PARLIAMENTARY INQUIRY

Small Business Insurance

Parliamentary Joint Committee on Corporations and Financial Services

Date referred: 30 Oct 2025
Submissions close: 6 March 2026
Reporting date: 27 Oct 2026

Meet PRIDE:

we're here, we're queer, we're uninsurable

Title	Meet PRIDE: we're here, we're queer, we're uninsurable
Author	Pride of our Footscray Community Bar Pty Ltd (ACN 621 811 372) *A Live Entertainment Venue*
Contact	Mathew O'Keefe, CEO [redacted]
Post	PO Box 2189, Footscray VIC 3011
Address	1/86-88 Hopkins Street, Footscray VIC 3011
Date	9 February 2026

Signed:

[redacted]

Mathew O'Keefe
CEO, Pride of our Footscray Community Bar Pty Ltd

Contents

1.0 Executive Summary

My name's Mathew O'Keefe, CEO of Pride of our Footscray Community Bar Pty Ltd, which runs the Pride of our Footscray (**Pride**) live entertainment venue (**Live E.V.**), with a queer community focus, in Footscray, Melbourne, licensed for 200 patrons. We trade as a small business, have operated for more than eight years, and have never made an insurance claim.

By live entertainment, we mean we host drag, cabaret and burlesque artists, as well as stand-up comedy, film, poetry, art class, trivia, theatre, music theatre, bands and singers. We seek to entertain people; we are never just open purely for the consumption of alcohol. 'Live entertainment venue' will be used throughout this submission to designate like venues, including live music venues, and any other style of live performance venue.

This submission explains how a compliant, well-managed venue has effectively been deemed uninsurable — primarily because Australia's public liability insurance market is no longer providing affordable and meaningful cover to Live E.V.s. Public liability insurance (**PLI**) is however mandatory under most commercial leases and is practically a prerequisite for trading, loans, grants and major events/festivals.

Our experience illustrates a systemic market failure rather than a venue-specific risk issue. Premiums and underwriting decisions have become disconnected from claims history, compliance status and demonstrable risk controls. In practical terms, this means venues have been left facing only bad choices; we can either close, sell, cut the entertainment/dancefloor or take the nuclear option and try to operate uninsured, a catastrophically risky and stress inducing approach which we have been forced to take whilst we attempt to urgently fix this situation for us and all our peer venues.

2.0 Key Facts

- Pride is a highly acclaimed Live E.V. in Melbourne, with a licenced capacity of 200 people, run by a small business.
- Pride has been open for more than eight years and never had an insurance claim.
- Pride's annual public liability insurance in 2020 was $6,270, then in 2022 after COVID-19 it was $43,010.00, an increase of 685.97%.
- In 2024, Pride's broker could only source one quote for public liability insurance, which was for $142,890 (or $157,179 once financed), an increase of 2,506.84% from 2020. That was the cheapest quote, the other eighteen insurers approached simply declined to offer insurance at any price.
- Despite Pride's good standing and safety record, insurance companies withdrawing from our industry en masse has seen Pride deemed "uninsurable".
- Pride cannot operate without public liability insurance under its lease, and aside from that, the lack of insurance means the venue, patrons and owners/directors are also at risk if there's a serious incident.
- Almost all similar venues are in the same position and already 1300 live music venues and stages are gone around Australia.
- In 2023, even the insurance over the building that houses Pride was cancelled as the insurer no longer wanted to insure buildings where a Live E.V. was a tenant.
- Live entertainment venues and festivals being unable to access public liability insurance has been a key focus of several recent inquiries in Australia and transformational change must now be enacted.
- Government intervention now will not interfere with the private market, as a private market no longer exists.

3.0 What Pride is asking the Committee to recommend?

Pride seeks/recommends the following;

1 A federally operated statutory scheme to provide PLI to qualifying Live E.V.s, akin to traffic accident insurance or workers insurance.

2 If a federal statutory scheme is not preferred, then another model that can supply PLI to venues that reflects that private insurers have left the sector, which could include;

   2.1 A Discretionary Mutual Fund (which would require significant startup capital) whereby participating venues would pool their premiums into a Mutual Fund instead of paying the commercial insurers who do not wish to be involved – this model has worked well for local councils in NSW.

   2.2 A hybrid statutory option involving the private market and a public backstop, so the private market can return knowing there's a public backstop for catastrophic incidents, which is the same method in which a crisis in medical indemnity insurance was solved.

3 A requirement for transparency and procedural fairness when insurers decline, cancel or materially restrict cover (including clear reasons, the data relied upon, and meaningful review pathways), as well sufficient time to find alternative cover if an insurer is cancelling an existing policy that has not been claimed under (if private insurers are to remain in the market).

4 Consideration of how regulators' existing compliance data (e.g., liquor licensing risk ratings) can be recognised by insurers (in whichever new structure emerges), so that safer venues are not treated as indistinguishable from higher-risk operators.

5 An investigation into the cancellation of building insurance by insurers on the basis that the building houses a Live E.V., as that practice has also started and could affect commercial real estate as well as more venues (and other tenants of the relevant site).

6 An investigation into how insurers withdrawing insurance from Live E.V.s is directly obstructing government efforts to rebuild the performing arts and nighttime economies.

7 An investigation into the impact of losing all small-medium Live E.V.s on culture, art, jobs, wellbeing, community and the economy, as we face a prospect of choosing

between mega (or government supported) venues/concerts that can afford public liability insurance or nothing.

8 An investigation into how insurers dealing in an essential service (public liability insurance) can be allowed to raise premiums by over 2,000% in some cases, or just decline to insure, without warning or consultation.

9 An investigation into whether the mandatory need for PLI in commercial leases for Live E.V.s is too onerous when it confers all power to the insurers, who are no longer issuing PLI on terms affordable to small-medium venues. The current situation gives insurers a monopoly over the right for venues to trade.

10 Emergency bridging funding to ensure qualifying Live E.V.s can obtain PLI in the current market until new arrangements can be put in place (to be partly funded/repaid by a levy on the insurers who abandoned the sector without notice).

11 An investigation into whether patrons should be asked to sign waivers/indemnities when entering a Live E.V. (akin to signing waivers before bungee jumping or sky diving) to protect the sector against some of the claims that insurers blame for leaving the sector.

12 An investigation into whether liquor licences that remain “uninsurable” (thereby destroying all investment into the underlying venue) should be subject to a government “buy-back” to allow the licence holder and its lenders/investors a graceful exit from the sector (to be partly funded/repaid by a levy on the insurers who abandoned the sector without notice).

13 Consideration of whether late night dancefloors should be formally banned so that the decision comes from the parliament and not from nervous insurers, with venues that have to remove dancefloors and related equipment to be provided some compensation if there is a ban, with potentially a levy on insurers to fund the compensation.

4.0 Introduction

Pride of our Footscray Community Bar Pty Ltd thanks the Parliamentary Joint Committee on Corporations and Financial Services for holding this inquiry into “Small business insurance”.

