



KEMPSEY
Shire Council

DIRECTOR CORPORATE SERVICES REPORT

12th September 2006

DCS10	2006 STATEWIDE MUTUAL RISK MANAGEMENT CONFERENCE FILE: 388 PJH
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SUMMARY:

Reporting on the 2006 Statewide Risk Management Conference held in Sydney on 24th August 2006.



DESCRIPTION:

Council was represented at the Annual Statewide Risk Management Conference by the Manager Administration, Patrick Hanrahan. The Conference was held at Darling Harbour on 24th August 2006.

The Conference theme was "10 Years On", this being the 10th Annual Statewide Mutual Risk Management conference to be held.

The keynote speakers and relevant issues raised by them were: -

Mr Terrey Kiss, Chairman, Statewide Mutual: -

- Statewide Mutual commenced in 1997 and introduced risk management to Councils which in 2006 is substantially in place.
- Number of liability claims has reduced from 4035 in 2000 to 1479 in 2005 primarily due to better risk management practices and the civil liability act.
- Cost paid by Statewide Mutual for legal fees reduced from \$7.5m in 1999 to \$0.5m in 2005.
- Annual risk audits introduced with a bonus scheme for results with \$2.8m in bonuses paid back to Councils in the last year.

Mr Garry Payne, Director-General, Department of Local Government: -

- Councils should now have a risk management culture.

- Promoting Better Practice Program has reviewed 41 Councils to date and will be making recommendations to develop risk management plans if not already in place.
- The Department supports the use of the risk-e-map profiling program recently developed by Statewide.
- Councils must establish internal audit functions, either internal, external or shared and also have effective fraud controls.
- Councils need to pay more attention to risk management.

Mr Pat Gallagher, Phillips Fox Lawyers: -

- Legal professional privilege of documents must comply with Evidence Act which states that documents to be privileged must be between client and lawyer, lawyer and lawyer or prepared in preparation for legal proceedings.
- Councils should note on accident report forms that the document is prepared in preparation for legal proceedings so that such reports can meet legal professional privilege.

Council presentations: -

- Newcastle City Council – contaminated land risk management
- Clarence Valley/Richmond Valley – gathering information.
- Burnie City Council – project risk management
- Coffs Harbour City Council – tree management in malls
- Ipswich City Council – risk management for reserves
- Inverell Council – due diligence and managing safety
- Bathurst Council – strategic risk management

The conference was well organised and presented and allowed good opportunities for networking between councils. The emphasis throughout all the presentations was the importance of sticking to the Australian Standard for Risk Management AS4360 as the basis for risk management programs and assessments.

Kempsey Shire Council's Risk Management Program

Kempsey Shire Council's Risk Management Program has been developed through Administrative Clerk, Ken Woods, with assistance of Statewide Mutual and the need for a documented Risk Management Plan was identified some 12 months ago and confirmed by the Department's Promoting Better Practice Review which stated in part: -

"Council should develop a comprehensive risk management plan to enable it to identify and manage all significant risk issues facing council in the pursuit of its objectives."

This plan for our Council is under preparation with a draft substantially completed.

REPORT IMPLICATIONS:

- *Environmental*

Risk Management embraces all areas of council operations including environmental.

- *Social*

Poor risk management practices will impact on local communities whereas good risk management will provide for safer place for everyone to live and work.

- *Economic (Financial)*

The cost of attendance at the Risk Management Conference was \$800.00 for one (1) staff member to attend. This was provided for in the Administration budget.

- *Policy or Statutory*

Nil

- *Directors Review*

Nil

RECOMMENDATION:

That the information be noted.

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G B Snape
DIRECTOR CORPORATE SERVICES