

INQUIRY INTO PERSONAL INJURY COMPENSATION LEGISLATION

Organisation: Dungog Shire Council
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Date Received: 16/03/2005

Subject:

Summary



DUNGOG SHIRE COUNCIL

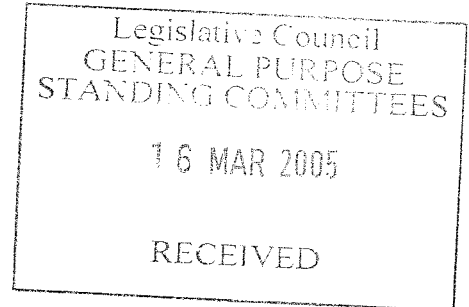
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File 51/4
CFD
10 March 2005

The Director,
General Purpose Standing Committee
Legislative Council
Parliament House
Macquarie Street
SYDNEY NSW 2000



Dear Sir/Madam,

Inquiry into Personal Injury Compensation

The following submission has been prepared on a collective basis following Council seeking information from the community groups within our local government area.

Demographics:

Dungog Shire Council has a population of 8500 residents and comprises a very diverse community, whilst Dungog is the major population centre, there are another 5 villages within the Shire of which 3 villages have centres of population of more than 300 residents within each, they being Gresford, Clarence Town and Paterson.

Submission:

Each community has a number of organisations that are involved in the provision of services to the local and regional community, fundraising activities are critical to the survival of many of these organisations and in the last four years many of these organisations have had to cut back on their provision of services due to a reduction in the fund raising activities that they were able to perform.

Many community events that promoted the local area have either been cancelled or reduced in scale and in some instances community organisations have either folded or amalgamated with another organisation.

The reasons for such occurrences are all inter-related with the cost of public liability insurance effectively pricing community organisations out of undertaking some activities. The following is a summary of events and organisations within the Shire that have been impacted upon:

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Dungog Shire
Life as it should be...

COUNCIL'S VISION:

A vibrant, united community, with a sustainable economy. An area where rural character, community safety, and lifestyle are preserved.

Gresford Billycart Derby and Easter Fair, this event was last run in 2001 by the Gresford Community Group reason for non-conduct, "cost of liability insurance", impact on local community, significant, this event used to draw a crowd of 2,000-3,000 people to the Gresford area which then assisted local business and the fundraising activities of the Gresford Community Group and other local fundraisers.

Dungog Public School P & C has had to withdraw from certain fundraising activities as they could not obtain insurance for conducting fund raising with out of town activities.

Dungog CWA whilst no reduction in fundraising activities the cost of premiums has impacted as regards the available funds that they have for distribution to other projects.

Gresford A & H association has reported that they have had to withdraw some events from their show program and also some entertainment activities to conform with their insurers requirements.

Dungog Arts Society reduced activities to a minimum in 2003 due to high cost of insurance, since then they have obtained insurance however they have been unable to promote and hold cultural events for the wider community.

Clarence Town Pre School is another organisation that has to curtail their major fund raising event due to such activity not being accepted by their insurer.

Dungog Historical Society has had to limit the number of activities in which they participate, their premiums have increased by 160% which results in less funds being available to for Museum activities.

Dungog Sunshine Club premiums have risen by 277% which again results in less funds being distributed to local organisations as a consequence of their fundraising activities.

Of the above organisations not one has been subjected to a liability claim. Yet the community as a whole has seen more funds flow out to insurance companies with a subsequent reduction in funds available for local organisations to utilise which ultimately results in a flow on to the community in terms of increased user charges etc.

Councils own experience has seen our liability premium increase by 141% since 2000 with Councils deductible (excess) rising by 150%. Since the introduction of the Civil Liability Act, Council has witnessed a significant decline in claim numbers, Councils claims loss ratio for the past 5 years is 38.43%, whereas in comparison to the past 10 years when the claims loss ratio was 139%.

Whilst the reforms are working in regards to Council with the stabilization of claims and enabling Council to continue to progress with risk management initiatives, there are still concerns that pressure is being applied to water down the legislation.

Council has recently been through the process of defending a claim as a consequence of a motor vehicle accident involving a fallen tree across a roadway during extreme storm conditions. The Plaintiff based their case that Council was negligent for not having a tree inspection program in for Councils road network of some 720 Km's of road, in the first instance the plaintiff was successful and Council had the decision overturned in the Appeal Court in 2004 with such decision being ratified by the High Court on recently.

To have such a program in place within this Council was simply not practicable due to the significant resources that would be required to implement, monitor and control, let alone the diversion from Councils core responsibilities. Furthermore at the height of any storm it is just impracticable to predict what trees may actually be blown over.

Council strongly supports the continuation of the legislation in its existing context, the intent placed upon the legislation is clear and ultimately will bring communities back together. Whilst insurance premiums have increased significantly and this has impacted upon community organisations and events a certain component of such impact must relate to the failure of HIH insurance which had serious implications Australia-wide.

Not for Profit Organisations will continue to feel the impact of higher premiums in NSW unless a scheme is developed that will provide liability insurance at a reasonable rate. The premiums currently quoted in the marketplace for "one off" community events can be as high as \$10,000 which in any community is too exorbitant and makes the conduct of community events unlikely into the future.

Such pricing has been witnessed within the Dungog Shire as the Dungog Chamber of Commerce has attempted to conduct the "Timberfest Festival" which entails activities within each of the respective communities within the Dungog LGA. Council has had to provide financial assistance to the organising committee to enable this event to proceed as the Council recognises the importance of this event for our communities.

Without community events rural communities can lose their identity and purpose, such events encourage community participation and provide opportunities for communities to develop and promote their local areas.

Council trusts that the above information is of assistance for the purpose of your inquiry, should you require any further information please do not hesitate in contacting this office.

Yours faithfully



Craig Deasey
Acting General Manager