Multiple government reports into insurance market failure, particularly around public liability insurance (**PLI**) have been delivered in recent years without the issue being cured or mitigated, and it remains the biggest single existential risk to small businesses across many sectors.

Our submission details how insurers are jeopardising the viability of all small[1] to medium[2] ‘live entertainment venues’ (**Live E.V.s**) (run by small business), particularly in relation to PLI, either by refusing to offer it or by charging ruinous premiums, up over 2,000% in some cases since 2020.

Our submission is necessarily detailed but must be read carefully as it represents the best possible case study to justify the transformational change that is urgently required.

Whilst it retraces extreme stress for our venue over many years, genuine and lasting reform can be the positive outcome of the difficulties all venues are now facing.

One of the most unsettling aspects of the problem, which is that the insurance required to trade is no longer available or affordable, is that insurers have done this by stealth, without the basic decency to inform government or industry that they were about to deny access to mandatory insurance products, a rather capricious market exit with thus far disastrous outcomes. No warning, no grace period, no discussion – just a “computer says no” abandonment of the venues.

The decisions that must now be faced will impact Australian life for many years, as the breaking point around public liability insurance is here, helpfully admitted by all sides (in that insurers acknowledge their policies are closing venues). Australian society needs to decide whether people should be allowed to attend a band or a disco or otherwise democratically agree that these activities are not worth the “slip and fall” incidents bemoaned by the insurers. The nation needs to decide now, as venues are in freefall,

[1] Patron capacity 60 - 300
[2] Patron capacity 301 - 800

with 1300 live music venues and stages across Australia already gone[3] and many of the venues and clubs remaining on their last legs (financially and emotionally).

As the key facts around PLI for Live E.V.s are now uncontested or incontestable, there exists a rare opportunity for systematic restructure. Bold solutions are required, urgently.

In the meantime, we collectively suffer the perverse outcome whereby venues, artists, patrons and government are all doing their very best to support live performance and build dynamic nighttime economies, whilst insurers actively push back against all that work and investment, strangling the venues by increasing premiums 10-fold or outright denying PLI, leading to venue closures in both instances. Government grants for shows can do little if insurance costs thousands of dollars per gig[4]. Or if the venues are no longer there.

The insurers do not dispute the premium rises nor their unwillingness to offer coverage, pointing vaguely to losses due to claim frequency and size. These premium increases were forced onto Live E.V.s in the years during and following the COVID-19 crisis, i.e. at a time when venues were being already closed and restricted, weaker than ever. And to reiterate, there was no warning, no grace period, no discussion, the premiums just went up 10-fold, and the venues had to take it or leave it. And many left it, unable to pay.

What's detailed in the coming pages represents almost complete insurance market failure, where the essential service of PLI has been either been cut off or only offered at ruinous rates, which only a very tiny percentage of small businesses will have any hope to fund going forward.

The consideration of this submission by the committee is appreciated.

[3] https://www.apraamcos.com.au/about/governance-policy/annual-reports/year-in-review-23
[4] Pride of our Footscray was charged $2,070 for public liability insurance in February 2024 for coverage of a four-hour show featuring drag artists, dancers and an Asian pop singer, for a crowd of 150 people.

5.0 Our Venue - Pride of our Footscray

This submission, and the evidence contained within, comes from Pride of our Footscray Community Bar Pty Ltd (**Company**), which runs the acclaimed Pride of our Footscray live entertainment venue (**Pride**) in Footscray, a storied suburb of inner-Melbourne.

With its licenced capacity of 200 people, Pride sits within the 60 - 300 patron range to be considered “small”. Coincidentally, despite being a small business, Pride also has 200 part-owners, as the Company is owned by Pride of our Footscray Ltd (**PooF Ltd**), a public company formed to establish Pride, as it took 200 likeminded folk working together to bring the venture to life.

PooF Ltd was formed in May 2017 and the Company was formed in September 2017, with Pride then opened in January 2018, making Pride over eight years old at the time of this submission. Neither PooF Ltd, the Company nor Pride have ever made an insurance claim of any description.

Known warmly as “Pride”, our venue is a safe space for the queer community and supportive friends, and has patrons from 18 to 80 years old, including a regular group of transgender women into their 70s. Community and connection are at the heart of Pride, which brings people together to socialise whilst being entertained by live performance. Pride is never just open solely for the consumption of alcohol, it’s centred around live entertainment, every day it’s open Pride pays performers (including their superannuation).

Pride showcases the arts from across the spectrum. Pride’s particularly famous for its drag shows, but its longest continuously running event is Poetryspective, a poetry night[5]. Pride also conducts an arts class (“Sketchy Behaviour”), a movie night (“Pride Film Party”), a stand-up comedy night (“Pride Comedy”), a trivia night (“Holly’s Pop Quiz”), drag queen bingo night (“Pride Drag Bingo”), musical theatre nights (including musical tributes to Buffy the Vampire Slayer, Wicked and Taylor Swift), a sapphic/lesbian speed dating night (“Queen of Hearts”), a burlesque (“Sins of the West”) as well as many special one-off events, including live music (bands and soloists) and theatre. Pride is not a beer barn or a gambling den, although incredibly, according to the insurers, those set-ups would be preferable if we ever wanted to see our public liability insurance again.

[5] In a brief hiatus whilst host recovers from illness.

Pride is also a prolific producer and host of shows for the Midsumma Festival (Melbourne's equivalent of Sydney's Mardi Gras season) and has also had shows in the Melbourne International Comedy Festival and the Fringe Festival.

Critical to this submission, Pride features DJs too, who play for a dancefloor every Saturday night for five hours between 10pm and 3am, breaking for Pride's famous drag shows which run at 10:30pm, 11:30pm and 12:30am. Pride will also sometimes feature DJs at select ticketed events, such as an "Emo" night that ran recently that also included two drag artists and a burlesque artist alongside the DJs.

6.0 Recognition of Pride of our Footscray

6.1 Customer Recognition

Typically, it is most common for members of the public to review venues on Google. Google ratings as at January 2026 show that the average rating for a queer-community-focussed venue in Melbourne is approximately 4.3 if you exclude Pride. Pride is rated 4.7 on Google, the highest of any queer venue with more than 100 reviews, indeed with 452 reviews, Pride has been reviewed the most, bar one exception, despite being open more recently than most peer venues. Almost all reviews specifically point to the friendliness of the venue, for the care the staff show to guests. and Pride suggests readers take the time to look up the reviews online if they get the chance.

6.2 Official Recognition

6.2.1 Civic Award 2020

In January 2020, Pride was awarded a "Civic Award" by Maribyrnong City Council for "Contribution to Business Community", as the way in which Pride conducted its operations included so many other local businesses within the area.

6.2.2 Iconic Contribution to Live Music in Victoria

In November 2020, in response to venue closure periods resulting from the COVID-19 crisis, Pride was awarded a venue-saving grant from the Victorian Government in recognition of its iconic contribution to live music in Victoria, mainly stemming from the extraordinary weekly gigs Pride had run throughout 2019, whereby a drag queen would host line-ups of local punk, indie or alternative bands, a program thought to be unique around the world.

