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## **SPLENDOUR IN THE GRASS INSURANCE FARCE MUST BE SOLVED**

Festivals like Splendour in the Grass and other important mid-size cultural events could become a thing of the past if insurance products remain unaffordable.

The Australian Festival Association says with “costs up 30-40% across the board and affordable insurance difficult to obtain, margins are tight”.

This has contributed to the iconic NSW event being cancelled this year, and its future remaining uncertain.

Business NSW CEO Daniel Hunter said insurance premiums in some areas of the business community are soaring by 30 per cent per year.

“The cancellation of Splendour and subsequent statements continue to prove the far range implications that insurance has on all parts of our economy,” Mr Hunter, whose organisation represents almost 50,000 businesses, said.

“While it is fantastic to have huge gigs for Taylor Swift, urgent action is needed to ensure that we do not continue to see a domino effect across our economy of various mid-size festivals and other activities.

“The collapse of a festival is more than just the musicians, it's the support staff, caterers, coach drivers, and many communities who rely on this bit of regional tourism to survive.”

Business NSW has been raising the alarm bells on the broad ranging impact of unaffordable and unavailable insurance for years, most recently calling out this insurance in our Insurance at the [Speed of Business Report](#).

Business NSW identified 63% of tourism businesses, 48% of hospitality businesses and 33% of transport businesses as uninsured or underinsured for public liability.

For professional indemnity, we observe 42% of construction businesses and 39% of professional services businesses being uninsured or underinsured.

“The ripple effect of uninsured and underinsured businesses on the wider economy needs to be addressed urgently,” Mr Hunter said.

“Insurance taxes in NSW are higher than any other jurisdiction in Australia, and yet competition in the insurance sector is deteriorating and there are signs of a crisis of uninsurability emerging.

“Insurance has remained the number one issue for business for the majority of the past five years, according to our Business Conditions Survey.

“The NSW government is moving to reduce state taxes by removing the Emergency Services Levy.

“It’s also time for the insurance industry and all levels of government to tackle broader reform to keep business and events going.”

Business NSW is again calling for a set of actions aimed at addressing the insurance problem at the speed of business, including:

- New product offerings that can offer faster payouts and clearer claims processes;
- Discretionary mutual funds and parametric insurance (insurance paid out on the magnitude of the event rather than the magnitude of the loss);
- Lower taxes on insurance in NSW;
- A voice for small business in national insurance reform processes;

- Improvements to government procurement to reduce and remove unnecessary insurance requirements;
- Improved education for small businesses about the insurance market; and
- Nurturing a culture of insurance innovation to meet the challenges of the rest of this century.

**About Business NSW**

Formerly the NSW Business Chamber, **Business NSW** is the peak policy and advocacy body which has been representing businesses in NSW since 1826. We represent almost 50,000 businesses.

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