



I hereby give notice that a Special Meeting of Council will be held on:

Date: Wednesday, 27 May 2020
Time: 9:00am
Location: Council Chamber
Mission Road
Gununa

BUSINESS PAPER

Special Council Meeting

27 May 2020

Frank Mills
Chief Executive Officer

To empower our Community – Our people
To feel solid and strong like the rock in Mundalbe
To taste and hear the breaking waves of change
To establish clean, safe, healthy lifestyles togetherness
Pride and respect for each other in our culture, achievements and successes.
To see and smell the compassion and peacefulness of our community

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- 1 OPENING OF MEETING**
- 2 PRESENT**
- 3 APOLOGIES**
- 4 DISCLOSURE OF INTEREST – COUNCILLORS AND STAFF**
- 5 CONDOLENCES AND MEMORIALS**

6 CHIEF EXECUTIVE OFFICER'S REPORTS**6.1 LGM ASSET MUTUAL PROPOSAL**

Author: Acting Chief Executive Officer

Attachments: 1 LGMA Briefing Notes
2 LGMA Mutual Asset Proposal

PURPOSE (EXECUTIVE SUMMARY)

Council is continuously looking at ways to minimise costs and expenditures to enhance budget outcomes and operate as efficiently as possible. One area of costs identified where some savings may be possible is insurance premium cost. In 2019/20 this Council paid \$600,000 in insurance premiums to provide comprehensive insurance cover, including cover over approximately \$44m worth of building assets and infrastructure.

This report is for Council to consider a proposal to join with other indigenous Councils to form and participate in a mutual liability scheme, with the specific aim to enhance cover and to minimise annual premiums.

BACKGROUND & PREVIOUS COUNCIL CONSIDERATION

Through the Indigenous Leaders Forum, indigenous councils are looking for a more sustainable insurance option in regards to Asset Insurance. In recent years premiums routinely rise year on year, on average between 20-30%, irrespective of claims made.

The Indigenous Leaders Forum has:

- in June 2019 suggested that some form of bulk buying arrangement for insurance should be considered.
- in October 2019 passed a motion as follows:
To direct LGM to review current and future asset insurance needs and costs with a view for a collective strategy to minimise the costs of insurance premiums.

Generally speaking, Insurers globally and specifically Australia have been impacted by natural disaster events, with increasing claims, volatility in financial markets and we are now seeing a contraction in the capacity and lack of availability of insurers in the market.

Currently there are limited options for Councils identifying insurers that are willing to provide and have the capacity to provide adequate cover. And in addition, Insurers have limited appetite to take on the unique risk profile of indigenous councils.

Bullet points for consideration;

- Some councils have different structural arrangements – eg some don't have cyclone cover. There is a body of work that will need to be done to transition these into a more favourable structure – particularly the case of the AON insured councils.
- Existing Mutual Scheme (Assets):
 - There is a current LGM Assets scheme with 51 member councils – so why not just add the indigenous councils into this existing scheme – why re-invent the wheel?
 - The risk profile of this group of indigenous councils is different and so will need to form a tower within the existing LGM scheme. This will give you ownership in a collective within a collective. It is about ownership of the finances. 75% was the

original figure for the existing LGM Assets model. The more councils that participate the better in this type of arrangement.

- Like the current LGM Asset scheme existing members can withdraw at any time under certain circumstances.

- Next Steps:
 - JLT [Jardine Lloyd Thompson] Insurance needs your authority to approach the market to get a price.
 - At the same time councils should continue to pursue pricing from their current insurers for the 2020/21 financial year.
 - Committing to a mutual scheme: CEOs indicated that they will probably need to take this decision to their councils for a decision.

FINANCIAL & RESOURCE IMPLICATIONS

There is no cost to Council to participate in the exploration of a proposal to establish a mutual asset scheme. Depending on the outcome Council may benefit from reduced insurance premium costs in future years.

RECOMMENDATION

That Council participate in the proposal from LGM Assets for a collective insurance arrangement on behalf of Councils, and to allow JLT as the appointed Scheme Manager to engage with the insurance market on Council's behalf.



