



Australian Government

Department of Family and Community Services

FILE No:

DOC:

MARS/PRISM:

THE SECRETARY

Box 7788 Canberra Mail Centre

ACT 2610

Telephone 1300 653 227

TTY 1800 260 402

Facsimile (02) 6244 7983

E-mail jeff.harmer@facs.gov.au

www.facs.gov.au

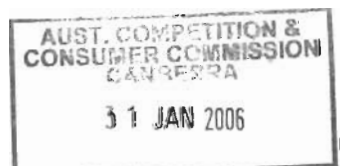
The General Manager
Adjudication Branch
Australian Competition and Consumer Commission
GPO Box 1199
DICKSON ACT 2602

Re: Community Care Underwriting Agency applications for revocation and substitution A90997 and A90998

I am writing in response to a letter from Mr Gavin Jones dated 6 January 2006, requesting submissions as part of an interested party consultation process on an application for revocation and substitution by the Community Care Underwriting Agency. While the department will not be making a formal submission, we wish to register an interest in the matter and would like to be kept informed of progress.

In providing funding to service providers, FaCS uses funding agreements that specify that funding recipients must agree to provide the following insurance:

- (a) public liability for not less than \$10 million, noting the interests of the Commonwealth;
- (b) workers compensation as required by the law in force in each State or Territory where employees of the organisation work in relation to the Project;
- (c) compulsory third party and comprehensive insurance for all motor vehicles acquired with the Funding; and
- (d) professional indemnity for not less than \$5 million.



The department acknowledges the importance of affordable public liability and professional indemnity insurance for the not-for-profit sector and is supportive of any arrangements that will assist the sector to access suitable insurance arrangements. The department also acknowledges, however, that the original authorisation for the joint venture arrangement was granted at a time when the insurance market was in a state of flux and that these conditions may have changed.

While we do not have specific quantitative data on this issue, anecdotal evidence is that some not-for-profit organisations are still experiencing difficulties in accessing affordable insurance cover. On this basis, we are supportive of the application for revocation and substitution made by the Community Care Underwriting Agency.

To assist with the consultation process, we will be writing to peak organisations for the not-for-profit sector to alert them to the ACCC's call for submissions on this issue. I trust this will be of assistance to you in conducting this consultation process.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'J Harmer', with a stylized flourish at the end.

Dr Jeff Harmer

24 January 2006