to employers.

Changes to the *Workers Rehabilitation and Compensation Act 1988* to incorporate the requirements of the Model are expected to be introduced mid-2009.

### **Agencies will be required to develop an Injury Management Program and appoint Injury Management Coordinators**

Under the Model, government agencies will be required to develop an Injury Management Program and appoint Injury Management Coordinators. An IM Program is a series of documented policies and procedures to establish a coordinated and integrated injury management process. IM Programs must be consistent with guidelines developed by the WorkCover Tasmania Board and will need the Board's approval.

Injury Management Coordinators are to be appointed where an injury is likely to result in total or partial incapacity for more than five working days or will require ongoing medical treatment. The role of the IMC is to coordinate all aspects of the injury management process with the aim of streamlining the process. IMCs can either be in-house or outsourced but must be certified. Marsh will have certified IMCs on staff to assist agencies if required.

### **Injury Management Coordinators will need specific competencies**

The WorkCover Board has recently approved a set of training competencies and is in the process of selecting training organisations to deliver IMC training. The Model incorporates mechanisms to recognise prior learning and previously completed qualifications.

Further information about the Model, IM Programs and the role of Injury Management Coordinators is available at [www.workcover.tas.gov.au](http://www.workcover.tas.gov.au).

## Immediate notification of potential liability claims

Agencies are reminded that they should inform Marsh as soon as they are aware of a potential liability that may result in a claim on the Fund. A Claim/Incident Report Form is available at [www.treasury.tas.gov.au/trmf>Forms>General](http://www.treasury.tas.gov.au/trmf>Forms>General). In addition, the Office of the DPP must be involved in all negotiations, settlements, or court appearances regarding large or complex claims. The Office of the DPP must also be advised whenever a legal demand is received by an agency.

## DEPHA staff put their best foot forward

DEPHA staff across Tasmania put their best foot forward as part of the Walk to Work Day on 3 October 2008.

More than 50 Hobart staff braved threatening clouds to march into work, enjoying the reward of breakfast at the Tasmanian Museum and Art Gallery (TMAG).

“It was great to see a range of staff make their way into the TMAG courtyard and most had a smile on their face,” coordinator Carinda Rue (Environment Division) said.

Staff assembled in West Hobart, Lindisfarne and as far away as Berriedale before steaming into TMAG.

Graduate officer Amber Sturges, who also helped coordinate the Department’s Walk to Work Day campaign, was one of those up early at Berriedale.

“I was the youngest of the group but really had to work to keep up with Peter Harwood who was definitely the fittest,” Amber said.



DEPHA walkers L-R Kate Mackie, Carinda Rue, Clare Lond-Caulk, Garth Verity and Darryl Cook

Parks staff at the Prospect offices in Launceston also took part with five hardy souls taking on the rain.

“A healthy breakfast greeted everyone once they arrived and the rain was only light,” administrative assistant Rowena Lundie said.

The fun kept coming with DEPHA lucky walker prizes including annual parks passes, book packs, back packs and postcards.

“This is a great result not just for staff to be able to share this experience together but to do something for their own health and the environment by choosing to give their cars a miss,” Deputy Secretary David Hudson said.

## Workers compensation administration costs compared

The WorkCover Tasmania Board Annual Report for 2007-08 provides statistical comparisons between licensed insurers, self-insurers and the Tasmanian State Service.

According to the report, “**the Tasmanian State Service continues to have the lowest percentage of administration costs for workers compensation – around half that of licensed insurers**”.

In 2007-08, administration costs represented just 18 per cent of total workers compensation expenditure for the Tasmanian State Service compared with 30 per cent for licensed insurers and 37 per cent for self-insurers.

Apart from not having profit margins or administration costs relating to reinsurance, catastrophe insurance, and bank guarantees, which lessen administrative costs considerably relative to other insurer types, the Report suggests that the lower administration costs for the Tasmanian State Service may be due to the economies of scale resulting from having one centralised claims management office managing a large number of claims.

The WorkCover Tasmania Board Annual Report can be downloaded at: [http://www.workcover.tas.gov.au/resources/statistics/annual\\_reports](http://www.workcover.tas.gov.au/resources/statistics/annual_reports).

# Treasurer's Instructions

Treasury maintains a set of policies and procedural requirements relating to procurement and Crown contracts by way of the Treasurer's Instructions. Staff in agencies involved in the management of claims under the Tasmanian Risk Management Fund should be familiar with the Treasurer's Instructions and how they apply to claims – particularly property and liability claims.

## Procurement

Agencies are reminded that repairs and building works covered by the Tasmanian Risk Management Fund, including scoping the work, preparing documentation and the works themselves, must be undertaken in accordance with government building and construction procurement guidelines. In cases of urgency outside the agency's control, where there is insufficient time to undertake the appropriate procurement process, an exemption should be sought from the Department of Treasury and Finance. (Refer to the 1200 series of the Treasurer's Instructions for more information).

