



## GENERAL MANAGER'S REPORT

20<sup>th</sup> June 2005

### GM4 ANNUAL RISK HAZARD LIST FILE: 67 PJH

#### SUMMARY:

Reporting of the need to consider allocation of funds for potential risks identified on Council's Risk Management Hazard list.



#### DESCRIPTION:

As a result of Council's risk management program, potential risks have been identified over the last number of years.

Many of these risks require significant and long term funding to address, and it has not been possible to include provision for the necessary works within the sums voted by Council.

Set out at [\(Appendix G\)](#) is a list of these risk situations (not in any particular priority order).

Council's attention is drawn to these items so that it can formally: -

a) Identify which items (if any) it is able to allocate funds; and indicate that its financial position does not allow it to undertake the balance of the items on the list.

or

b) Indicate that its financial position does not allow it to undertake any of the items on the list in the next financial year.

It should be noted that such a resolution will not guarantee immunity in any litigation. The identification by Council of these issues however may be of assistance in defending a claim on the basis of section 42 of the Civil Liability Act.

This section of the Act states: -

*"The following principles apply in determining whether a public or other authority has a duty of care or has breached a duty of care in proceedings to which this part applies:*

- (a) the functions required to be exercised by the authority are limited by the financial or other resources that are reasonably available to the authority for the purpose of exercising those functions,*
- (b) the general allocation of those resources by the authority is not open to challenge,*
- (c) the functions required to be exercised by the authority are to be determined by reference to the broad range of its activities (and not merely by reference to the matter to which the proceedings relate),*
- (d) the authority may rely on evidence of its compliance with the general procedures and applicable standards for the exercise of its functions as evidence of the proper exercise of its functions in the matter to which the proceedings relate."*

It should also be noted that part (d) is referring to Council having in place risk management procedures e.g. inspections that meet applicable standards.

## **REPORT IMPLICATIONS:**

- **Environmental**

***The environmental impacts of this report are not significant. Improved security at sewerage treatments would lessen the environmental risk exposure.***

- **Social**

***The Council has a duty of care to provide a safe environment for its community but this has to be done within its budget constraints.***

- **Economic (Financial)**

***None of the items on the risk management hazard list are currently included in the 2005 / 2006 draft budget. Any such inclusion will affect the deficit or surplus of the proposed budget.***

- **Policy or Statutory**

***Council's Risk Management Policy M11:17 is a statement in general terms concerning Council's objective to minimise and where possible eliminate risk exposures identified through Council's Risk Management Procedures.***

**RECOMMENDATION:**

**For determination by Council.**

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**A V Burgess**  
**GENERAL MANAGER**