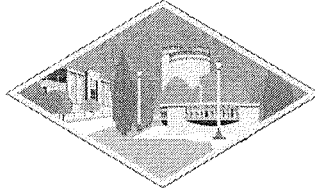


INQUIRY INTO PERSONAL INJURY COMPENSATION LEGISLATION

Organisation: Leeton Shire Council
Name: Ms Val Harrison
Position: Executive Support Officer
Telephone:
Date Received: 11/03/2005

Subject:

Summary



LEETON SHIRE COUNCIL

23-25 Chelmsford Place
Leeton NSW 2705

11 March 2005

SUBMISSION – PERSONAL INJURY LEGISLATION

I refer to the Terms of Reference and wish to make the following general comments.

1 Public Liability
Claims Against Council Since 2002

Council's claim experience since 2002 has mainly consisted of small claims relating to property damage and motor vehicle damage. There have been no personal injury claims against Council resulting from the alleged negligence of Council since the introduction of tort law reforms in 2002.

Council notes that with the introduction of Civil Liability Act 2002 and the Civil Liability Amendment (Personal Responsibility) Act 2002 the number of claims against Councils in NSW have decreased substantially. It would appear to that Courts are now looking more closely at individual's responsibilities and awareness of risks in public places when handing down decisions. This is good for local government and the communities they represent, and have allowed public liability insurance premiums to not increase at unrealistic levels.

2 Impact on Community Events and Activities, and Community Groups

Following the collapse of HIH and the introduction of reforms in 2002 community groups are finding it increasingly difficult to obtain public liability insurance cover.

The impact of this is that a number of community events and activities are no longer held, and that the vast majority of events which are held are now being organised by Section 355 Committees of Council (under the Local Government Act 1993).

This has occurred where not for profit, unincorporated bodies have in the past been responsible for fund raising activities, street parades and gala days.

Council's insurers are aware of the trend for community events and activities to be conducted by Section 355 Committees under the umbrella of Council's Public Liability insurance. As such Council's insurers impose stringent guidelines, risk management plans and risk assessments for each event are required prior to being consented to.

Last Easter Council had particular trouble with a street parade on Easter Saturday as part of Leeton's bi-annual SunRice Festival.

Participants in the parade all required public liability cover – some floats were able to obtain extensions of their public liability cover, and some could not. Individuals riding on the floats were required to sign on and sign off at the end of the parade as 'volunteers' to ensure that they were covered for personal accident insurance.

Leeton's triathlon event was held for a number of years but is no longer held because of insurance reasons.

The requirements for public liability insurance have also affected the hiring out of Council facilities – halls, ovals, parks etc. With respect to halls there are three (3) in the Shire – all managed by Section 355 Committees of Council.

Council has effected a casual hirers public liability policy and this is available to users provided usage is no more than ten (10) times per year.

There are issues however where community interest groups (e.g. craft groups) use the hall on a weekly basis. These groups are not for profit, and consist of mainly senior citizens who meet for social and interest reasons. These groups are not interested in becoming incorporated and the cost of public liability is too expensive for the small membership involved.

Council is looking at ways around the current dilemma however there is no clear solution, and Council certainly does not want to be the one to stop these community interest groups from meeting like they have done for many many years without incident, accident, or claim.

3 The Impact on Insurance Premium Levels and the Availability of Cost Effective Insurance

From a public liability perspective Council is part of StateWide Mutual Liability Scheme. As a member Council is required to comply with set

criteria – completion of an annual audit, attendance at Risk Management meetings, and be working towards overall compliance with set Best Practice standards.

Councils are audited annually and provided they score 80%, they are eligible for a 10% premium discount. Council's premium in 2004/05 will be \$75,000 once the discount is taken into account. Leeton Shire has an annual expenditure in the vicinity of \$22M.

From an unincorporated community group's perspective, or an individual for that matter, the cost of public liability insurance is too expensive.

For instance take the case of individuals participating in the Yanco Hall markets each month. The Hall Committee provide individuals with allotted space, a trestle table, and charge a fee of \$8.

Generally there are sales of home made produce – cakes, jams, spreads etc.

Council's insurers have advised of a policy which is available for market stall holders. Individuals have access to \$10M public liability and \$10 product liability at a cost of \$480 per annum, per individual. This equates to \$40 for each market day and when coupled with an \$8 hire fee the individuals would need to sell/make a profit of \$48 before they are in front. These stall holders are only supporting the market day and are locals raising money for improvements to their facilities.

Needless to say the Hall Management Committee are looking at alternatives including a global policy taken out by the Committee to cover all individual stall holders.

Some time ago Council received details of an arrangement by Community Care Underwriting Agency (CCUA) to make available public liability insurance to not for profit groups. The scheme was to be set up by Allianz, IAG, and QBE.

Such was the response from community organisations that CCUA have had to re-evaluate the scheme – simply the response was huge.

There is a major need to provide individuals and community groups with access to reasonably priced public liability insurance.

4 Other Comments

- 1 Local event organisers find it difficult to understand the need for comprehensive documentation relating to hazard identification,

risk assessment and management, and emergency plans when planning events and activities.

Too often the expertise to undertake these requirements as part of obtaining public liability insurance is not found within the organising Committee. Hence the reason that Council is now the major organiser of many local events and activities.

- 2 Small communities rely on a number of events and activities each year for fundraising, and social interaction. If these events are not able to be held for insurance reasons the social fabric of a community falls away further. For this reason Council supports the concept of Section 355 Committees being responsible for organising many of the events and activities held each year.

These smaller outlying communities also rely on Council, and their relevant expertise and contacts, to ensure that events and activities do not fall by the wayside.