6.2.3 Civic Award 2021

In February 2021, Pride was awarded a second "Civic Award" by Maribyrnong City Council, this time for "Innovative Business", in recognition of how Pride continued to earn revenue during the COVID-19 closures, by pivoting its live entertainment online, with Pride's drag queen bingo host believed to be the only regularly employed drag artist in Melbourne throughout April 2020 to November 2020.

6.2.4 Visit by (then-Premier) Dan Andrews

In November 2022, a week before the Victorian state election, then-Premier Dan Andrews visited Pride, accompanied by his wife, and by the Minister for Creative Industries (then Steve Dimopoulos MP) and the Parliamentary Secretary for Creative Industries (Katie Hall MP). Premier Andrews used the visit to conduct a television press conference announcing initiatives to support musicians in Victoria.

6.2.5 Rainbow Award

In October 2023, Pride received the "Rainbow Award" for queer business from Hobsons Bay City Council.

6.2.6 Time Out's Top 50 List

In October 2024, Pride made Time Out magazine's list of "50 Time Out Recommended things to do in Melbourne for 2024", a list which included all cultural activities in Melbourne, including many galleries and museums, even the famed Collingwood Children's Farm was included in that same list.

6.2.7 Visit Victoria tourism website

In May 2025, Pride was accepted onto the official "Visit Victoria" state tourism website, where it remains, see https://www.visitvictoria.com/regions/melbourne/see-and-do/art-and-culture/nightclubs/pride-of-our-footscray---nightclub-and-theatre

Collectively. this recognition demonstrates that Pride has made a positive impact on its industry and neighbourhood over many years. Insurers have been presented this information but still just class Pride as any other "nightclub".

7.0 Pride's 5-star Liquor Licence

Pride operates under Victorian Liquor Licence 32350582[6], issued and controlled by Liquor Control Victoria (**LCV**).

Relevantly for this inquiry, LCV assesses risk relating to licenced venues and issues, and prices, liquor licences accordingly.

For example, a liquor licence for a restaurant will be cheaper than a liquor licence for a nightclub open until 5am, as the associated risk factors are distinct.

Once LCV has issued the relevant liquor licence, it then actively inspects the venues for compliance with their licence and the general rules around the supply of liquor, rating venues using a star system, with "5 stars" being a fully compliant venue and "3 stars" being a less compliant venue for example. And should a venue achieve a 4-star or 5-star rating, they receive a discount on their liquor licence renewal fee, an incentive to continue running a compliant venue.

The licences. inspections and ratings from LCV (and its equivalent in each state and territory) form a deep reservoir of data on safety and compliance within licensed venues, which could easily be relied on by any business or industry concerned with risk management in the sector. The ratings maintained by LCV are publicly available.

It is understood that insurers are aware of government regulators such as LCV and their equivalents.

Relevantly, Pride enjoys a 5-star liquor licence (**extract from LCV database attached under Schedule 1**).

Pride's initial liquor licence when it opened in 2018 permitted the serving of alcohol until 1am. Pride then applied for an extension until 3am. The application process at the time involved local council, local police and the state liquor licensing body, as well as two public objection periods.

Pride received no objections from the public and no objections from council, police or liquor licensing, and accordingly was granted a licence to serve until 3am in 2019, which it retains. Precious few 3am liquor licences have been granted in recent years in

[6] Victorian Liquor Licence 32350582 will show 2025 rather than 2026, as its renewal fee is undergoing review by Liquor Control Victoria

Melbourne, but Pride enjoyed the strong support of the council and the police, as well as the public. Pride has repaid that faith by being a safe, compliant and friendly venue. However, that extension until 3am, a demonstrable show of trust from all stakeholders across the community, had the reverse effect with insurers, who took it as a sign that Pride was now unsafe. Although Pride has not had an insurance claim since the extended licence came through seven years ago.

8.0 Public Liability Insurance is Mandatory

Disturbingly, and possibly/probably unintentionally on behalf of regulators, insurers effectively hold a monopoly over the right for a live entertainment venue (**Live E.V.**) to trade, it's insidious.

Like water, electricity and the internet, public liability insurance (**PLI**) is an essential service, a basic utility.

The privilege of operating a utility confers on the operator a solemn duty not to arbitrarily cut off supply or subject customers to extreme price increases.

Indeed, a venue's lease might not contractually insist that the venue has water, but almost all commercial leases for Live E.V.s mandate the requirement for PLI. Venues need PLI for many reasons, but ensuring compliance with their lease is the crucial first step. Insurers are aware of this. This puts venues entirely at the mercy of the insurers. The market power vested in the insurers in this scenario is almost unprecedented. And with great market power comes the legal obligation not to misuse it.

In addition to PLI being mandated by most leases, it is often also required;

1. To receive/maintain loans; and/or
2. To receive a government grant; and/or
3. To host a show in a festival (such as the Melbourne International Comedy Festival); and/or
4. Under an alcohol supply contract; and/or
5. To host larger events (particularly corporate), where evidence of PLI may be requested; and/or
6. To ensure patrons can be compensated appropriately if there is an incident which gives rise to a genuine claim; and/or
7. To protect the venue from bankruptcy should a need to compensate a patron arise; and/or
8. To protect owners/directors from financial ruin should a need to compensate a patron arise.

Insurers are aware of all the above points and its important the committee notes how vulnerable to "ransom" venues are in respect to PLI.

9.0 Other Insurances required by Venues

9.1 Building Insurance

Building insurance is also a mandatory requirement under commercial leases, though that is not negotiated by the tenant/s. Rather, a landlord obtains building insurance and the tenant or tenants bear the cost of that, the landlord itself does not pay, the tenants do. Whilst PLI is the main impost on venues, building insurance will also be discussed within this submission, as our Landlord's building insurance was cut off because the building housed a live entertainment venue, meaning insurers are also threatening the arts (and commercial real estate) via building insurance cancellations.

9.2 Employee Insurance

Insurance protecting employees also needs to be paid by venues, but that is generally via government insurance schemes such as WorkCover in Victoria and will therefore not be discussed within this submission, other than to note that statutory insurance schemes exist and are effective.

10.0 Pride's Safety Record

We include this section to offset any "venues can't manage risk" insinuations from insurers.

Pride obtained its lease in Oct 2017 and the venue opened in Jan 2018, so has been trading for over eight years at the time of this submission.

Over that time, Pride has not had an insurance claim, nor a WorkCover claim. Its liquor licence sits at five stars (out of five).

