

**What level of liability cover do you need?
What can you expect from your general claims team?
What is safe to lift?**

CEO's Message – Jonathan Seth



2018 is now well underway, and as you prepare to finalise your 2018-19 budget, we are working on the renewal of your Scheme protection and non-scheme coverage with the aim of providing you with innovative solutions to reduce both your exposure to risk and your costs. Your LGIS member services' account manager will contact you to review and discuss your protection and risk management requirements for the upcoming year.

To achieve this, we firstly review your entire risk financing program, and identify any new risks or exposures that require treatment or transfer of risk, such as cyber, use of drones, aged care facilities, other new operations or assets.

Also at this time, your LGIS risk and governance team will be working with you to implement Integrated Service Plans (ISP) to ensure LGIS' services specifically align with your key business objectives along with your risk management priorities and risk financing solutions.

The plan brings together the unique offerings LGIS provide into a central point of reference, or service plan, encompassing:

- ▶ Risk management
- ▶ Strategy
- ▶ Risk financing
- ▶ Claims and loss management
- ▶ Allied health services

To implement your ISP, your LGIS account manager will facilitate an Integrated Service Plan workshop

with your key executive staff, where we work with you to gain further understanding of your key risk priorities, strategies and concerns. From this, the plan is developed that sets clear direction on how LGIS can continue to support and enhance our services and initiative for you, the member.

It is essential to recognise that while planning for risk is essential, no plan can account for the unforeseen. The beauty of the ISP, therefore, is its ability to be fluid, and in consultation can be subject to immediate change. Services can and should be added to the plan as the need arises, to ensure it remains relevant to your direction and the expectations of your community.

Over 97% of local governments in Australia are part of a self-insurance arrangement and while the advantage of mutuals may be less apparent when times are good, I urge all of you to reflect on the stability offered to you through LGIS over the past 24 years - including our team of risk and occupational safety and health advisors who provide you with on the ground support, and our claims and injury management consultants who provide expert return-to-work advice.

As part of our effort to continue to provide you with tailored expert advice, we are pleased to present you with this year's first edition of Risk Matters magazine. In it we feature what you can expect from your LGIS claims team, the importance of accessing the appropriate levels of liability risk protection, updates on the proposed changes to benefits payable to dependants of deceased workers, the importance of mitigating workplace noise hazards, as well as what is safe to lift when conducting manual tasks.

As always, thank you for your continued support. I hope you have had a positive start to 2018. If you have any comments or questions regarding the content of this Risk Matters magazine, or to discuss any matter in relation to your membership with LGIS, please contact me directly on (08) 9483 8855, or mobile on 0408 925 072.

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Risk Matters is an LGIS journal
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and elected members informed
on topical risk management
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Benefits payable to dependents of deceased workers

Proposed changes to the *Workers' Compensation and Injury Management Amendment Bill 2017 WA* aim to give more benefits to dependents.

On 1 November 2017, the *Workers' Compensation and Injury Management Amendment Bill 2017 WA* (the Bill) was introduced to the Legislative Assembly.

The *Workers' Compensation and Injury Management Act 1981 WA* (the Act) provides entitlements for dependants of deceased workers, but the Bill aims to improve the benefits of dependants of deceased workers to ensure they receive fair, reasonable and timely compensation, as well as simplify and expedite the claims process.

The key proposed changes are:

Increase in the lump sum payable

The Bill will see an increase in the lump sum payable to dependants from \$308,339 to \$562,303 (indexed annually). This is based on 250% of the current maximum amount payable to injured workers for non-fatal injuries.

Clearer distribution rules

Proposed changes to the Act will include a table which sets out the percentage of the lump sum payable to dependent partners and children.

Unlike the current arrangement, dependent children will also receive a share of the lump sum in addition to the weekly child's allowance.

Child's allowance

Increase in the weekly child's allowance from \$58.90 to \$133.00 per week for each dependent child (indexed annually). This is the only aspect of the proposed changes that will operate retrospectively (i.e. the increase applies to existing child dependency claims).