## Contracts Confidentiality Policy

Agencies are reminded that the Crown Contracts Confidentiality Policy, which came into effect on 15 February 2007, applies to all Crown contracts, not just those relating to procurement. An agreement to settle a liability or provide for compensation must therefore not contain a confidentiality clause unless an exemption has been received from the Crown Contracts Confidentiality Standing Committee. In addition, such contracts with a value of more than \$2 million must be published on the agency's website (refer to Treasurer's Instructions 1401 and 1402).

## Recent Review

Treasury has recently undertaken a review of the Treasurer's Instructions relating to procurement and the Crown Contracts

Confidentiality Policy to ensure that the Instructions are accurate and clearly reflect the policy intentions of the Government.

The amendments, which are relatively minor in nature, took effect from 1 January 2009.

The Treasurer's Instructions are available on Treasury's website at [www.treasury.tas.gov.au](http://www.treasury.tas.gov.au).

If you have any queries in relation to the amendments to the instructions please contact Cheryl Johnston on (03) 6233 4751 or by email:

[Cheryl.Johnston@treasury.tas.gov.au](mailto:Cheryl.Johnston@treasury.tas.gov.au)

## Actuary tender

**The Department of Treasury and Finance intends seeking a suitably capable and experienced provider to act as Actuary for the Tasmanian Risk Management Fund.**

The current Actuarial contract with Bendzulla Actuarial Pty Ltd expires on 31 August 2009.

Tenders will be invited in February/March 2009.

**Please note:** Any person who approaches agency staff for information regarding the tender should be referred to Jan Wilson in Treasury on (03) 6233 3763.

## Study findings - workers compensation experience

**Employer support significantly impacts on workers compensation claimant outcomes.**

Satisfaction with the workers compensation claims process, and in particular the perceived level of support given by the employer, significantly influences health and social outcomes of workers compensation claimants.

The adequacy of the compensation payment is the only workers compensation process that influences financial hardship. Whether the payment is made through weekly benefits or in a lump sum is irrelevant.

**These are two of the key findings of a study conducted by the University of Tasmania's School of Sociology into the longer-term social, health and financial situations of 507 Tasmanian workers compensation claimants who received benefits of \$20 000 or more in the eight or nine years prior to 2007.**

The study, which was commissioned by WorkCover Tasmania, will be used to provide greater insight into workers' experience and provide a solid basis for improving future outcomes. Phases 2 and 3 of the study which involve long qualitative interviews with recipients were scheduled to be completed in December 2008.

The full report is available on WorkCover Tasmania's website at [www.workcover.tas.gov.au](http://www.workcover.tas.gov.au)

## Tasmania's new housing indemnity scheme

From 1 July 2008 there is no legal requirement to have mandatory housing indemnity insurance in Tasmania.

A new statutory framework is replacing the scheme, which will include a program allowing resolution of disputes between consumers and builders as an alternative to the courts.

Under the old scheme, while the consumer (through the builder) had to pay for this compulsory insurance, the consumer could not just make a claim when something went wrong except as a "last resort" in extreme circumstances such as the death, disappearance or financial insolvency of a builder.

## Implementation

The Office of Consumer Affairs and Fair Trading is currently preparing detailed instructions to the Office of Parliamentary Counsel for the preparation of a draft Bill and amendments to existing legislation as necessary.

It is anticipated that consultation of the draft Bill will take place in early 2009 and the Bill is expected to be presented to Parliament in the second half of 2009.

### What is included in the new framework?

1. A dispute resolution process for domestic building disputes.
2. An ability to order the rectification of defective building work.
3. Implied contract terms.
4. Incorporation of the mandatory information, statutory warranties, minimum deposit and progress payment provisions currently contained in the *Housing Indemnity Act 1992*.

Details of the new framework are available at [www.consumer.tas.gov.au](http://www.consumer.tas.gov.au).

### *riskmatters* Subscription Service

Why not become a subscriber to the electronic version of *riskmatters* on [www.treasury.tas.gov.au](http://www.treasury.tas.gov.au) and receive an email alert and link to the site on the day of publication.

To register, contact the newsletter editor, Di Hope, at the Department of Treasury and Finance on (03) 6233 6597 or email [trmf@treasury.tas.gov.au](mailto:trmf@treasury.tas.gov.au)

## TRMF meetings and notices

### Occupational Health and Safety Working Group

An inter-agency Occupational Health and Safety Working Group holds meetings on an 'as required' basis, to share knowledge on occupational health and safety issues affecting government agencies.

The meetings are facilitated by Treasury.

If you would like further information about the Working Group, or would like to propose an issue for discussion, please contact Di Hope on 6233 6597 or e-mail [trmf@treasury.tas.gov.au](mailto:trmf@treasury.tas.gov.au) at Treasury at [trmf@treasury.tas.gov.au](mailto:trmf@treasury.tas.gov.au).

### 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 Wednesday, 31 March 2009.

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