Indigenous Councils – Membership of LGM Assets Briefing Note – 28 April 2020

Established by the LGAQ, Local Government Mutual Services (LGMS) is a successful discretionary mutual which has provided Queensland local governments with cover for liability, workers compensation and asset-based risk exposures for over 20 years. JLT (Jardine Lloyd Thompson) is the appointed Scheme Manager of the LGMS mutual schemes.

Background:

Many Indigenous Councils have indicated that they are dissatisfied with their current asset insurer. Cost pressures are a large part of this dissatisfaction. In the 2019/20 year many premiums rose on average between 20-30%, irrespective of claims made.

At the Indigenous Leaders Forum in Cairns in October 2019, a decision was made by a group of Indigenous Councils to investigate collectively purchasing insurance covers with the LGM Assets mutual scheme as an ongoing long term sustainable and consistent solution.

In order for LGM Assets to prepare a proposal, those councils wishing to participate were asked to provide property insurance risk reports (RISKTech), asset schedules, policy schedules (to ensure like for like coverage) and claims history information.

Whilst the nature and quality of the information provided varied across Councils it has been possible to develop a general picture across the Indigenous Council property program to undertake some early insurance market engagement.

Marsh (inc JLT Public Sector) who are responsible for the placement of the insurance programs of the Local Government Property mutuals nationally (including LGM Assets) has received initial feedback as follows:

- The availability of insurer capacity continues to be a significant challenge with a limited number of insurance markets available and willing to take on this insurance.
- An ongoing body of work (over approx 5 years) will need to be undertaken to improve the quality of risk information in order to secure ongoing and sustainable insurance cover and accurately calculate price and risk. The varied scope of insurance cover for Councils needs to be considered (eg. some do not have cyclone cover).
- Pricing remains a challenge: some councils renewed policies in December 2019 at significantly increased cost and less favourable program structures. This may have a flow on effect to other Councils.
- The differences in structures that exist between Councils makes finding a collective single solution challenging for LGM Assets.

Next Steps:

Indigenous Councils wishing to participate in the proposal from LGM Assets for a collective insurance arrangement on behalf of these Councils should provide confirmation in writing to allow LGM Assets and JLT as the appointed Scheme Manager for the mutual, to engage with the insurance market on Council's behalf.



We acknowledge that Councils are continuing to pursue pricing from their current insurance providers for the 2020/21 financial year. We recommend that Councils come together collectively to form a mutual solution and that LGM Assets facilitate a solution which in some circumstances may include additional work and time. We appreciate that to transition to the mutual structure it may also initially be challenging for some Councils.

LGM Assets is focused on long term ongoing sustainability for Indigenous Councils. A significant body of work will need to occur in the coming years for Councils to improve the quality of risk information and risk management practices in order to provide a more accurate profile of risk and pricing of risk for each Council. The aim is to transition Councils into an insurance structure and risk pricing mutual arrangement that is more favourable to them in the long run.

Actions & Timeframes:

1. Each Council to provide confirmation in writing to collectively form a mutual solution and allowing LGM Assets to engage with the insurance markets and seek pricing and terms under a mutual arrangement.
2. Each Council should continue to pursue pricing from their current insurance provider for the 2020/21 financial year.
3. Mid-May: Meeting to potentially consider, or update LGM Assets mutual Proposal.
4. Mid-June: Meeting to potentially consider pricing and terms of LGM Assets mutual arrangement.

We look forward to discussing this LGM Assets - Briefing Note with Councils on Thursday 30 April 2020.

Ian Leckenby

LGMS Chair



JLT Public Sector is a division of Jardine Lloyd Thompson Pty Ltd which is part of the Marsh Group of Companies. JLT Public Sector has been delivering specialist services to local authorities since 1972. We have over 300 dedicated professionals operating nationally delivering unique protection solutions for our clients.

Marsh is the world's leading insurance broker and risk adviser. With over 35,000 colleagues operating in more than 130 countries, Marsh serves commercial and individual clients with data driven risk solutions and advisory services. Marsh is a business of Marsh & McLennan Companies (NYSE: MMC), the leading global professional services firm in the areas of risk, strategy and people. With annual revenue approaching US\$17 billion and 76,000 colleagues worldwide, MMC helps clients navigate an increasingly dynamic and complex environment through four market-leading businesses: Marsh, Guy Carpenter, Mercer, and Oliver Wyman. Follow Marsh on Twitter [@MarshGlobal](#); [LinkedIn](#); [Facebook](#); and [YouTube](#), or subscribe to [BRINK](#)



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ABOUT LGMS

For more than 25 years, the LGMS mutual schemes have been the vehicles through which Queensland local government has exercised control over its liability, workers' compensation and asset based risk exposures.