Whilst summarily dismissed as any other "nightclub" by insurers, Pride's safety record comes from deliberately focussed initiatives and a disciplined approach, which include;

1. High quality, professional management;
2. Trained staff in sufficient number;
3. Live entertainment every day to ensure patrons are coming to be entertained rather than alcohol being the focus;
4. Ticketed paid entry 90% of the time, to ensure revenue is being produced by events and tickets as opposed to the venue relying totally on alcohol volumes;
5. Responsible Service of Alcohol;
6. The use of plastic cups instead of glass (a significant sacrifice as consuming beverages from plastic is suboptimal);
7. Hiring a dedicated floor steward when the nightclub activity is in operation (to ensure clean floors and bathrooms, minimising "slip and fall" risk);
8. Use of professional, experienced, contracted crowd controllers;
9. More than 20 security cameras watching over a maximum crowd of 200 people;
10. A ban on entry after 2am, even though we could admit people until 3am under our licence (this sacrifice in revenue is done as 2am is getting late and we haven't been able to monitor people arriving until that point, creating a foreseeable risk we don't wish to accept for the sake of a few more dollars);
11. Responsible pricing - no alcohol on menu below $10;
12. No happy hours;
13. No "all you can drink" functions;
14. Refusing entry to people who we think may be potentially unruly;
15. Announcing last service 30 minutes before closing and then stopping service 15 minutes before closing to ensure an orderly exit, rather than allowing people to purchase alcohol right up until 3am.

Many of the above initiatives significantly reduce Pride's revenue and/or increase its costs, but we stick to them as we believe they make the venue the safest it can be, which makes for a better guest experience, whilst hopefully mitigating the prospect of mishaps. Pride’s approach has seen it maintain its 5-star liquor licence and maintain an excellent reputation with local authorities.

These initiatives help build a safe and welcoming environment, which becomes an important part of the venue’s culture and reputation. So, Pride has its wonderful mix of patrons (all elements of the rainbow community plus our straight friends) and they appreciate, and help foster, the culture of safety and respect. This helps maintain the atmosphere and Pride’s good record on safety and patron care, it’s a self-perpetuating loop. But all this means very little at ‘computer says no” HQ. But it’s real and it’s valuable and reflected in our record and reviews.

The insurers have just shown no interest in our safety record, liquor licence status nor risk management techniques outlined above. Not even the pretence of interest. Whilst the insurers are putting patrons at risk by denying insurance or otherwise pricing the premiums so high that venues are forced into selling patrons as much alcohol as possible, Pride is sacrificing revenue as described, in a bid to keep the venue and patrons safe. These are diametrically opposed approaches.

11.0 Pride’s Experience with Insurers

As demonstrated, Pride is a friendly queer-community-focused local venue centred around live entertainment, which enjoys substantial public support and official recognition. Pride also enjoys an enviable safety record and a 5-star liquor licence rating.

However, in perhaps the most appalling example of why this inquiry into small business insurance had to be commissioned, Pride has effectively been deemed “uninsurable”.

Remarkably, even the building at 86-88 Hopkins Street, Footscray (**Building**), which houses Pride was deemed "uninsurable” back in 2023 by WFI, an insurance company owned by Insurance Australia Group Ltd (**IAG**), which in the last financial year (2025) made close to 1.4 billion dollars in net profit after tax. WFI was concerned Pride’s “activities” were too dangerous even for the Building itself.

In the next sections, we will describe;

1. WFI cancelling our landlord’s building insurance, because the Building housed Pride;
2. WFI cancelling Pride’s commercial insurance;
3. The extreme difficulties Pride has encountered when trying to obtain public liability insurance, with the annual bill of $6,230 in 2020 turning into a quote for $142,890 in 2024 (or $157,179 once financed), without Pride ever having had a claim.

Throughout this time the insurers have provided no warning, no grace period, no discussion. Three times they have cancelled policies held by Pride that were never claimed under, before eventually they simply abandoned the market without the common decency to inform the industry or government. A breach of their social licence to operate one could argue.

It has been left to the abandoned little venues themselves to drive awareness of this issue; at a time the hospitality/entertainment sector is in record collapse. It is therefore appreciated that we may present our experiences with insurers to this committee in good faith, openly and transparently, the parliament must see exactly what’s occurring.

11.1 Cancellation of Building Insurance

On 22 August 2023, WFI wrote to Pride's landlord, American Billiards Pty Ltd (**Landlord**), advising its insurance over the Building (WFI policy 42 CPL 3105904) that housed Pride would not be renewed due to "tenant activities falling outside WFI's underwriting guidelines" (**letter from WFI attached under Schedule 2**). WFI provided the Landlord with no details about these "activities" and gave the Landlord just one month to find replacement insurance (presuming it saw the letter immediately).

WFI's behaviour in cancelling the building insurance in this manner appears wilfully unhelpful. As WFI's letter did not provide any details whatsoever (despite the very serious consequences of its actions), it was not immediately obvious which tenant was the cause of WFI's actions, as Pride shares the Building with an Asian grocery store (**Grocer**) on the ground floor and a 24-hour gym (**Gym**) on the second floor.

An ethical insurer in a functioning market would have disclosed the relevant "activities", such that the policy-holding Landlord would then be able to approach the relevant tenant for a discussion about whether the "activities" could be moderated, recalibrated or ceased.

The Building concerned here was constructed of concrete and bricks in approximately 1971 and has housed hospitality/entertainment within the first-floor space occupied by Pride for at least a generation. WFI had insured the building for many years without "tenant activities" on the hospitality/entertainment floor damaging the building. WFI had even insured the hospitality/entertainment tenant itself at times[7].

After the Landlord justifiably sought an explanation, WFI advised it was the "activities" of Pride behind the cancellation of the building insurance.

Before we describe what happened next, let it be clear that Pride was devastated that its "activities" (not described by WFI) could impact the Landlord, Grocer and Gym in this way. The stress on the Pride management was intense. If the action by WFI could not be reversed, it meant potentially the Grocer and Gym paying more for building insurance in the middle of an economic crisis, as the tenants share the cost of the building insurance equally, it's not the Landlord who pays.

---

[7] Refer to WFI Policy 42 CPL 3709156 and WFI New Business Interim Cover No: 00671461 whilst there's evidence WFI also insured the karaoke bar that occupied the venue prior to Pride.

To ensure Pride could help resolve this situation directly, the Landlord provided Pride with authorisation to discuss the policy with WFI on its behalf.

Pride's position with WFI was;

1. Pride had never had an insurance claim, let alone damaged the Building;
2. Pride was an acclaimed, well managed venue, with a roster of activities and events unlikely to adversely impact the concrete and bricks that comprised the Building;
3. WFI's decision to cancel the building insurance was unjustifiable and should be reversed;
4. If WFI was going to maintain its cancellation of the insurance, the Landlord should be given a reasonable grace period to find suitable new insurance, and not just the month that WFI had provided following the shock cancellation.

Pride ultimately failed at preventing the building insurance from being cancelled.

Despite Pride providing WFI with full details of its roster of live entertainment, WFI revealed that it simply classed Pride as a "nightclub", and that it would not insure a building that housed a nightclub, even a building made of concrete and brick. WFI never articulated what risk a nightclub was to the building itself. It did not matter to WFI that Pride only conducted purely "nightclub activities" for four hours a week at that time. Nor did Pride's flawless record of safety and compliance influence the decision. It was not a discussion, WFI was cancelling the building insurance.

