

Australian Capital Territory

Financial Management (Public Liability Insurance) Guidelines 2005

Disallowable Instrument DI2005–205

made under the

Financial Management Act 1996, s67 (Guideline making power)

EXPLANATORY STATEMENT

Outline

This guideline is issued in accordance with section 67 of the *Financial Management Act 1996* (the Act). Its main purpose is to standardise levels of public liability insurance cover to be levied on community groups and other third parties that use or occupy ACT Government property, utilise public spaces or provide goods, services or works.

This guideline removes and amends Part 3A from the *Financial Management Guidelines 2002* and places those provisions in a separate financial management guideline that specifically addresses public liability insurance.

Details of the Financial Management (Public Liability Insurance) Guidelines 2005

Formal Clauses

Clauses 1, 2, 3 and 4 are formal requirements. They refer to the name of the Guidelines, the commencement date of the Guidelines and explain the inclusion of the dictionary and notes in the guidelines.

Requirement for risk assessment and public liability insurance

This Guideline extends an existing policy applying to community groups that use or occupy ACT Government property or utilise public spaces pursuant to written agreements and applies it to other third parties that use or occupy ACT Government property, utilise public spaces or provide goods, services or works, in circumstances where a department imposes, in a written agreement, a public liability insurance requirement as a condition of such activity.

Previously, through non-mandatory policy guidelines, departments were able to impose insurance levels within broad parameters, both above and below actual insurance risk. Given the emergence of the public liability insurance crisis and consequent pressure on price and availability, it was necessary to make the process exact and consistent throughout departments.

The ACT community has embraced the Government's risk advisory web site, particularly the risk material and other features of the site. One feature of the site is a unique risk-profiling tool that community organisations can use to identify their insurance risks as part of the processes they undertake in accessing the new group insurance scheme. The risk profile parameters are the same as those used by the ACT Insurance Authority. Several businesses and Government agencies are already using the technology.

The Guideline serves to tie the determination of insurance levels to the risk profile established on the site. Thus, departments can validate an entity's proper insurance risk level using the same technology and decision models the organisation already itself uses.

The appropriate level of public liability insurance can then be determined from the risk profile.

Clause 5 requires that there be a risk assessment and where appropriate, public liability insurance, before use or occupation by an entity of Territory land or premises. Additionally, the Treasurer may determine procedures and criteria for assessing risk and requirements for public liability insurance.

Clause 6 repeals Part 3A (including section 23A) of the *Financial Management Guidelines 2002*. This section was inserted by *Financial Management Amendment Guidelines 2003 (No 1)*. Equivalent provisions to section 23A are made under clause 5 of these guidelines.

End