

RM Advancer[®]

» Australia's Premier Risk Management Awards



Commercial Property, Machinery Breakdown and Motor Finalist Nominations

Award Criteria

The systems, processes and activities undertaken to minimise loss and/or damage relating to property, machinery or motor vehicles for organisations with an annual turnover more than \$100 million or more than 100 employees.

The customer information enclosed has been summarised from each of the 2024 RM Advancer finalist nomination forms.

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Aveo Group Limited

Australia's premier retirement living provider

Founded over 30 years ago, [Aveo Group](#) offers retirement living options to suit every lifestyle. Home to over 12,000 residents, options include low-maintenance homes, serviced apartments, and communal facilities, primarily located on the Eastern seaboard of Australia.

Due to Aveo's extensive geographic footprint, its retirement communities are subject to natural disaster risks, while increased risk assessment rigour made securing affordable insurance coverage more difficult. This situation strained Aveo's operating budgets, had potential to elevate costs for residents, and impacted Aveo's ability to maintain a safe environment for its residents.

To address the challenge, in 2023 Aveo embarked on a collaborative journey with Aon to establish a Discretionary Aggregate Deductible Fund (DADF) within a 5-month timeframe. Communication with residents was prioritised to consult and inform of the DADF, its operational mechanisms and benefits. Furthermore, following a rigorous selection process by Aon, a panel of Underwriters was established.

Outcome

- In its inaugural year, the DADF has resulted in substantial financial efficiencies and reinforced community security, underscoring Aveo's commitment to innovation, sustainability, and resident welfare.
- The DADF unifies leasehold and freehold villages under a singular insurance framework.
- The DADF has led to stabilising and reducing fluctuations in insurance premium costs coupled with a reduction in the insurance claims loss ratio, resulting from increased mitigation.
- By involving residents in the process, Aveo addressed the challenge of maintaining affordability and financial security for its residents while strengthening its communities.
- In 2024 [Aveo Group](#) was a winner in the Asia Pacific regional finals of the 2024 Business Continuity Institute Awards for its Extreme Weather Readiness Program.
- Engagement of Vero reflects confidence in Aveo's risk management framework.

Bega Cheese Limited

Creating great food for a better future

Founded in 1899 as a local dairy cooperative, Bega has grown to be one of Australia's largest fast moving consumer goods companies and is listed on the Australian Securities Exchange. The acquisition of the Mondelez grocery business in 2017 and the Lion Dairy and Drinks business in 2021 transformed Bega into the diversified and dynamic food and beverage company it is today.

The acquired 12 manufacturing sites revealed inconsistencies in risk management practice and large capital risks including flammable EPS cladding used in the original construction of much of the acquired network. Bega's Risk and Sustainability Committee determined a single, aligned approach to reduce the risk and impact to the business. With the support of Marsh, RiskTech and Vero, the following methods were initiated:

- Established a base line for property risk across the network.
- Established a rolling 3-year enhanced survey program.
- Online web-based tool for stakeholder visibility.
- Group structural changes to support risk management goals.
- One Bega risk management approach.
- Group-wide risk management policies, standards, and procedures.

Outcome

Over the past 3 years, more than 200 risk improvement recommendations have been completed, including large capital projects such as removal of the EPS cladding. In addition to the large capital investment of over \$35m, the Bega risk reduction program provides ongoing minor capital works funding to support local, site-based teams in completing risk improvement recommendations raised in the property insurance program.

Buller Ski Lifts

A mountain of moments

Formed in Victoria in 1993, Buller Ski Lifts (BSL) is a private company that owns and operates Victoria's largest lifting network of 22 lifts, a ski & snowboard school, childcare facility, the luxury Mt Buller Chalet Hotel and suites and ABOM hotel, other accommodation, and on-mountain hospitality venues as well as 7 sport and retail stores and a property development and maintenance unit.

BSL's high risk exposures include skier safety, snow/climate change, bushfires, lift infrastructure, psychosocial hazards, and storage of dangerous goods. A major failure of either the lift infrastructure or storage of dangerous goods (fuel and ammonia) could be catastrophic in terms of commercial, reputational, and human safety. Risk strategies include:

- Skier safety on the slopes is supported by enforcement of the Alpine Responsibility Code, mandatory helmets for ski school lessons, ski patrol paramedics and moveable meingast (run barrier) fencing.
- Annual maintenance programs and independent safety audits of lift and ropeway infrastructure, building structures and essential services
- Storage fuel tanks are independently hydrostatically, and vacuum tested every 2 years to ensure tank integrity, and every 3 months soil and groundwater headspace and leachate testing is undertaken around each tank.
- Appointment and training of 25 mental health first aiders and contact officers

Outcome

Over the past 20 years BSL's strategic risk management framework has proven to meet long-term objectives as demonstrated by:

- A reduction in skier injuries and lower psychological hazards.
- No major failures of lift infrastructure.
- No major adverse environmental events.
- No major bushfire threats and no building fires.
- BSL has achieved ISO 14001, 9001 and AS4801 safety, quality, and environment standards.