From the WFI side, its representatives Daniel Kao (Manager - Authorised Representatives East), John Petridis (WFI Authorised Representative (No.1280561)), Sammi Thomas (Authorised Representative) and Jenny Keyte (Team Leader - RSR Queensland Team) were involved in discussions with Pride and/or the Landlord. WFI's representatives variously confirmed there had been a company decision not to insure venues like Pride nor the bricks that housed them.

In light of WFI's position, Pride escalated the issue to the Corporate Affairs department of Insurance Australia Group Ltd (**IAG**), WFI's parent company. Specifically, on 12 September 2023 Mathew O'Keefe of Pride telephoned Tristan Aliferis, Consultant, Corporate Affairs for IAG. Mathew followed up the call with a confirmatory email (extended on 13 September (**attached under Schedule 3**)), outlining Pride's position and adding;

> *We accept the right of WFI to choose who they insure and certainly hope they can reconsider here. If not, we will obviously have to report this significant setback to the government agencies who did so much to keep Pride alive during the pandemic (federal, state and local). On the surface, there would seem a disconnect if the various layers of government are actively working towards the recovery of the arts whilst insurance outcomes are working against that.*

IAG flagged the issue with the relevant stakeholders within its subsidiary WFI but WFI did not change its position, nor provide any guidance about whether any "activities" could be recalibrated in a way that would enable the insurance to remain. Mathew therefore approached Tristan again on 2 Oct 2023 (**email attached under Schedule 4**) to ask how the activities could be reshaped in a way that would convince WFI that the building was not in jeopardy. For example, Mathew asked "would a seated classical performance be of less risk to the building than a punk show with a dancefloor?". Within the email, Mathew also asks whether the insurance could remain if Pride just "stuck to poetry, comedy, drag queens and cabaret".

Pride also on 2 Oct 2023;

1. Spoke to the Office of Daniel Mulino MP about the matter, and followed up that call by forwarding the emails exchanged between Pride and IAG;
2. Called the Office of the Treasurer;
3. Called the Office of the Minister of the Arts;
4. Called the Office of Katie Hall MP;
5. Called the Office of Tim Watts MP, and followed up that call by forwarding the emails exchanged between Pride and IAG.

The Landlord on that same day took what Pride had written to IAG and sent it to Jenny Keyte of WFI, however Ms Keyte replied to the Landlord on 6 October confirming that Pride's activities fall outside WFI's underwriting guidelines and that therefore the building insurance would indeed be cancelled. Ms Keyte would not be drawn on the prospect of Pride reworking its activities to fit within WFI's underwriting guidelines (which were never explained in writing). At no time did Ms Keyte engage with Pride.

Upon the Landlord sharing Ms Keyte's email with Pride, Pride forwarded it to the following people, together with a summary of the situation, which included the line;

> *"THIS IS A NEW ISSUE* | *Cancellation of the insurance over the very building that houses live performance is a new issue. Previously, the insurance companies had made*

public liability insurance prohibitively expensive, but cancellation of the insurance over the actual building is new and seems to be their next step in abandoning the arts."

Recipients

1. Katie Hall MP (Parliamentary Secretary for Creative Industries);
2. Nicholas Gregory;
3. Colin Brooks MP (Minister for Creative Industries);
4. Tim Watts MP;
5. Daniel Mulino MP (Assistant Treasurer of Australia);
6. Tony Burke MP (Minister for the Arts);
7. Jim Chalmers MP (Treasurer of Australia).

Further to the above, Pride also elevated the issue to George Houssos of the Insurance Council of Australia (**ICA**) on 10 October 2023 and followed that call with a confirmatory email at 3:34pm (**attached under Schedule 5**). The email to George notes that hours after Ms Keyte's email, Daniel Kao, who signed the original cancellation letter, had phoned the Landlord and said WFI would consider retention of the insurance if Pride closed no later than midnight and halved its capacity to 100, so long as those 100 people were seated during events and not dancing. Mr Houssos, who has since departed ICA, said he would make a call to IAG about the matter.

Pride called Mr Kao following its email to Mr Houssos and Mr Kao repeated that the building insurance could possibly remain if Pride closed no later than midnight, halved its capacity to 100 people and removed its dancefloor to ensure all patrons remained seated. Mr Kao confirmed that offer in an email to Pride (CC Landlord) on 12 Oct 2023. Mr Kao also granted a requested extension of the building insurance until 30 November as Pride would naturally take time to work out whether it could operate solvently if it;

1. Forfeited its investment in late night trading;
2. Restricted half its patronage;
3. Removed its dancefloor to ensure patrons were always seated for every event.

Ultimately, Pride could not accept WFI's conditions as such radical change to Pride's trading conditions would have stressed Pride's solvency faster than Pride could invest in any pivot. WFI therefore cancelled the building insurance, which had been approximately $8,000 per year, shared between the three tenants, so roughly just under $3,000 each.

The cheapest quote for replacement insurance was approximately $37,000, which would have been just under $13,000 each. However, as it was Pride's “activities” that had been the cause of the cost increase, Pride agreed to pay half of the new insurance cost, so $18,500, plus interest in order to pay monthly. This meant Pride' contribution to the building insurance went from just under $3,000 annually to over $20,000, an increase of more than 600% at a time many venues were failing as discretionary spending was slowing dramatically.

Notably, IAG did not offer the Landlord building insurance through any of its many other insurance brands, even after all the direct correspondence between Pride and IAG, suggesting the position taken by WFI reflects that of IAG generally.

11.2 Cancellation of Pride's Business Insurance

After Pride obtained its lease to its premises (15 October 2017), it sought insurance from WFI, New Business Interim Cover No: 00671461, to insure against property being damaged whilst Pride's original fit-out was conducted before it opened to the public. WFI duly provided the quote on 30th October 2017 and Pride made payment on 31 October 2017.

After opening, Pride sought further insurance from WFI in 2018, which was granted by WFI, under policy "42 CPL 3709156", with the period covered 27 October 2018 to 27 October 2019 (**Commercial Plan certificate of currency attached under Schedule 6**).

Following that period of coverage, WFI refused to renew the insurance as Pride's trading hours had been extended from 1am to 3am during the period. That was really the first sign that insurers were withdrawing from the market (late 2019/early 2020 – Pre-COVID-19 closures).

An email is attached from 11 March 2020 from Pride to WFI asking it to provide evidence Pride never claimed under policy 42 CPL 3709156 as Pride was desperately seeking alternative insurance arrangements (**attached under Schedule 7**). WFI provided confirmation on 12 March 2020 that Pride had made no claims under WFI (**attached under Schedule 8**).

Pride was rather bemused by WFI refusing to renew the policy, but we weren't too worried, naively thinking it would not be difficult to obtain insurance from elsewhere given we were a respected venue, or so we thought.

11.3 The Public Liability Insurance Failure

The following descriptions of how difficult it has been for Pride to obtain basic public liability insurance (PLI) represent the crux of the issue and the heart of Pride's submission. To ensure the parliament (and thereby the public) understands the true nature of what's happening, we submit the relevant documents openly.

