

# Financial Management Amendment Guidelines 2003 (No 1)

Disallowable instrument DI2003—71

## **EXPLANATORY STATEMENT**

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This Guideline addresses a particular area of concern affecting community groups that use or occupy ACT Government property or utilise public spaces pursuant to written agreements.

Its main purpose is to standardise levels of public liability insurance cover to be levied on community groups that use or occupy ACT Government property or utilise public spaces, in circumstances where a Department imposes, in a written agreement, a public liability insurance requirement as a condition of such use or occupation.

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 is 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 use to identify their insurance risks as part of the process they undertake in accessing the new group insurance scheme. The risk profile parameters are the same as those used by the ACT Insurance Authority.

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

The appropriate level of public liability insurance will therefore be determined by the risk profile.