Many of your Councils are already committed members of mutuals by virtue of your long term involvement in LGM Liability and LGW Workcare.

It was in the face of significant market volatility both in terms of cost and availability of commercial insurance cover that Queensland local government had the foresight to collectively establish a self-insurance response that would:

- avoid direct dependence on the commercial insurance market (which continues to be characterised by volatility in availability and cost);
- provide effective and appropriate cover tailored to the unique needs of the sector;
- provide consistent and stable annual contributions;
- enable a complete understanding of the risk by local government;
- adopt a strategic rather than transactional approach;
- provide a broad service offering – 'More than just insurance';
- provide a claims service tailored to the needs of Members and aligned with the broad objectives of the sector; and
- support an intensive, targeted and collective approach to risk improvement as a means of reducing coverage costs and facilitating the achievement of members' organisational objectives.

Over their life these arrangements have proven themselves as successful, genuine alternatives to commercial insurance arrangements that have and continue to deliver benefits to local government that go far beyond the insurance needs initially contemplated.

Tangible benefits delivered to Members through their participation in the LGMS mutual schemes include:

- Reduced exposure to loss through an intensive and collective approach to complex risk and liability issues;
- Industry wide approach to reinsurance purchase and placement;
- Distribution to Members of LGM Liability of more than \$25 million in dividends, surpluses and rebates, including \$2.4 million in 2019/20 alone; and
- Collective knowledge of scheme success through LGAQ Trusteeship and LGM Queensland Board control.

This shared experience demonstrates how an intensive, targeted and collective approach to the management of Members' risk exposures delivers tangible benefits and cost savings in the long term.

Over 450 Councils Australia-wide opt to be part of a mutual. The prevalence of this model for local government both here in Queensland and nationally speaks for itself.



We remain committed to supporting and empowering our Members to better understand and manage their risk exposures so that their communities can enjoy tomorrow.

We appreciate the opportunity to present this conceptual membership proposal and look forward to discussing and expanding upon the contents of this report with you at your convenience.

Nathan Turner
Divisional Manager – Assets & Member Services



OUR PURPOSE

LGMS is more than just insurance.

LGMS exists to support and empower local government to understand and respond to the evolving risk landscape for the benefit of their communities.





OUR MISSION

Our strategic mission is focussed on:

Members First

Our Members are at the heart of everything we do. We are owned by and exist solely to benefit our Members.

Our proposition is based on deep knowledge, tailored advice and service excellence ensuring we act in the best interests of our Members and bring the best possible outcomes for all of our Members.

We foster the value of mutuality for the collective benefit of Queensland local government.

Specialist Risks of Local Government

We protect and manage the specialist liability, asset and workers' compensation risks of local government.

Our deep understanding of the Queensland local government risk landscape enables us to drive outcomes for, and deliver coverage and risk management services tailored to the unique needs of our Members.

Collaborative & Collective

We operate collaboratively and collectively.

Through collaboration and our collective approach we will bring the best of the LGMS schemes to our members and assist them to work in partnership with one another.

Together we are stronger and can deliver better outcomes. An intensive, targeted and collective approach to the management of our Members' insurable risks is the key to our long term success.

Results Based

We will be judged based on our performance and strive to be a significant contributor to the performance of Queensland local government.

Accountability & Transparency

We will conduct our activities with complete transparency.

Through the LGAQ's trusteeship and with a Board and Management Committee comprised of current elected members, senior representatives of local government and legal and industry specialists, our Members have real involvement and input into how we operate.



LGM ASSETS – A CONCEPTUAL PROPOSAL FOR INDIGENOUS COUNCILS

Following our conference call on Thursday 30 April 2020, we have now had an opportunity to further engage with insurance markets and are pleased to provide an update as follows.