In early 2020, prior to the closures of the COVID-19 pandemic, Pride sought the PLI coverage it required to operate.

Pride approached Austbrokers Countrywide seeking PLI and received the following response (**copy of email attached under Schedule 9**);

> *HI Mat,*
>
> *I have approached **14 Insurer's** (emphasis added) and they have all declined to provide a quotation unfortunately.*
>
> *I have spoken to a couple of Brokers who have specialised facilities for the bar and nightclub industry. **I know you are not a nightclub but due to the late hours you operate on the weekends, unfortunately Insurers class you as such** (emphasis added).*

Austbrokers Countrywide recommended James Wilson of Matrix Insurance Group as a specialist in obtaining insurance for nightclubs.

Pride contacted Mr Wilson by telephone and Mr Wilson followed up via email on 9 March 2020. Mr Wilson asked for, and received on 12 March 2020, confirmation from WFI that Pride had not had any sort of insurance claim whilst insured with them.

The work with Mr Wilson was then delayed due to COVID-19 venue closures, before being picked up again in June 2020, with Pride providing Mr Wilson with its planned schedule of events for re-opening, which had the venue closing at 12:30am rather than 3am on Friday and Saturday nights. On 9 June 2020, Mr Wilson asked for additional detail about Pride's events, which Pride provided via email on 10 June 2020. The schedule showed live entertainment proposed for each day in front of a seated audience until 12:30am.

Despite no dancing amongst customers (which was prohibited by COVID-19 restrictions), only dancing by the drag artists on stage, Pride received the following email from Mr Wilson on 15 June 2020 (**copy of email also attached under Schedule 10**).

RE: Venue re-opening soon, require insurance | Pride of our Footscray Inbox ×

Summarise this email

J [redacted]
to me

Good Afternoon Mat,

I hope you are well and enjoying a good start to the week.

It is proving somewhat difficult to source cover at this point, late night and dancing appear the big issues.

One of the Underwriters has proposed offering cover but will exclude dancing, could this be considered a temporary cover until you move back to normal trade?

There are a couple of late night insurers who will consider it but would be priced round $25K for the year so I am trying to avoid that for the moment.

Thanks for your help.

Kind Regards,

James Wilson
Account Manager

The above email is a further warning sign about “late night” + “dancing”. One of the underwriters even offers to insure us if we exclude dancing, as that must be what insurers see as the key risk. So, they are offering to insure us, except for the risky bit. Quite clever.

Pride responded to Mr Wilson advising it would be “seated table service only” (no patrons dancing) in an email dated 16 June 2020. Pride also advised it would be opening until 3am on Fridays and Saturdays. Pride does not hear from Mr Wilson again, although COVID-19 interferes again and there is another delay to the venue re-opening.

Ultimately Pride was able to obtain PLI on 12 November 2020 from PEN Underwriting Pty Ltd (**PEN**), ultimately backed by Lloyd’s of London, policy number HNL/0002836. Pride obtained the insurance through Aon, the world’s second-largest insurance broker.

The cost of the PLI from 12/11/2020 to 12/11/2021 was $6,270, inclusive of fees and taxes (**email confirming cost attached under Schedule 11**).

One of the conditions of the policy was that there “is no nightclub, disco or similar activities undertaken at the premises (except where the dance floor/space is smaller than 15m2)”. Somewhere between 15 to 45 people could fit on a dancefloor that was 15m2. The policy also had a “Nightclub/Disco Exclusion”, which said;

> *This Policy is endorsed to exclude any liability in respect of Injury or Damage caused by or arising directly or indirectly from nightclub, dance club or disco operations. For the purpose of this exclusion, nightclub, dance club or disco operations shall be defined as including but not being limited to the provision of a dance floor or designated area for patrons to dance, in conjunction with a Disc Jockey, contemporary live music performer(s) or contemporary recorded music.*

The full conditions are attached (**under Schedule 12**) and the condition and exclusion highlighted above show that the insurers do not wish to provide insurance if a dancefloor exists, as early as 2020.

For the duration of its PLI coverage under PEN, Pride made no claims.

On 30 September 2021, Aon emailed Pride to advise its PLI was due for renewal on 12 November 2021 and attached a questionnaire Pride needed to complete so that Aon could search for continuing PLI. Aon emailed further on 12 November 2021 asking for the information requested below;

- *Claims experience on WFI letterhead (for min. five (5) years);*
- *Type of trading license (eg: bar / hotel, night club etc);*
- *What was estimated t/o* (editor - turn over) *last year (prior to COVID-19)?;*
- *Is there a dance floor (if so, what size in sq. m.);*
- *Is there a Policy for drinks on the dance floor & how is this enforced?;*
- *Security (external or internal & if external name of company):*
- *Details of contractors (split by security, cleaners, maintenance & other):*
- *Does Insured have a risk management plan which includes details of staff training, management log book of incidents, policy for drinks on dance floor (& how enforced), details of cleaning rotations (including toilets), glass breakage & spills policy RSA requirements, emergency evacuation procedures (in the event of same), if so please supply a copy;*
- *No. of CCTV cameras (Internal & External) & how long records kept;*
- *No. of years’ experience in this occupation;*
- *What COVID-19 precautions has the Insured undertaken (such as sign in register, sanitisers, physical distancing within venue etc);*

The above information being requested shows that insurers understand where possible risks exist in venues and could guide venues accordingly in risk mitigation measures. There is no lack of data or awareness, as has sometimes been conveniently claimed.

Refusal to Renew by PEN Underwriting

Aon wrote further to Pride on 27 November 2021 to advise "PEN Underwriting are no longer writing this type of risk and are not offering renewal terms for the ensuing 12 months" (**copy of email attached under Schedule 13**).

It was the second time in succession that Pride's insurer had declined to offer renewal of a policy, despite Pride having no claims under the coverage (following the refusal of WFI to renew the Commercial Plan held by Pride). And of course later in 2023, WFI would further refuse the Landlord's building insurance on account of Pride's "activities", despite said activities never having resulted in a claim.

Frustrated by the refusal of PEN Underwriting to renew its insurance, Pride responded via email to Aon on 23 Dec 2021 saying amongst other things (**email attached at Schedule 14**);

> *Better than anyone I'm sure, Aon will be well aware that much of the insurance underwriting industry is no longer providing reasonable public liability insurance to bars and there's been some recent press/media on that issue (including through the ABC). To me, there is a foreseeable danger that this issue (the pernicious de-insurance of venues by underwriters) could turn political very quickly if not resolved. The public, and the government itself, wants to see poets, comedians, musicians, drag queens and cabaret acts performing on stage. If the insurance underwriting industry abandons the venues that allow these entertainers to perform, there will be widespread outrage from across society. Particularly after COVID affected the performing arts so badly. Personally, I think the government will have to urgently introduce a government insurance scheme of last resort as the underwriters seem incapable of providing workable solutions, to their enormous discredit. From a business perspective, there is probably an opportunity for an underwriter to come along, provide the insurance to the creative entertainment industry and get the credit and adulation for saving the industry, whilst the other underwriters wallow in their collective disgrace.*

Within that 23 December email, Pride offers to set up a separate standalone company, that would run Pride's seated entertainment, in order to split up the early seated shows and the dancefloor activity more distinctly, under an entity proposed to be called Pride of our Footscray Drag, Art, Comedy and Theatre Pty Ltd (**PFDACT**).

