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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.



Renewal of external insurances – 2011-12

We will soon be asking agencies to provide updated travel and marine hull information. (See page 2 for details).

Welcome

Welcome to the March 2011 edition of the Tasmanian Risk Management Fund newsletter, *riskmatters*, published by the Department of Treasury and Finance.

The heavy rainfalls experienced down the eastern part of Australia in recent months extended to the north-west and north-east of Tasmania, causing damage to government buildings and infrastructure. A snapshot of some of the claims arising from these events is included in this edition (see page 2).

Also in this edition, agencies are reminded of their obligation to ensure that government vehicles are properly maintained (see page 4) and, if these vehicles are damaged, agencies need to ensure that motor vehicle claim forms are properly signed (see page 4).

Di Hope
Editor

Fund news and updates

Advance notice – 2011-12 contributions

Advice from the Fund's Actuary recommends that total contributions to the Fund in 2011-12 will decrease by approximately two per cent compared to 2010-11.

The overall decrease is mainly due to the strong funding position in the medical liability category which will result in a significant reduction in contributions for this category.

Contributions for personal injury and motor vehicles have remained relatively stable while general property has increased by approximately 13 per cent. This reflects the relatively high losses experienced in recent years for smaller claims (those less than \$1 million), and a component for rebuilding a provision to fund future large claims, following some large claims over recent years.

General liability contributions will remain at a similar level to 2010–11.

Agencies will be advised of their TRMF 2011–12 contributions in March.

Injury management programs

Each agency is reminded to provide Marsh with a copy of its Injury Management Program.

Renewal of external insurances

Marsh is responsible for brokering cover for insurances purchased by the Fund. These include corporate travel, marine hull and cover for the Tasmanian Museum and Art Gallery Collections.

As the insurances will need to be renewed for 2011–12, we will be seeking updated marine hull and travel information from agencies for Marsh to provide to prospective insurers.

No change to the usual format for providing travel and marine hull information is anticipated.

Marsh is also required to broker cover for Contract Works and Legal Liability insurance. Treasury manages the placement of this cover for both Civil and Civic works projects. Cover is based on the Government's approved Capital Works Program and information obtained from selected agencies.

A frequently asked question

Does the Fund cover private vehicles used for work related purposes?

Cover is not provided by the Fund for damage to private motor vehicles. The Fund is guided by the principles of Ministerial Direction No. 1.1 2002 – Administration which stipulates that *“where an employee is required to use his/her own vehicle it should be the employee's responsibility that the vehicle is insured, properly maintained and roadworthy”*.

Claims, claims and more claims

Recent claim events

Since October 2010, the Fund has responded to a significant number of claims caused by storms and flooding.

According to Emergency Management Australia, severe thunderstorms cause more damage in Australia each year than any other natural hazard.

www.bom.gov.au/lam/climate/levelthree/c20thc/storm.htm

January flood and storm damage

The most significant flood event occurred in January 2011 when the north-west and north-east coasts were hit by the same storm front that caused devastation in Queensland and other eastern states.

As a result, claims were lodged by the Departments of Education, Primary Industry, Parks Water and Environment and Health and Human Services.

Education's claim involved water damage at the St Helens District High School.

The Parks claim was for infrastructure damage to the Marakoopa and Gunns Plains Caves and Westmoreland Falls track on the north-west coast, and Reedy Creek Bridge on the north-east coast.

Flood repair works at Marakoopa Cave included moving dislodged boulders within the cave and fitting a new cave door to replace the one that was washed away.

www.parks.tas.gov.au/index.aspx?sys+NewsArticle&intID=2199



A section of road at Diana's Basin near St Helens which was washed away in January 2011. Reedy Creek Bridge is in the background.



Flood damage caused in the Gunns Plains Caves on the north-west coast.

The Westmoreland Falls track was extensively damaged when more than 30cm of rain fell in the region on January 14.

www.abc.net.au/rural/tas/content/2011/01/S3120414.htm

Housing Tasmania reported flood damage to four properties in St Helens including one which required the complete removal of all internal fittings.

In a separate claim, DHHS reported damage to the St Helens District Hospital. Unfortunately, the Hospital was flooded again a month later.

Flooding damaged the St Helens District Hospital twice in a period of two months.

Earlier flood events

In earlier storm events, rain and wind caused damage to the Tasman Multipurpose Centre at Nubeena (October 2010); adverse weather conditions caused extensive damage to the Devonport High School (November 2010); and storm water caused damage to the Mt Field Visitor Centre (December 2010).

Urgent repairs were required to the Mt Field Visitor Centre after the river entered the front door following heavy rain in December 2010.

Housing Tasmania - claims processing training sessions

Make the most of available claims training opportunities.

Marsh provides regular training sessions to Housing Tasmania staff. The most recent session held in February 2011, was attended by both Housing staff and current contractors.

Give Greg Moore at Marsh a call to find out where and when the next training session is going to be held. Greg can be contacted by telephone on 6333 3207 or email gregory.moore@marsh.com.

Liability claims

Legal documents relating to liability claims must be forwarded to the Office of the Director of Public Prosecutions as soon as they are received by an agency.

Forwarding legal demands as soon as possible ensures there is adequate time for the DPP to provide appropriate advice on the Crown's liability and to lodge a defence.

Motor vehicle claims

To avoid processing delays, motor vehicle claim forms need to be appropriately signed.

Motor vehicle claim forms need to be signed by the driver, the responsible officer/custodian and also by the authorised manager.

Marsh will return incorrect or incomplete motor vehicle claims documentation to the agency for correction.

Further information on the motor vehicle claims process can be found on the Treasury website at www.treasury.tas.gov.au/trmf.

Motor vehicles

Maintenance v risk

Agency personnel that drive government vehicles (either pool or allocated) are reminded to ensure that these vehicles are appropriately maintained and serviced on time. This will ensure that agencies are complying with their legal obligations under the *Workplace Health and Safety Act 1995* and at the same time reduce their fleet management costs.

Agencies that fail to ensure that regular scheduled maintenance is undertaken on their vehicles in a timely manner are potentially placing staff that utilise these vehicles at risk.

To maximise the Government's return for its vehicles on disposal, and therefore minimise your lease payments for replacement vehicles,

agencies should actively encourage their drivers to ensure that all scheduled maintenance is done on time, as partial service history does not encourage potential buyers. A large number of motor vehicle dealerships provide a free pick-up service for scheduled maintenance to make arranging this a lot easier for us, so take advantage.

It must also be remembered that failure to undertake scheduled maintenance may void the manufacturer warranty. This would mean that all future costs associated with warranty items would then be at the agency's expense and not the manufacturer.

Being mindful of these matters will ensure that we have a safe working environment for all vehicle users and potentially deliver valuable resource savings to agencies.

Procurement training

The following courses are planned for 2011.

Procuring Goods & Services – an introduction

3 May 2011	Hobart
27 May 2011	Launceston
24 October 2011	Hobart

Managing Contracts – an introduction

4 May 2011	Hobart
25 May 2011	Hobart

Procurement & Contracting for Construction

26 Oct 2011	Hobart
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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 May 2011. The date is yet to be set.

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