Contractors and Public Liability Insurance

Building and construction contractors operating on sites owned or administered by the Department of Education in Tasmania must be insured by works and legal liability cover arrangements, irrespective of the value of the contract.

The Department of Treasury and Finance provides Works and Liability Insurance Cover (Policy No. 38 0398987 CAR) to cover public works undertaken at Government sites valued at $50,000 or more. Different procedures apply for works below $50,000.

Site managers or school principals should satisfy themselves that contractors are appropriately insured and must be aware of whether or not the contracted price includes the insurance premium.

Contractors Not Covered by Insurance

*Please note: these arrangements do not apply to contractors providing minor and major works at DoE sites.*

Contractors are individuals or organisations that provide services for financial or non-financial rewards. They are not covered by DoE/TRMF’s risk cover arrangements.

The Government’s standard position is that contractors should be covered by workers compensation, legal liability ($20 million) and professional indemnity ($10M) insurance. Refer to TRMF’s Guidelines for Determining Appropriate Levels of Insurance for Goods and Services Contracts.

Since insurance premiums are passed on to the Department through higher contract costs it may be appropriate, in some cases, to lower the required insurance cover, having regard to the type of activities undertaken and associated risks. This is particularly the case where both the remuneration and risks to the contractor and DoE are low (e.g. a person giving piano lessons or teaching Aboriginal history to a class).

Lowering the insurance cover must be subject to a thorough risk assessment. Where the Government's standard position is varied, contractors must be informed that they could be held legally liable for damages arising from their activities.

Contact Details

For further information about the Works and Liability Insurance Cover please contact the Department of Treasury and Finance on (03) 6233 3673 or Marsh P/L on (03) 6281 3100.

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Please refer to the online copy of this document (TASED-4-1841), located on the Tasmanian Department of Education’s website to ensure this version is the most recent (Version 2.0).