Aon ultimately used the PFDACT structure to obtain PLI for Pride with One Underwriting Pty Ltd (**One Underwriting**), underwritten by QBE Insurance Australia, policy number AF ON01810 PLB, supported by Lloyds' Underwriters

One Underwriting increases premium cost by ~700%

Whereas the cost of the previous policy under PEN was $6,270, the cost under One Underwriting, just 12 months on, was $43,010.00 (**as per email attached under Schedule 15**). It was the best and only quote available however, so Pride accepted it.

The difference between the policies was a $36,740 increase in the space of 12 months, representing an increase of 685.97%. The public liability coverage started from 27 January 2022 and expired 27 January 2023. The 685.97% increase compared to general CPI inflation in Australia of approximately 7.0% in January 2022.

The policy by One Underwriting also had a “Night Club Exclusion”, as follows;

> **Night Club Exclusion**
>
> *This Policy does not cover liability in respect of Personal Injury arising directly or indirectly out of, or caused by, or in connection with unattended spillages and/or drinks being taken on the dance floor, unless the Insured can provide a documented venue/risk management plan that contains provisions including but not limited to:*
>
> *- Fully documented cleaning procedures;*
>
> *- Procedures to address spillages, breakages & incidents, including incident reporting & maintenance of records;*
>
> *- A policy to prevent drinks being taken on the dance floor & evidence of enforcement*

One Underwriting's exclusion above, “no drinks on dancefloor”, is similar in nature to PEN’s “Nightclub/Disco Exclusion”, further confirming that insurers do not want to offer insurance cover where patrons are dancing where alcohol is involved.

For that reason, it may be that dancing at a nightclub becomes accepted as an extreme activity such as bungee jumping or sky diving, and patrons must sign a waiver before entering the venue, stating that they understand some risk is involved and committing not to take action against the venue (and therefore its insurer) should they suffer a mishap whilst dancing.

For the year that Pride had its public liability insurance through One Underwriting, it did not have an insurance claim.

Further insurance required for one-off event - $20 million limit

Pride's policy with One Underwriting had a cap of $10 million but Pride ran a drag artist event on 1 November 2022 that was supported by Maribyrnong Council, and the council grant required Pride to have PLI up to $20 million, relating to a day event that ran for four hours. One Underwriting refused to raise the limit of Pride's insurance to $20 million for the duration of the event but offered to charge Pride $2,102.58 to raise the limit to $20 million for the rest of the term of the policy (until 27 January 2023).

Deeply frustrated by the requirement to hand over another $2,102.58 (when the event only went for four hours during the day time) after its policy had already gone up by 685.97%, Pride refused the offer of One Underwriting and obtained separate public liability insurance from Altamont for the one-off daytime event, policy number ALTPL2201092, ultimately underwritten by Certain Underwriters at Lloyd's of London. Pride paid $1,193.50 for the insurance, which equated to $300 per hour for the duration of the four-hour daytime event.

Further tightening of the Public Liability Insurance market in 2022/2023 - All Pride's entertainment now a "non-palatable risk", even seated poetry

On 8 November 2022, Pride emailed Aon and asked it to explore all possible options for the extension of its PLI come the expiry date of the current policy on 27 January 2023, again fully describing the record of the venue and the nature of all its events, i.e. that Pride's activities included General Entertainment that finished by 10pm (such as poetry, stand-up comedy, cabaret, live music, theatre, musical theatre and drag queens, usually to a fully seated audience) and also a "Nightclub" element on Friday and Saturdays from 10pm to 3am.

Aon, the second-biggest insurance broker in the world, replied[8] the same day saying;

> *"With the current risk environment that we are in, both of the aspects (the early General Entertainment and the Nightclub) are* ***considered as non-palatable risk****"…. "regardless*

[8] Copy of email attached under Schedule 15b

> *of outstanding housekeeping and nil claims records" … and "**only 2 insurance companies were willing to look at these occupations / businesses**".* Emphasis added.

Aon explained the two insurers willing to consider insuring Pride were One Underwriting (Pride's insurer at that time) and SLE Underwriting (**SLE**), with Aon advising that SLE's minimum premium started at $100,000.

The combination of a non-competitive insurance market (two options at most) with rapidly deteriorating economic conditions meant Pride was unable to maintain its PLI post 27 January 2023, before again trying to obtain PLI in early 2024.

Request for PLI in 2024 - Access and Affordability spiralling

In early 2024, Pride emailed Arcuri & Associates (**Arcuri**) requesting quotes for PLI.

Also in early 2024, Pride ran a Queer Lunar New Year event in partnership with Maribyrnong City Council, which required PLI for the duration of the event. The event went for four hours inside Pride and featured a traditional Asian Lion dance, drag performances, stage dancers and an Asian pop singer. Pride obtained the PLI through Ausure Hospitality Pty Ltd, which charged $2,070 for the insurance for the four-hour event, at roughly $500 per hour. The policy number was 20503554575 and it was underwritten by Certain Underwriters at Lloyd's of London & Chubb Insurance Australia by their agent SLE Worldwide Australia Pty Ltd (**SLE**). Back in 2020, Pride's annual public liability insurance of $6,270 worked out to be 72 cents per hour in comparison.

After several discussions throughout the year, Arcuri sent Pride an email on 20 December 2024 (**copy attached under Schedule 16**) explaining that it had approached 19 different insurers in an attempt to procure PLI for Pride, and that 18 of them had declined to offer any insurance, including PEN and One Underwriting, who Pride had previously paid for PLI without making any claims. Arcuri received only one quote from the 19 insurers, that being from SLE, the quote being for $142,890 (**copy attached under Schedule 17)** for a year of PLI cover for a small venue with a capacity of 200. The quote of $142,890 was $136,620 more than Pride's public liability insurance in 2020 of $6,270, representing an increase of 2,178.95% across the 4 years. This 20-fold increase was presented at a time the hospitality/entertainment industry was in record collapse in Australia. The only conceivable way a small venue could pay an insurance bill of $142,890, even in the absolute best of times, would be to pay by monthly instalments, which are offered through a service called “Hunter Premium Funding” (**Hunter**). A realistic rate from Hunter to finance $142,890 would be around 10%, which would take the $142,890 to $157,179 over the 12 months, at $13,098.25 per month, or the equivalent of $3,022.67 per week. For a small local venue to pay an insurance bill of $3,022.67 per week, it would need to sell each customer a hitherto unimaginable volume of alcohol, creating an obvious and reprehensible cycle of risk. No responsible venue could take on such an extreme financial obligation, which in Pride’s case represents almost double the cost of renting it’s building for the year.

