Risk management
The University considers risk management to be fundamental to good management practice and an important aspect of governance and is thus committed to developing and maintaining policies, procedures, systems and a culture to manage risk, efficiency and assurance. The University’s broader focus on risk management is overseen by the Senate’s Audit and Risk Management Committee which met five times during 2006, including a special briefing session to all members on the status of the University’s risk management program and its future progression.

During 2006, the main focus of the risk management program was the refinement of the University’s significant risks which were endorsed by the senior executive and the Audit and Risk Management Committee. Each of the risks identified have been assigned to specific areas within the University which will be accountable for their management. Assessments were conducted in the latter part of the year on the treatment options that are currently in place for each risk, with recommendations on further actions that may be required. These assessments will continue during the early part of 2007 and be used as a basis for regular management reports.

In addition, the Federal Department of Education, Science and Training was satisfied with the University’s management of risk towards affiliate organisations in accordance with the National Governance Protocols.

Risk Management Office
As part of the broader structural changes within the University, the Risk Management Office (RMO) was restructured to have closer alignment with Internal Audit. A new department was created called Audit, Risk Management and Assurance to which the Risk Management Office will report. Additionally, the Occupational Health & Safety (OHS) and Workers’ Compensation & Injury Management programs were reassigned to the Human Resources function which will allow all staff issues and risks to be handled in a coordinated manner. The Risk Management Office will continue to coordinate and facilitate the University’s overall risk management and insurance programs with a key focus to provide advice to the University community and to develop policies, procedures, tools and programs to ensure the University’s risks are being managed effectively.

The University’s insurance program
The University protects itself from the financial effects of insurable risks by procuring a comprehensive insurance program complemented by funded large deductibles and self-insurance where appropriate. The University’s insurance program was renewed during two time periods, March and October 2006. Insurance market conditions continued to improve during 2006, which allowed the University to negotiate broader coverage terms for several policies without incurring additional premium costs. The commercial availability of medical malpractice insurance coverage for staff and students continues to be problematic across the University sector in NSW and negotiations are still progressing with NSW Health to improve the current indemnity arrangements. NSW Health has agreed to extend a temporary indemnity to the University for medical malpractice claims until the end of June 2007.

OHS, Injury Management and Workers’ Compensation
The management of OHS, workers’ compensation and injury management moved from Finance into the Human Resources portfolio under the new unit name OHS & Injury Management (OHSIM). The main goals for the year were to consolidate the University’s programs for ensuring the health, safety and welfare of its staff, students and visitors, and effective injury management and coordination of return to work for employees claiming workers’ compensation.

The network of Zone OHS Committees actively monitored and promoted OHS with oversight by the Central OHS Committee, chaired by the Deputy Vice-Chancellor (Infrastructure). Elections were held for employee representatives on these committees and new members were trained. Other high level committees provided direction and promotion of emergency management and safe, compliant research involving gene technology and ionising radiation.
The University commenced its third OHS management systems audit in the second half of the year with the audit process and content having been improved as a result of the 2005 audit. The results of the 2006 audit will be collated in early 2007 to provide detailed information on compliance with the University’s OHS program and direction for future improvement.

A broad range of OHS training was provided for staff and research students in key OHS risk areas ranging from office ergonomics to laboratory safety. OHSIM increased its training resource library to cater for departments seeking to present standard OHS training material on demand locally, particularly for induction of new workers. There were 16 projects completed (with the assistance of agent funding) that targeted injury prevention and claims costs in departments identified as having a high claims risk.

An 11 per cent reduction in the number of workers’ compensation claims was achieved in 2006 compared to 2005. Of the 223 claims lodged, 126 were classified as significant cases requiring injury management. Effective workers’ compensation and injury management processes ensured that injured employees were able to safely and promptly return to their usual employment at the University. The impressive return to work rate of 98 per cent for the year was the highest in the seven years of recording.

The current insurance premium prediction indicates a reduction of over 30 per cent, a premium saving in the order of $1.5 million compared with 2005. This improvement resulted primarily from changes to the WorkCover Premium formula (20 per cent reduction) and continued improvements in injury and claims management.

The annual Peter Dunlop Memorial OHS Award was presented to Mr John Goodhew from the Faculty of Economics and Business.