Everyone has acknowledged that obtaining the appropriate protection of assets and at consistent and balanced premium levels has been and remains a challenge. Renewals effected at the end of 2019 were at significantly increased cost, reduced cover and less favourable program structures and this created a new paradigm. The general insurance markets have become even “harder” which poses a further challenge for the forthcoming period.

We propose to create a future pathway that offers longer term benefits to your Councils by changing the dynamics of protecting their assets with LGM Assets. We believe that benefits will be initially achieved at this renewal. One example would be that insurers remain interested in offering “reinsurance” protection via LGM Assets as opposed to withdrawing if approached on a direct basis.

The LGM Assets conceptual structure set out below provides Councils with opportunities to

- Retain the benefits of improved claims performance, rather than simply paying that money away to an insurer;
- Participate in benefits from distributions to members to the extent the money in the self-insurance aggregate is not required to pay claims; and
- Engage in risk related initiatives that will assist engagement with reinsurers; and
- Act collectively to preserve coverage, maintain current excess levels and contain pricing.

The outcomes of not acting collectively can be seen in the renewal results achieved by those Councils that renewed their cover toward the end of 2019. The market has only hardened further since that time with the result that even less favourable results are likely to be achieved by those Councils who do not wish to act collectively.

Below is a summary of the current insurance market conditions and a brief conceptual structure that we believe will best suit the future long term protection needs of your Councils.

Industrial Special Risks

Market Conditions/Appetite

- There is very little appetite for standalone catastrophe exposed risks in North Queensland at a reasonable price;
- There is only one group of insurance markets prepared to consider the risks for this group of Councils. These markets are participants on the existing programs;
- Markets will be more receptive to a move toward a sophisticated structure in which:
 - > Councils collectively retain some risk (i.e. by way of establishment of a self-insurance component); and
 - > Councils genuinely commit to data and risk improvement;
- Councils will stand the best chance of preserving coverage, maintaining current excess levels and containing pricing by acting collectively;

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- Councils choosing not to act collectively will find themselves at the mercy of the market and will struggle to secure favourable or possibly any terms from insurers – this is reflected in the outcomes achieved by those Councils that renewed toward the end of 2019, which included:
 - > Increased excesses;
 - > Significantly increased pricing; and
 - > Restrictions on cover for perils such as cyclone;
- LGM Assets provides a mechanism for collective engagement with supporting insurance markets;
- Councils will benefit from acting in concert with 51 other Queensland Councils. The collective size of LGM Assets enables members to take full advantage of competitive tension to ensure the continued participation of existing markets;
- LGM Assets represents the best opportunity for Councils to begin to exercise control over and develop a long term sustainable solution for their property risk exposures.

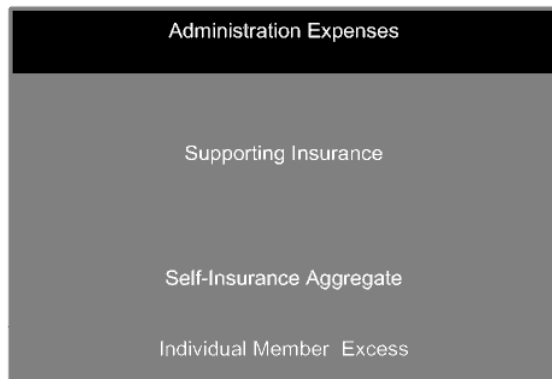
Conceptual Structure

Councils will join LGM Assets as members and will make contributions which are held in trust by the LGAQ as Trustee.

These contributions are then utilised to:

1. Meet working loss claims;
2. Purchase insurance protection (with APRA approved insurers) above the initial self-insurance layer (excess of loss cover); and
3. Cover the costs of establishing, managing and administering the scheme.

The proposed structure is represented in the diagram below:





Servicing

For many Councils, transition to membership of LGM Assets will mean that there is no change to the service team who currently oversees and administers your program.

Most Councils are currently serviced by the Marsh Advantage (formerly JLT) team based in Cairns. This will continue as part of the future proposal for Councils to become a member of LGM Assets.

This team will handle the servicing of Council's LGM Assets membership as well as the placement of any other covers Council may require (e.g. motor vehicle, marine hull etc.).