Improved claims processes

On your behalf, LGIS will assess workers' compensation claims quickly, as part of a fast track process to a WorkCover WA arbitrator to ensure orders for payment of compensation are expedited.

The requirement to start the process in the conciliation service prior to seeking an arbitrator's order will not apply in relation to applications by dependents for compensation orders.

Other than funeral expenses, compensation will only be payable following an order of an arbitrator. This will apply regardless of whether the claim is accepted or disputed.

Changes to "partial dependency" entitlements

Partners of deceased workers will no longer be required to prove their exact financial level of dependency nor will their entitlement necessarily be reduced because they happen to receive an income themselves.

The Bill proposes a new straightforward definition of "dependent":
"A person who is a partner, child or prescribed family member is a dependent if the person-
(a) was wholly or in part dependent upon the earnings of the worker at the time of the workers' death; or
(b) would have been wholly or in part dependent upon the earnings of the worker at the time of the worker's death if the injury had not occurred."

De facto partners

Currently a de facto partner must have been living with the deceased for at least two years immediately prior to the death in order to qualify, however, under the changes the two year period will no longer apply. A de facto partner will have the meaning given in the *Interpretation Act WA 1981*, which is "a relationship (other than a legal marriage) between 2 persons who live together in a marriage-like relationship."

The purpose of the Bill is to repeal and replace the provisions of the Act relating to entitlements payable to dependants of workers killed in the course of employment. You will be notified further once these changes have been enacted, however for more information, contact LGIS on (08) 9483 8888.

The Bill aims to improve the benefits of dependents of deceased workers to ensure they receive fair, reasonable and timely compensation.

What level of liability cover do you need?

Accessing appropriate levels of liability risk protection is a challenge faced by all organisations - especially local government.



One of the most important decisions that local governments make throughout the year is accessing protection that provides adequate and appropriate cover for your operations and protects your community from the impact of catastrophic liability claims.

The catastrophic natural events that occurred in Queensland, Victoria and New Zealand in 2011 highlighted the risks associated with catastrophic events and the regulatory role that you, the member, play in planning, economic development, community leadership and disaster management.

While your risk profile may indicate a low frequency of exposure in being found liable for the impact of a natural disaster or a catastrophic event, the severity of such an exposure could be extreme, affecting your financial sustainability and reputation.

In determining appropriate limits of liability, consideration must be given to the following factors:

- ▶ Significant historic local government catastrophic events and attaching what the actuarial value today would be
- ▶ Recent natural disaster events across Australia
- ▶ The National Insurance Disaster Review
- ▶ Advice from both local and global insurance markets

\$24m > \$200m

The \$24 million paid out after **1983's Ash Wednesday** event would amount to more than \$200 million if it happened today (and closer to \$250 million when accounting for increased levels of infill development).

The **Black Saturday Fires** burnt through 450,000 hectares, resulting in 17 deaths, over 400 injuries and 2000 homes destroyed. The economic loss was estimated at \$4 billion and the current Insurance Council estimated insurance loss was \$1.3 billion.



450,000 HECTARES BURNT **173** DEATHS **400** PEOPLE INJURED
2000 HOMES DESTROYED **\$4billion** ECONOMIC LOSS **\$1.3billion** INSURANCE LOSS

The recent move by the South Australian State Government to increase the prescribed minimum amount of liability protection for local governments from \$50 million to \$300 million, further and more accurately reflects the potential exposure the local government sector faces.

Though no other state has regulated limits of liabilities within relevant local government legislation, you must have adequate and appropriate limits of protection for your community, to ensure financial sustainability.

Wildfires present one of the largest natural disaster risks in Western Australia. The scope of losses increases as development encroaches on previously sparsely inhabited locations, where the natural attraction (native forest) are coincidentally linked to the severity of losses (fuel load presenting both the opportunity for ignition and growth of fires).

Claims could arise either through:

Public Liability

- ▶ Work causing the fire
- ▶ Negligent management of land

Professional negligence

- ▶ Planning approvals (WA development planning needs to have more than one 'escape route', to enable more than one way for the public to escape, and fire services to enter)
- ▶ Failure to exercise statutory powers to reduce the risk of loss, such as fuel load management and fire prevention enforcement.

