

Submission to ASBFEO Insurance Inquiry

Prepared by Tourism Council WA

About Tourism Council WA

Tourism Council WA (TCWA) is the peak body representing tourism businesses, industries and regions in Western Australia. The Council promotes the value of tourism, facilitates sustainable tourism development and advocates industry policy on behalf of members.

Tourism Council WA directly represents more than 1,500 private and public sector members across the tourism industry, including businesses in the aviation, accommodation, venues, hospitality, tours, attractions and events sectors. The Council is also the peak body for Western Australian regional and industry tourism associations.

The Council's united business, regional and industry membership endows Tourism Council WA with the collective voice of thousands of businesses employing more than 100,000 people across Western Australia.

Insurance for Tourism Operators

Tourism Council WA considers Public Liability Insurance to be an essential requirement for operating a tourism business in Western Australia. The minimum standard to achieve tourism accreditation through the Quality Tourism Framework, administered in Western Australia by TCWA, is \$10 million Public Liability Insurance. Public Liability Insurance is also a pre-requisite to acquire some licences to operate a tourism business in particular places in WA, for example to obtain a Commercial Operators Licence to operate in the State's National Parks.

In February 2020, Tourism Council WA became aware of a number of tourism operators in WA which were having difficulty securing or renewing Public Liability Insurance. The businesses which contacted TCWA to report this issue can collectively be described as Adventure Tourism Operators, offering a range of experiences including, but not limited to, jet boating, jet skiing, quad bike tours, horse riding, mountain biking and tagalong tours.

As such, Tourism Council WA began to pursue this issue through advocacy activities including collecting feedback from members, reaching out to insurance providers, and discussing the issue with the WA Tourism Minister and other stakeholders.

Experiences of Tourism Operators

Tourism Council WA collected feedback from adventure tourism operators affected by this issue. Below are a few reports from operators which reflect the impact of coverage denial and increased premiums, which are typical of the experience of many businesses impacted.

"We have been with our insurer for over 15 years and never had a public liability claim. When we went to renew our insurance this year, we were told they wouldn't cover us anymore for PL! We questioned it with our relationship manager and I had to provide

numerous copies of our itineraries etc...and eventually they agreed, however the premium TRIPLED from last year. I had no choice as I was blindsided."

"I have now tried 4 different brokers who have put my case to over 30 insurance companies and still no joy. I have never had a claim and we are incident free in nearly 5 years of operation."

"At the end of March I was informed that my Public Liability Insurance was no longer being covered by the current underwriter. Despite my broker trying an extensive list of underwriters the end result was the same 'we are no longer covering these type of activities'. I had then sourced other brokers who are all coming up with the same result and after 6 weeks still have no Public Liability Insurance – without this necessary insurance I am not able to operate my business and will be forced to close forever."

Impact on the WA Tourism Industry

Difficulty in securing Public Liability Insurance has the potential to have a significant impact on the tourism industry and the viability of hundreds of small adventure tourism operators across the State, particularly in regional Western Australia.

Adventure and activity-based tourism operators form part of the attractiveness of many regional destinations in WA to potential visitors. Without access to affordable PLI, there is a risk of losing adventure tourism product as businesses close, therefore reducing the attractiveness and competitiveness of regional destinations which rely on tourism economically.

This issue has impacted tourism operators around the same time COVID-19 travel restrictions began to affect tourism operators. A recent survey by Tourism Council WA found that tour and transport operators experienced a net decline of business activity by 61 per cent in June-July 2020 compared with the same period in 2019 due to the impact of COVID-19 travel restrictions. For adventure tourism operators facing significantly increased premiums, this has been compounded by the financial impact of COVID-19 travel restrictions.

Further Information

For further information, please contact:

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