LGM Assets Governance

LGM Queensland (encompassing LGM Assets), is a Mutual Risk Product as defined by ASIC. It is neither authorised under, nor subject to, the provisions of the *Insurance Act 1973* (Cth).

LGM Queensland is established as a trust and operates under the trusteeship of the Local Government Association of Queensland. As trustee, the LGAQ is bound by its fiduciary duty to act only in the interests of the scheme's beneficiaries, being the members of LGM Queensland.

Operations are conducted and controlled by the LGM Queensland Board of Management. The LGM Queensland Board of Management is comprised of employees of the LGAQ, elected and other representatives of Queensland Local Government (including a nominee of Brisbane City Council whilst Council remains a member) as well as an insurance industry expert and a barrister specialising in local government law.

LGM Queensland's initiatives are supported and overseen by a variety of specialists, each of whom have longstanding relationships with Queensland Local Government. These include:

- JLT Public Sector as the appointed mutual manager;
- ANZ and Queensland Treasury Corporation – providers of banking and investment services;
- Brett & Watson Actuaries – providers of actuarial advice;
- Queensland Audit Office – as auditors of the mutual's financial statements; and
- King & Company – as legal advisers to the trustee and board of management.

Insurance placements undertaken on behalf of LGM Assets and its members are undertaken in accordance with JLT Public Sector's strict security protocols.



LGM Assets – Continuous Improvement Pathway

LGM Assets exists to provide Queensland Local Government with a genuine alternative to commercial insurance arrangements.

It operates with long term goals of stability and sustainability of both cost and cover. The achievement of these objectives is enabled by a focus on continuous improvement in the understanding and management of the underlying substantive risk exposure.

It is for this reason that LGM Assets works closely with members to improve data quality and implementation of risk management at facilities as these serve as the foundation for the realisation of better long term outcomes aligned with Council's broader organisational objectives.

When reviewing the material provided by Council it was noted that data captured in the asset schedule consisted primarily of street address and value. Data with respect to:

- Construction of assets;
- Year built;
- Number of stories;
- Occupancy; and
- Fire and security protection

did not appear to be included.

The purpose of this information is that enables a more comprehensive understanding of the exposure to be obtained.

A better understanding of the exposure facilitates:

- Substantive engagement with supporting insurance markets based on a common understanding of the risk;
- Greater granularity and transparency in relation to pricing;
- Stability and sustainability of cover and cost long term;
- An ability to make informed decisions with respect to the coverage and management of assets (e.g. renewal and replacement in the future); and
- An ability to allocate resources to manage risks in a targeted and efficient way.



LGM Assets undertakes a body of work with members aimed at improving data quality and members' understanding of their risk exposure.

The table below endeavours to capture various pieces of work we would endeavour to undertake with Council around various aspects of its property program were it to elect to join LGM Assets.

	Horizon 1	Horizon 2	Horizon 3
Data Management	Transfer Asset Schedule to LGM Assets Data Sheet Understand existing Council data production capabilities	Populate schedule with geocoded location data Input data captured during engineering surveys (e.g. fire and security protection etc.) Capture primary modifier data for Top 50 (e.g. construction)	Capture primary modifier data for Top 100 sites Further update of data based on most recent engineering surveys
CAT Modelling	Initial run of CAT models Identification of Top 50 sites by contribution to AAL	Updated run of CAT models Examine result change based on updated data Identifying Top 100 sites by contribution to AAL	Access to geospatial exposure platform Ability to identify exposure and inform risk management
Risk Management	Implementation of risk engineering program Identification of sites for survey	Engage re-engineering and risk management objectives/changes CAT modelling outputs informing asset selection for survey	Proactive and aligned with broader strategic objectives Assist development of best practice loss control program



General Information

Once placement of your program is finalised with insurers we will send you a Coverage Summary document confirming cover details.

Prior to reviewing the terms presented in this report, please ensure that you read and understand the Important Information located at the end of this document.

Financial Services Guide

JLT Public Sector has an updated version of our 'JLT - Our Commitment to You- Client Terms of Engagement and Financial Services Guide' document which can be found [here](#). This FSG provides the terms under which we will provide our services to you and you agree to be bound by these terms.