All local governments need to demonstrate an appropriate level of leadership in their duty of care in the event of a catastrophic event. As part of the process in determining your risk profile arising from statutory powers, functions and duties, you need to consider the risk exposure posed by extreme events against the cost of arranging adequate and appropriate cover.

Your reputation and sustainable financial future are reliant upon these important and properly informed decisions. These are a few of the factors that LGIS has considered in providing you the member with \$500m in public liability and professional indemnity cover.

If you would like to discuss this cover, or the legislated changes in South Australia, contact Udam Wickremaratne, LGIS property and liability portfolio manager on (08) 9483 8888.

What can you expect from your claims team?

The LGIS claims team works with you to manage your claims and provide training and guidance.

Your LGIS claims team is made up of experienced consultants who know and understand local government, and who can recognise potential issues that may arise in your day to day operations. The team is able to provide guidance on what can be complex and at times controversial issues and which require a professional approach to management.

Some of the areas the LGIS general claims team administers and manages include:



Public liability and professional indemnity matters



Property damage to buildings and infrastructure



Management liability



Cyber risk



Environmental exposures and liabilities

LGIS-approved service providers support the general claims team. These service providers include a select panel of claims assessors, investigators and lawyers who understand local government and are aligned with the needs of the sector.

LGIS engages with the service providers to investigate, collect and collate relevant information from all parties involved in the claim in order to enable the claims team to coordinate advice and, where appropriate, provide settlement recommendations and strategies.

The LGIS claims consultants can also provide guidance on motor vehicle claims, and are happy to assist and advocate on your behalf should there be any query or matter that requires technical advice.

Dependent upon the class of insurance, you may have a designated senior claims consultant who can provide one-on-one training for those of your workers who deal with insurance claims. This ensures a personal approach is achieved and enables established processes and protocols for a smooth transition with any claim submitted.

The LGIS claims team can also provide a broader training program for 'depot and works' staff to assist in dealing with complex public liability and professional indemnity claims. While this training provides some information about insurance, the main focus is to advise workers on the requirements of completing claim information, how to liaise with the public and claimants whose property may have sustained damage, or where there may be injuries or accidents on footpaths, roads, at sporting facilities, and other property your local government owns and manages.

Here at LGIS, our goal is to work with you and provide a level of support and solutions that are tailored to your needs by ensuring the claims process is efficient and effective in order for you to focus on your core business of providing services to your local communities.

For more information, contact your LGIS claims consultant on ☎ (08) 9483 8888.

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The importance of protecting your ears



Noise-induced hearing loss is one of the most common occupational health issues. Every year thousands of workers are exposed to workplace noise hazards that result in preventable hearing loss.

Not only can noise in the workplace be highly distracting and limit communication, it can also affect safety as well as reduce individuals work performance and overall productivity.

Exposure to excessive noise levels can cause permanent hearing damage that cannot be corrected by surgery or a hearing aid. Even short-term exposure to loud noise can cause a temporary change in hearing. Short-term effects such as ringing in the ears may go away after leaving the noisy area.

However, repeated exposure to noise hazards can lead to permanent tinnitus or hearing loss. Hearing loss can cause isolation at home and socially, and decrease efficiency at work.

In addition to hearing damage, noise hazards can:

- ▶ Create physical and psychological stress
- ▶ Reduce productivity
- ▶ Interfere with communication and concentration
- ▶ Contribute to workplace accidents and injuries by making it difficult to hear warning signals or instruction

Reducing noise levels at the source provides the most effective way of protecting workers' hearing as well as providing numerous other benefits to the workplace.