Costa Group (Property)

Australia's leading grower, packer and marketer of premium quality fresh fruit and vegetables

Costa has a more than 120-year history, spanning family, public and private ownership. Recognised as one of Australia's leading fresh produce companies [Costa](#) is a major supplier to the Australian market, and exports product to Asia, North America, and Europe. Costa Farms operate wholesale markets for fresh produce and Costa Logistics provides value-added supply chain and logistics services.

In late 2021 Costa Group completed the expansion of its New England Highway site near Guyra, doubling the sites production capacity. The significant financial investment into the project included construction of two new 5-hectare glasshouses with associated infrastructure and support buildings and a new 2.5-hectare glasshouse propagation nursery including facilities, irrigation equipment areas and germination rooms. Due to the extent of glass, hailstorm is one of the most threatening perils.

Due to the risk of potential transfer of crop disease or pests, the location of the nursery had to be separated by 150 metres from other structures. Upgrades to the power supply were also needed as the local sub-station power grid had degraded over the preceding years. Ensuring fire safety/fire engineering for such large structures presented non-standard challenges.

Outcome

Ensuring that construction eliminated or reduced risk, the following outcomes were achieved:

- Prior to procurement, Marsh and design engineers sourced fire resistant, FM approved sandwich panels to reduce the risk associated with potential large fires.
- The large, isolated nursery building was designed with its own fire-fighting water system.
- Due to the size and scale of the 5-hectare glasshouses and 2.5-hectare glasshouse nursery, multiple fire performance solutions were designed by the fire engineer and certified by the Property Council of Australia.
- Additional site power is provided via a Liquid Nitrogen Gas fueled, micro-turbine system which provides additional support for site heating and CO2 management in addition to power generation.
- An "Ice Canon" was commissioned by Costa to test the hail resistance of its glasshouse glass. There was nothing like this in Australia that tested the strength of glasshouse glass against large hail. The manufacturer only tested to 3cm hail. Costa tested frozen hail the size of cricket balls shot multiple times at every type of glass pane in a controlled environment and had this certified to Australian and international Standards. Costa's large hail testing has been so successful that not only is the installed glass capable of withstanding large hail in their glasshouses, the manufacturers of glass houses in Holland – Van der Hoven now use this data and so has the Chinese manufacturer of the glass.

Westpac

Creating better futures together

Westpac, Australia's oldest bank, was established in 1817 as the Bank of New South Wales and rebranded as [Westpac](#) in 1982. As a publicly traded entity listed on the Australian Securities Exchange (ASX), Westpac operates through various divisions and subsidiaries that cater to diverse banking and financial services.

Westpac's fleet of approximately 750 vehicles is used in both urban and rural settings. The varied distances between customers, diverse road types, wildlife, and natural disasters pose risks. Much of the fleet is branded, adding reputational risk. A comprehensive review of fleet operations was undertaken in the key areas of culture, policy, data & technology, and vehicle safety.

- Delegates from each business unit were appointed and engaged in regular safety meetings. The central safety team working closely together with procurement and property teams ensured delivery of end-to-end solutions.
- A revised tool of trade standard and driver safety guideline was embedded with all drivers, coaching conversations held, and driving behaviours monitored.
- Risk tracking identified both preventative (telematics-driven risks) and reactive (accident and infringement data) indicators, and a foundational total quality management approach aimed at zero harm.
- Trip logging and vehicle eligibility helped identify non-participants in the safety program and data focus identified the top three risk behaviours.
- The fleet replacement program includes hardwiring of telematics devices, autonomous emergency braking and adaptive cruise control to reduce driver fatigue.

Outcome (last 12 months versus the 12 months prior)

- A 75% reduction in speeding incidents, a 14% reduction in driving too long, and a 28% reduction in insufficient breaks.
- Claim numbers decreased by 36%, and net incurred costs dropped by 50% (\$370K). At-fault accident rate decreased by 2%, and the net incurred costs reduced by 6%, indicating a reduction in the severity of accidents. Large losses decreased by 62%.
- Westpac's measures for net incurred costs and at-fault rates is now lower than its peers.