Most of the amendments to the FSG are minor in nature, but we would like to highlight the change on page 1- Who are we? With effect from 1 April 2019, JLT Public Sector is part of the Marsh & McLennan companies (MMC) group of companies. JLT Public Sector continues to provide services to you under JLT's current Australian Financial Services Licence.

Where we have separate terms of engagement with you and the provisions of those terms of engagement are inconsistent with the provisions of this FSG, the separate terms of engagement will prevail over this FSG to the extent of such inconsistency.

General Advice Warning (GAW)

Our advice is general in respect of the retail insurance addressed in this report. To help you decide if it suits you, read the Product Disclosure Statement/s. We are happy to provide you with further information.

New Claims

Any quotation we have obtained on your behalf is based on the understanding that there will be no deterioration in the claims experience between the date insurers quoted their terms and the expiry date of the insurance or the date of inception of new risks.

If claims do occur during this period, insurers have the right to revise the terms quoted or even rescind their quotation.



WHY LGM ASSETS?

Ownership

LGM Assets is owned by and managed for and on behalf its Members.

We exist solely to benefit our members.

Ownership of LGM Queensland also provides Members with the opportunity to take a strategic approach to their insurable risks and gain a complete understanding of the cost of risk.

Services

Claims Management

LGM Assets Members benefit from a team of claims professionals dedicated solely to the management of claims for and on behalf of local government.

LGM Assets claims processes have been conceived for the benefit of Scheme Members, ensuring a dedicated, consistent and holistic approach to the management of claims.

LGM Assets understands that Members will have the greatest need for our support and assistance at the time of a loss. The processes adopted are consistent with our management of claims within each of the other local government owned schemes, which for Council means a streamlined claims management protocol and reporting outputs.

Risk Management

The foundation of LGM Assets is its intensive, targeted and collective approach to better understanding and managing the substantive risks that exist within the program.

It is this approach that enables the achievement of the mutual's objectives of stability and sustainability and benefits members

Members are supported to better understand and manage their risks through initiatives such as:

- LGM Assets Risk Engineering Program;
- LGM Assets Catastrophe Modelling Program;
- Development of guides and tools to assist members to improve data capture.

Service Approach

The LGM Assets approach to service is aligned with the long term objectives of the mutual.

It is focussed on supporting members to better understand and improve the underlying risk exposure, with risk transfer forming just one aspect.

In this regard, LGM Assets has and continues to work closely with Members with respect to issues such as:

- Preparation of asset schedules and other insurance documentation;
- Data collection, including on site data collection in conjunction with Council officers; and
- Identification of critical assets/interdependencies to inform risk management.



IMPORTANT INFORMATION

MUTUAL STATUTORY NOTICE

LGM Queensland is a Mutual Risk Product as defined by ASIC that is neither authorised under, nor subject to, the provisions of the Insurance Act 1973.

LGM Queensland is not a product regulated by APRA.

LGM Queensland estimates its future liabilities based upon procedures which are supported by both independent legal and actuarial experts. LGM Queensland also maintains specific financial provisions for late reported claims (IBNR) and future claim developments plus a prudential risk margin. These provisions are amounts in addition to specific claim estimates.

LGM Queensland and Jardine Lloyd Thompson Pty Ltd (JLT Public Sector) as the Scheme Manager have established financial targets to ensure that adequate financial resources are available to discharge future liabilities and make future payments. This is achieved via a combination of financial management strategies which may include purchasing reinsurance, developing risk margins and retaining surplus funds. The LGM Queensland Board of Management review the operating financial statements at regular intervals and an independent audit occurs annually with its findings reported to Members.

The Queensland Local Government Mutual Trust Deed and Scheme Rules are the primary documents which govern the operation of the Mutual Schemes. Wordings on each Scheme are issued as a guide as to the terms under which a claim will be considered and settled. A copy of the Queensland Local Government Mutual Trust Deed and Scheme Rules are available on the website at <https://lgm.jlta.com.au/>

DUTY OF DISCLOSURE

Before you enter into an insurance contract, you have a duty of disclosure under the Insurance Contracts Act 1984. You have a duty to tell us anything that you know, or could reasonably be expected to know, may affect the insurer's decision to insure you and on what terms. You have this duty until the insurer agrees to insure you. You have the same duty before you renew, extend, vary or reinstate an insurance contract.