WA Legislation

In Western Australia, the exposure standard for noise set in the *Occupational Safety and Health Regulations WA 1996* is:

- ▶ A daily noise exposure level of 85 dBA (over an 8 hour period); or
- ▶ A peak noise level of 140 dBc

The *Workers' Compensation and Injury Management Act WA 1981* sets out the requirements for audiometric testing of workers who work in a prescribed workplace. A prescribed workplace is one where a worker is receiving or likely to receive a noise level of:

- ▶ An L peak of 140dB (lin); or
- ▶ A representative LAeq, 8h of 90dB(A)

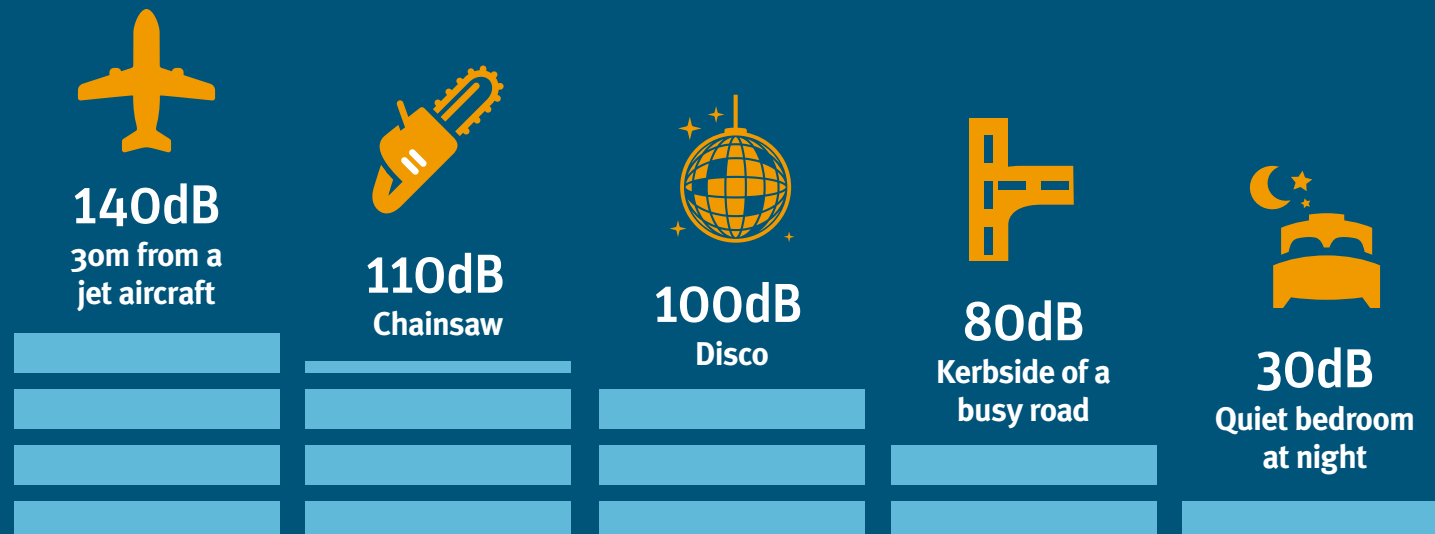
Conducting a noise assessment will determine if work areas and activities fall into the category of a prescribed workplace.

How can LGIS assist?

LGIS has approved noise officers who specialise in conducting noise and exposure assessments in all workplace environments. You will receive a tailored report outlining the findings and recommendations. In addition, LGIS can assist in the development of supporting plans, policies and procedures.

If you would like further information please contact the LGIS risk and governance team on ☎ (08) 9483 8888.

Decibel levels of common sounds



In Western Australia, the maximum exposure standard for noise set in the *Occupational Safety and Health Regulations WA 1996* is:

A daily noise exposure level of 85 dBA (over an 8 hour period); or 140 dBc (peak noise level)





What is safe to lift?

When conducting manual task training, our LGIS injury prevention consultants often ask you how much is safe to lift. The responses vary greatly, however most workers reply with a tentative 16kgs for females or 25kgs for males, but are these correct?

For many years, health and safety professionals recommended the safe lifting limits outlined on the next page: 16kgs maximum for females and 25kgs maximum for males, based on limits developed through the National Institute for Occupational Safety and Health (NIOSH) lifting equation.

This recommendation, however, makes the assumption that workers are all the same, when in reality, workers come in all sizes, with different strengths and abilities.

