

# USE OF LOCAL GOVERNMENT LAND - INSURANCE MANAGEMENT GUIDELINE



MANAGEMENT GUIDELINE	
Reference Number	722267
Responsible Business Unit	City Assets
Responsible Officer	Manager, City Assets
Legislation	Local Government Act, 1999 Work Health and Safety Act, 2012
Relevant Delegations	Procurement and Financial Delegations
Related Policies Management Guidelines Frameworks	Use of Local Government Land - Insurance Policy Hire of Council Facilities Fees & Charges Schedule Procurement and Financial Delegations Risk Management Framework
Link to Strategic Plan	Goal 2- Great people and lifestyle 2.1 A modern city with country charm
Date Adopted	12 September 2022, Item 149.4
Review Date	2025
Previous Revisions	27 Jan 2015-item 17.5
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## PURPOSE

In order to deliver on the Council's **Use of Local Government Land – Insurance Policy**, this document provides guidance for staff and users of local government land to review the use and activities planned, identify the insurances required, validate the correct insurance cover held and where necessary, assess the risks and receive approval for a lower level of insurance to be held by the user.

## OBJECTIVES

To ensure all staff and authorised users of Council local government land:-

- Understand the different types of insurances required;
- Understand and accurately assess the level of risk associated with authorised use; and
- Ensure the approved level of insurance is held by the authorised user.

## SCOPE

All uses of local government land that could include but not be limited to:-

- Events and activities in Council buildings, reserves and public roads
- Section 221 authorisations covering alterations to public roads by contractors
- Section 222 permits for business use of a public road
- Leases approved by Council providing for exclusive use, or
- Licences approved by Council authorising use for specified periods.

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## DEFINITIONS

- **Small to Medium Events** – events that are of a small nature (up to 150 people) with no or little attractions, activities or food stalls e.g. Weddings, Church Services, Birthday BBQ, Kids Parties etc. Refer to *Hire of Council Facilities Policy and Management Guidelines*
- **Large to Major Events** – an event where the hirer is inviting the general community to attend an event (with 150 or more people) where there may be amusement rides and attractions, road closures, marquees, food, parking, stall holders, additional toilets and showers, rubbish removal, irrigation markings etc. Refer to *Hire of Council Facilities Policy and Management Guidelines*
- **Product Insurance** - a form of insurance that protects Council against claims a product including food, sold by an authorised user caused injury, damage, or death to an individual or property.
- **Public Liability Insurance** - a form of insurance that provides financial protection to Council in situations where a third party is injured as a consequence of the use of local government land by an authorised user.
- **Professional Indemnity Insurance:** - a form of insurance that provides financial protection for consultants or businesses that in turn protects Council in situations where the professional advice provided to Council results in a loss or damage either through a failure to meet a contract or by not performing with adequate professional standards.
- **Risk Assessment** - is the process of estimating the potential effects or harm of a hazard to determine its risk rating.
- **Hazard identification** - is the process of recognising hazards associated with each event or use of local government land.
- **Risk Control** – is the process of controlling risk by taking actions to reduce or eliminate the risk

## PROCESS TO VALIDATE REQUIRED INSURANCE COVERS

1. Determine insurance cover required for all activities planned (see following section “Insurance Covers Based on Use & Risk”)
2. Validate required covers are held and record relevant details  
  
**OR**
3. If required cover not held, but lower level of minimum cover held
  - a. Undertake risk assessment of use and activities (see following sections “Risk Identification & Control” and “Risk Assessment”)
  - b. Provide outcome of risk assessment to City Assets Manager
  - c. Receive City Assets Manager decision
4. If approved, re-validate lower level of cover held and record relevant details  
  
**OR**

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If not approved, use of Local Government Land cannot be authorised.

If the Third Party (eg: Local Community Group, Contractors etc.) does not have any PPL insurance cover, it is suggested Council refer the owner / organiser of the organisation to contact Local Community Insurance Services (LCIS) Team, as they have insurance policies available at competitive rates specifically for these types of community events and / or Council Contractors.

For Further information refer to the LCIS website at [www.localcommunityinsurance.com.au](http://www.localcommunityinsurance.com.au),

## RISK IDENTIFICATION & CONTROL

When authorising the use of local government land it is important to carefully consider health and safety and ensure that hazards are identified, eliminated or the risks assessed and controlled to minimise the potential for injury or harm to the user or a third party.

*For example, a contractor laying a cable or pipe under a road must ensure that all steps are taken to minimise the risk of an accident or injury to their own workers and to the general public who walk or drive by the area where the work is being undertaken.*

To assist in identifying risks and hazards it is helpful to considering the people involved and their roles to ensure their safety at all times. Groupings can assist in identifying hazards:-

- **Human** – type and size of crowd and their level of participation
- **Technological** – mechanical, utilities such as gas and electricity
- **Natural** – physical location and site area conditions
- **Environmental** – weather.

