

Concerns prompt action on public liability insurance

Community concerns voiced by Members of the House of Representatives have helped to get action on the public liability insurance dilemma facing people throughout Australia.

Dozens of members from both sides of the House have spoken about the premium rises of up to 300 per cent faced by many community-based groups and organisations. Responding to the many calls, letters and emails they have received, members have told the House about the depth of the problem and the depth of community feeling on the issue.

"Throughout Australia all those small communities are complaining to their local members, be they on the government side or the opposition side, about this new phenomenon," said the Member for Corangamite (Vic), Stewart McArthur. "Golf clubs, cricket clubs, local football clubs and local community groups are very concerned that they will no longer be able to operate at the local level because of the public liability premiums and payout."

Members have pointed to numerous case examples to illustrate the extent of the problem. The Bannockburn Golf Club is a case in point. Stewart McArthur told the House that the golf club is facing a premium hike of \$7,000, from \$2,000 to \$9,000. It's an example mirrored in electorates throughout Australia.

"We need the insurers and the lawyers to look at this problem," said Mr McArthur.

Tasmania's Member for Lyons, Dick Adams, suggested that part of the problem lies in the growing propensity of people to sue for damages.

"To an extent we have ourselves to blame for the hike in premiums now," Mr Adams said. "Australians are more willing than ever to take legal action if something happens in a public place.

"An example given recently was 'if you fall off your chair at home, it is an accident, but if you fall off a chair in a shopping mall, it is an opportunity to sue somebody'. It appears from the statistics that we use insurance claims as a 'cash cow' if we think we can benefit from it and the claim can be deemed legitimate."

Mr Adams said that in cases of public liability it would be better if payouts were levelled at

the cost of repairing the injury for small claims rather than trying to compensate someone for their damages.

The Member for Cowper (NSW), Luke Hatsuyker, agreed. "Our approach," said Mr Hatsuyker, "needs to concentrate more on the provision of care for those who are unfortunate enough to be injured rather than provide very large payouts."

Looking for specific solutions to the issue, some members suggested a national insurance scheme based on a New Zealand model.

"New Zealand has been developing a mutual liability fund called Riskpool," Dick Adams said. "The purpose is to provide an industry-owned method of funding liability insurance that will ensure that adequate cover is always available on a reasonable basis irrespective of the vagaries of the cyclical insurance market."

Member for Calare (NSW), Peter Andren, supported the calls for a national scheme. "Last September the Prime Minister offered indemnity cover for the aviation industry," Mr Andren said. "Why can't such a subsidy be extended, in the short term at least, to not-for-profits and volunteer groups? We have a totally unfunded and totally unjustifiable system of federal and state parliamentary super schemes. Why not abandon these and get our funding priorities right by covering public and community risk through a national insurance scheme, perhaps like the New Zealand model?"

A separate suggestion was to immediately implement a program of risk reduction and management strategies for community organisations. According to Michelle O'Byrne, Member for Bass (Tas), the insurance dilemma has been exacerbated by the unwillingness of many community organisations to reduce their exposure by instituting a program of risk management.

"Some simply do not know about these things," Ms O'Byrne said. "It is imperative that such a program covers all bodies from the smallest clubs in regional and rural centres through to national bodies." ■



Community events are under threat because of rising public liability insurance premiums. Photos: Geoff Dodd, Returned Services League of Australia; National Capital Authority