A new recommendation has been adopted under the Occupational Safety and Health Act WA 1984 (the Act) and outlined in the Code of Practice for Manual Tasks 2010 (pg.29) which no longer prescribes a weight limit for loads to be lifted by men or women.

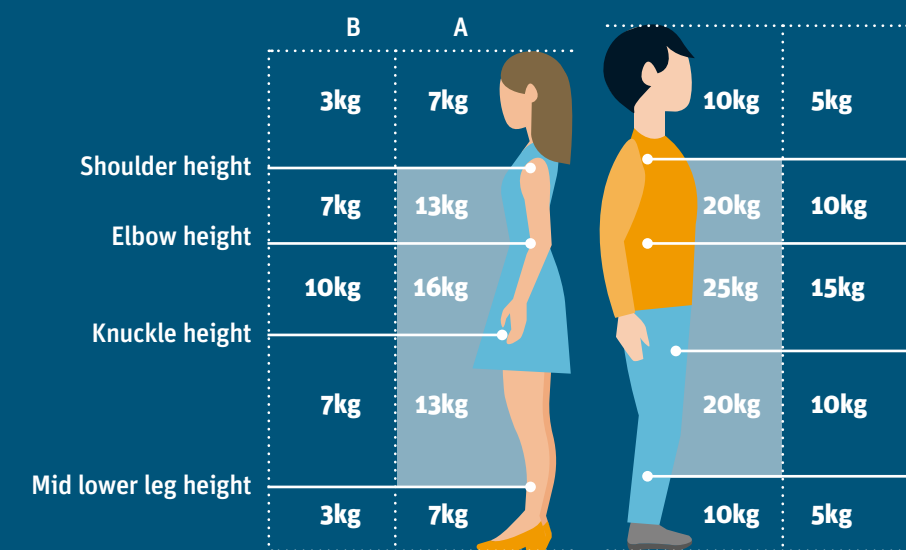
The focus is now on a risk assessment approach as the legislation mandates hazardous manual tasks must be identified, and the risk of lifting or moving loads must be managed. That is, the risks of sprains, strains, or other injuries must be eliminated, or if that is not reasonably practicable, the risk must be minimised.

In order to do this, a risk assessment should be undertaken regarding the weight of the load as well as all the other relevant factors that may contribute to an injury. Following this process, suitable risk control measures must be implemented.

Safe Lifting Limits

SAFE ZONE ■

16kgs maximum for females and 25kgs maximum for males



With regard to the weight of a load, control measures for heavy loads include:



No workers should be required to handle weights over 55 kgs without mechanical aids or team lifting



Buying products in smaller and/or lighter loads more suitable for manual handling



Arranging for larger loads to be shifted mechanically

Other measures include reducing the size or capacity of containers, using handheld hooks or suction pads to move loads such as sheet materials, and using grip devices adapted to the particular object to be carried.

In the case where all control measures have been implemented and workers are required to lift a load, they should conduct the following to minimise the risk of injury:

- ▶ Hold loads close to the body
- ▶ Store loads close to where they will be used and try to store heavy items near waist height
- ▶ Do not lift, push or pull anything too heavy – break the load down into smaller lots
- ▶ Use mechanical aids such as a trolley or get help when lifting heavy loads
- ▶ Do not lift heavy items while they are sitting down
- ▶ Try to decrease the frequency of lifting during the day where possible
- ▶ Use a trolley or manual handling equipment
- ▶ Modify work systems and practices (for example, job rotation, good housekeeping, location of products being lifted)

Lifting technique training continues to be used as a primary way to control manual task risks in the workplace. However, providing lifting technique training alone is not effective in minimising the risk of injury from manual tasks.

In addition to standard injury prevention services, LGIS now offers a range of additional services aimed at assisting your local government to reduce the incidence of musculoskeletal injuries. These include:

- ▶ Development of job dictionaries
- ▶ Department specific manual task training aimed at high risk groups (parks and gardens, and library workers)
- ▶ Work task risk assessments which can be beneficial to ensure those returning from an injury can meet the demands of their job role.

If you would like more information please contact the LGIS injury prevention consultants on ☎ (08) 9483 8888.