Once risks are identified, it's important to consider what actions can be taken to manage the risk. Use the following 'hierarchy of controls' to eliminate or reduce risks where possible:-

- **Elimination** - Remove the hazard entirely through new design or implement a new process
- **Substitution** – Replace hazardous materials or methods with less hazardous alternatives
- **Isolation/Engineering** – Isolate, enclose or contain the hazard or through design improvements
- **Administrative** – Ensure safe operating procedures are in place, and that effective training, induction and monitoring is available to all in the workplace
- **Personal Protective Equipment (PPE)** – Ensure that appropriate safety equipment, such as protective footwear, gloves, hats, sunscreen etc. are available

## RISK ASSESSMENT – IT IS A MUST

By determining the level of risk, event organisers can prioritise risks to ensure systematic elimination or minimisation. In order to determine a risk rating consider:-

- the consequence – what will happen, the extent of harm; and
- the likelihood – chances or possibility of it occurring.

A risk assessment matrix modelled on Councils Risk Management Framework and Toolkit modelled on examples given in AS/NZ ISO 32000:2018 Risk Management, is provided below. When conducting a risk assessment, ensure all people who undertake the task are involved.

Each occurrence or event must be separately assessed.

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## Likelihood

Level	Descriptor	Example of Detailed Description
A	Almost Certain	Event is expected to occur in most circumstances – more than once per year, or is already happening (<80% chance occurring)
B	Likely	The event may occur in most circumstances – once a year (50-80% chance of occurring)
C	Possible	The event may occur at some time, say once in 3 years (30-50% change of occurring)
D	Unlikely	The event may occur at some time, say once in 10 years (10-30% change of occurring)
E	Rare	Event may occur only in exceptional circumstances (<10% chance of occurring)

## Consequence

Level	Descriptor	Example of Detailed Description
1	Insignificant	<ul style="list-style-type: none"> <li>Local First Aid maybe required</li> </ul>
2	Minor	<ul style="list-style-type: none"> <li>Minor injury that may require medical attention and limited ongoing treatment</li> </ul>
3	Moderate	<ul style="list-style-type: none"> <li>Serious injury requiring ongoing medical treatment and/or loss of time</li> </ul>
4	Major	<ul style="list-style-type: none"> <li>Extensive injuries that are life threatening injuries or multiple serious injuries and require hospitalisation</li> </ul>
5	Extreme	<ul style="list-style-type: none"> <li>Death(s) or Permanent Total Disability or ill health</li> </ul>

## Risk Rating (ISO 31000:2018)

LIKELIHOOD	CONSEQUENCE				
	Insignificant 1	Minor 2	Moderate 3	Major 4	Extreme 5
<b>A (Almost Certain)</b>	<b>M</b>	<b>H</b>	<b>H</b>	<b>S</b>	<b>S</b>
<b>B (Likely)</b>	<b>M</b>	<b>M</b>	<b>H</b>	<b>H</b>	<b>S</b>
<b>C (Possible)</b>	<b>L</b>	<b>M</b>	<b>M</b>	<b>H</b>	<b>S</b>
<b>D (Unlikely)</b>	<b>L</b>	<b>L</b>	<b>M</b>	<b>M</b>	<b>H</b>
<b>E (Rare)</b>	<b>L</b>	<b>L</b>	<b>L</b>	<b>M</b>	<b>H</b>

## Ratings

**S** = Severe risk; immediate action required

**H** = High risk; senior management attention needed

**M** = Moderate risk; management responsibility must be specified

**L** = Low risk; manage by routine procedures

## INSURANCE COVERS BASED ON USE & RISK

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All authorised users of Local Government Land must hold a minimum of \$20 million Public Liability Insurance, **UNLESS** Council staff can demonstrate through a risk assessment process that the proposed activity will only result in minor levels of risk AND have the approval of Chief Executive Officer or his delegate to allow a lower level of cover, noting that in all circumstances, the minimum level of cover will be \$10 million for Public Liability.

In addition to this if:-

- Businesses are providing professional advice, Council requires a minimum of \$5 million professional indemnity insurance, except where it can be demonstrated through a risk assessment process that the risk to Council is significantly lower than this, in which case a minimum of \$1 million may be accepted.
- Council requires a minimum of \$5 million product insurance.

The table below summarises the insurance types and risk ratings.

Authorised users	Activity or Type of Use	Insurance Type	Risk Moderate to High Minimum Cover	Risk Low Minimum Cover
All	Any	Public Liability Insurance	\$20M	\$10M
<b>PLUS</b>				
Consultants or businesses	Providing professional advice	Professional Indemnity Insurance	\$5M	\$2M
Event/Activity Organisers		Product Insurance	\$5M	\$1M

For indicative purposes, examples of levels of risk and insurance types are provided in the following tables. Further advice should be obtained from the City Assets Manager.

## Example: Public Liability Table

Level of Risk	Examples of Contractor and Potential Risks	Minimum Insurance
Severe	Electrical Installation	\$20+ Million
High	Contractor using power tools or appliances in public area	\$20 Million
Moderate	Plumber installing a pipe within a reserve	\$20 Million
Low	Property Surveyor	\$10 Million

## Example: Professional Indemnity Table

Level of risk	Examples of consultant and potential risks	Minimum Insurance
Severe	Design for construction by another contractor	\$5+ Million
High	Design for construction managed by consultant	\$5 Million
Moderate	Concept plans – not for construction	\$2 Million
Low	Consultant's report – training or minor advice	\$2 Million