If we ask you questions that are relevant to the insurer's decision to insure you and on what terms, you must tell us anything that you know and that a reasonable person in the circumstances would include in answering the questions.

Also, we may give you a copy of anything you have previously told us and ask you to tell us if it has changed. If we do this, you must tell us about any change or tell us that there is no change. If you do not tell us about a change to something you have previously told us, you will be taken to have told us that there is no change.

You do not need to tell us anything that:

- reduces the risk insured; or
- is common knowledge; or
- the insurer knows or should know as an insurer;
- or the insurer waives your duty to tell them about.

If you do not tell us something

If you do not tell us anything you are required to, the insurer may cancel your contract or reduce the amount it will pay you if you make a claim, or both. If your failure to tell us is fraudulent, the insurer may refuse to pay a claim and treat the contract as if it never existed.

CHANGE OF RISK OR CIRCUMSTANCES

Please tell us about any changes to your circumstances or business, such as any alteration of risk, location changes, new or changed business activities, as they could affect your insurances.

AVERAGE CLAUSE – UNDER INSURANCE

Home buildings and contents, fire, business interruption, industrial special risks, and other policies often contain an average clause. This means that you should declare full value which may be replacement, indemnity or market value depending on the type of insurance cover or protection arranged. If you are under insured your claim may be reduced in proportion to the amount under declared.

UNREPORTED LOSSES

Please let us know whether there are any losses which have occurred that have not been reported to us/the Scheme/insurers, whether you intend making a claim or not.

HOLD HARMLESS AGREEMENTS, CONTRACTING OUT, REMOVAL OF SUBROGATION RIGHTS

You may prejudice your rights to a claim if, without prior agreement from your insurer or relevant Scheme, you make any agreement that could prevent the insurer or Scheme from recovering the loss from a third party. These "hold harmless" clauses are often found in leases, licences and contracts for maintenance, supply, construction and repair.



PROTECTING THE INTEREST OF OTHER PARTIES

If you require the interest of another party to be covered by the policy or Scheme, you MUST request this. Most policies and scheme protection will attempt to exclude indemnity to other parties (e.g. mortgagees, lessors, principals etc.) unless their interest is expressly noted on the policy.

NEW CLAIMS

Any quotation we have obtained on your behalf is based on the understanding that there will be no deterioration in the claims experience (or change in the underwriting information) between the date insurers or LGM Queensland quoted their terms and the inception date of the cover. If changes do occur during this period, insurers/LGM Queensland have the right to revise the terms quoted or even withdraw their quotation.

SEVERAL LIABILITY

Where your cover is provided by more than one insurer/reinsurer it is important to note that each insurer/reinsurer is only responsible to the extent of their individual subscription and there is no obligation for that insurer/reinsurer to make up the shortfall of any other subscribing insurer/reinsurer in a claim or return premium or contribution payment.

CONFIRMATION OF TRANSACTION

You may contact us by telephone or in writing to confirm any transaction under your insurance policies or LGM Queensland Schemes, such as renewals and endorsements. If necessary, we will obtain the information for you from the insurer or reinsurer.

COOLING OFF PERIOD FOR RETAIL CLIENTS

If you are a retail client as defined in the Corporations Act 2001 as amended (the 'Act'), you may be entitled to a minimum 14 day cooling-off period during which you may return the insurance policy and receive a refund of the insurance premium paid (less amounts lawfully deducted), subject to the requirements of the Act and the terms and conditions of your policy.

This does not affect any other cancellation rights you may have under your policy.

Please check your policy and schedule upon receipt to be sure you have the cover you require. If the cover does not meet your needs, please contact your JLT Public Sector account executive for advice as to your rights.

REMUNERATION AND OTHER INCOME

Our principal remuneration for arranging insurance on your behalf is either by way of commission paid by the Insurer and/or a fee including a service fee and an administration fee to be paid by you.

In addition to the above we may receive income from insurers as follows: interest earned on insurance monies passing through our bank accounts; profit commissions or profit shares paid by insurers on specific classes of business; administrative service fees or expense reimbursements for limited specific services we provide to insurers as part of the placing or claims process.

Where we act as managers of a Mutual Scheme or Discretionary Trust, our fee is negotiated according to the services to be provided for that Scheme.

We will disclose any potential conflict of interest not included above which may occur and affect our relationship.

REFUND PREMIUMS OR CONTRIBUTIONS

In the event of any refund premium or contribution being allowed for the cancellation or adjustment of any insurance policy or scheme protection, JLT Public Sector reserves the right to retain all brokerage, fees and charges.

RECEIVING INFORMATION ABOUT OTHER PRODUCTS AND SERVICES

JLT may, from time to time, offer you information about products and services which may be of interest to you. Please notify us if you do not wish to receive such additional information.

PRIVACY POLICY

We value the privacy of your personal information and we are committed to handling your personal information in a responsible way in accordance with the *Privacy Act 1988* (Cth) (the Act) and the Australian Privacy Principles (APPs) as contained within the Act. Our Privacy Policy can be examined by accessing our website or by obtaining a copy from our Privacy Officer on telephone number (02) 8864 7688, email privacy.australia@marsh.com or post PO Box H176 Australia Square NSW 1215.

FINANCIAL SERVICES GUIDE

Please refer to JLT Public Sector's FSG [here](#) for information on the services offered by JLT Public Sector. It is designed to assist you in making a decision whether to use any of the services offered

SERVICE DIFFICULTIES

We would like to know if you are not satisfied with our services. If you have any difficulties please contact your JLT Public Sector adviser or our Complaints Manager. We subscribe to the Australian Financial Complaints Authority (AFCA) (1800 931 678), which is a free consumer service, and the General Insurance Broker's Code of Practice.

IF THERE IS ANY PART OF THE ABOVE THAT YOU DO NOT UNDERSTAND OR YOU REQUIRE FURTHER EXPLANATION, PLEASE CONTACT US IMMEDIATELY.

**Proprietary Nature of Proposal**

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6.2 INCLUSION OF ACKNOWLEDGEMENT OF COUNTRY

Author: Governance Coordinator

Attachments: Nil

PURPOSE (EXECUTIVE SUMMARY)

It has been raised recently that the current Mornington Shire Council meeting procedures do not embrace an Acknowledgement of Country.

The purpose of this report is to elucidate the significance of an Acknowledgement to Country, and to encourage Council to consider the inclusion of Acknowledgement of Country in all future Mornington Shire Council meeting procedures.

BACKGROUND & PREVIOUS COUNCIL CONSIDERATION

An Acknowledgment of Country is often made at the commencement of an event, such as formal occasion, meeting or speech. It can be performed by any person (indigenous or non-indigenous) and essentially pays respect to Traditional Owners and ongoing custodians of the land and emphasizes the cultural significance of customs, land and history. Acknowledgement of Country also promises the upkeep of appreciation of and respect to Traditional Owners (both past and present).

An Acknowledgment of Country can be generalized, or can be altered to be specific – this is depending on the Country on which the Acknowledgment is being made. For example, for Mornington Island the Acknowledgment of Country could be delivered as;

General: *I would like to begin by acknowledging the Traditional Owners of the land on which we meet today. I would also like to pay my respects to Elders past and present.*

or

Specific: *I would like to begin by acknowledging the Traditional Owners of the land on which we meet today, the Lardil people of Mornington Island and pay our respects to Elders past and present. We would also like to acknowledge the Kaiadilt and Yangkaal people who share our homelands.*

The inclusion of Acknowledgement of Country in Mornington Shire Council meeting procedures has been considered a necessity in that it reinforces Council's ongoing reverence of traditional custodians of the land on which we live and work and assists in maintaining the Council's cultural awareness.

FINANCIAL & RESOURCE IMPLICATIONS

Nil

RECOMMENDATION

1. That Council agree to adopt one of the two acknowledgments listed in the report.
2. That Council endorse the Acknowledgment of Country to be quoted verbally at the commencement of all future Council meetings.
3. That Council approve the Acknowledgment of Country to be included as an obligatory part of all future Council meeting agenda's.

7 CONFIDENTIAL REPORTS

Nil

8 CLOSURE