Off the record from a broker, Pride was informed that some venues, trapped by their desperate need for PLI to operate, took the option of monthly instalments via Hunter for the SLE insurance, but failed to continue making payments after the first few, as it’s a mathematically impossible equation for all but the most successful few venues.

To further put it in context, the 2020 cost of $6.270, represented approximately 0.6% of Pride’s revenue, whereas the 2024 quote of $157,179 (including instalment interest) represents approximately 13% of the entire Company’s annual revenue on one bill. And if there was ever an incident, Pride would have to meet excess of up to $50,000 before the insurance policy would start covering costs.

To place the quote within the context of other industries, an annual public liability insurance burden of around $157,000 is more typically associated with;

- demolition and explosives contractors;
- high-rise construction sites;
- hazardous materials handling.

Pride could not accept the SLE quote, it would otherwise have to immediately raise the price of every beverage by $2 to pay for it, for example a pint of beer would become $17 and a vodka soda would be $15, which would not be acceptable to Pride’s customer base, and nor should it be acceptable. Particularly in the midst of a cost-of-living crisis with price rises already significantly affecting many Australians.

Pride is over eight years old and has never had an insurance claim. Had it been paying $157,179 per year over the 8 years, then $1.257 million would have been siphoned to the giants of the insurance industry from a small suburban live entertainment venue. Frankly, even Al Capone would be embarrassed.

At the time of this submission, Pride is speaking to Luma Insurance which is a new player in the Australian insurance market, which Pride believes has delivered PLI for several venues already, at apparently rates much cheaper than Pride has received. So Luma Insurance may be a temporary answer, but it does otherwise seem the market has failed and that almost all insurers have walked away from venues that are nightclubs or that they effectively consider to be nightclubs for the purposes of their assessment.

It is noted that the radical increases in PLI premiums come at a time where there's documented evidence, in Australia and globally that;

- Alcohol consumption is significantly down (particularly amongst young people);
- People are going out less (saving for bigger one-off events);
- Venues are quieter, indeed nightclub audiences have nearly halved[9];
- People are behaving better;
- Security cameras are improved;
- Crowd controllers are better trained than ever.

Given these facts, PLI for venues should be coming down rather than astronomically increasing or disappearing.

As it stands, Pride is without PLI, which every day puts intense pressure and stress on management, and which puts the venue at imminent and constant risk of failure. If one semi-serious incident occurs, and a patron needs to be highly compensated, Pride will likely be bankrupt, and all will be lost. And the patron will be without compensation. All managers, staff and performers will lose their jobs, and Melbourne will lose a professionally operated and well-regarded nightlife asset. Pride's CEO, who has personally guaranteed Pride's debts, would lose his home and also be bankrupted. And every day, Pride remains in academic breach of its lease without PLI. Thankfully, for now, the Landlord is understanding that no small venue could pay $157,179 and is therefore being patient whilst government investigates solutions to this issue.

The daily risks we, and our patrons, are being faced with due to this insurance market failure are extreme and it's hard to properly articulate how stressful this has been and remains.

[9] See https://www.apraamcos.com.au/about/governance-policy/annual-reports/year-in-review-23

12.0 Other Venues' Experience with Insurers

As seen in the preceding section, Pride's annual Public Liability Insurance (**PLI**) was $6,270 in 2020 and, despite never having had a claim, the only quote received in 2024 was effectively $157,179 per year ($142,890 premium + interest costs), an increase of approximately $150,909 across four years. Such an increase represents a sustained attack on the live entertainment sector, which is already dealing with a prolonged economic downturn, with venues failing at historically significant rates[10]. Basically, insurers are leaving the sector, whilst on the other side governments are trying to build back the arts and their nighttime economies. The venues are wedged in the middle, with time running out, left alone to desperately try to sound the alarm about the failing insurance market.

Whilst the increase in Pride's PLI from 2020 to 2024 (2,506.84% (if financing costs are included)) may quite possibly represent the largest percentage increase in Australia over the time period, Pride is far from alone in the industry, all venues are being affected.

Examples of other Live Entertainment Venues being adversely affected by rising insurance premiums

12.1 Brass Monkey

An article in The Music Network (**TMN**) dated 26 July 2022[11] reported that Geoff Trio, director of the 140-capacity Brass Monkey, a dedicated live music venue in Cronulla, advised the venue's PLI premium rose from $6,000 to $32,000, despite operating for over 21 years without ever having a claim against him. "You're looking at hundreds of dollars a show just for public liability. I don't understand why," he told TMN. "It's never been a problem before."

12.2 Leadbeater Hotel

An article in TMN dated 19 July 2022[12] reported that live music venue Leadbeater Hotel had to close its doors temporarily after its insurer had refused to renew its public liability

[10] It is estimated that approximately 30% of live music venues have closed since the onset of COVID-19, with many more currently under severe financial stress.
[11] https://themusicnetwork.com/music-venues-insurance-premiums/#
[12] https://themusic.com.au/news/why-your-favourite-live-music-venue-might-be-about-shut/_w4bExIVFBc/19-07-22#

insurance. The news only came when the policy was due for renewal, the insurer did not provide any warning, grace period or discussion, the insurer just informed the Leadbeater that they didn't offer coverage for live music venues anymore. Leadbeater found another insurer in the end but the premium they had to pay was 1,100% more expensive.

12.3 Sooki Lounge

It has been extensively reported that the PLI for Sooki Lounge (a medium-sized suburban live music venue, liquor licence capacity 332) went up from $15,000 annually to $60,000 annually (or $65,000 including finance) over the three years 2022 to 2025, resulting in Sooki Lounge putting a $1 insurance levy on tickets to cope[13]. In an article published 8 July 2025[14], co-owner Stephen Crombie is reported as saying;

> *It's simply not sustainable". "Venues under 500 capacity are going to disappear - not because the music isn't good, not because people don't want to go out, but because no one can afford to keep the lights on with this level of cost.*

12.4 Gasometer Hotel

When the Gasometer Hotel (est 1861), known more famously as "The Gaso", an iconic medium-sized live music venue, hit trouble and closed in 2025, then-operator James Martelletti was publicly quoted as saying rising costs were the reason the venue closed, including rising insurance costs[15].

12.5 The Bendigo Hotel

It was reported in March 2024 that iconic live music venue The Bendigo Hotel, affectionately known as 'The Bendi', was to close, citing financial difficulties as the reason, including that its public liability insurance premiums had risen from $20,000 in

---

[13] https://beat.com.au/well-be-the-first-of-many-melbourne-bar-will-charge-customers-to-offset-soaring-insurance-costs/
[14] https://www.insurancebusinessmag.com/au/news/breaking-news/taxed-out-the-hidden-levies-fuelling-australias-live-music-insurance-crisis-541707.aspx
[15] https://www.realcommercial.com.au/news/gasometer-hotel-to-close-as-melbourne-live-music-venue-gastropub-replacement-expected

2020 to around $80,000 in 2024, despite having made no public liability claims in its 14 years[16].

12.6 The Old Bar

Owner Liam Matthews was quoted in 2024 saying that The Old Bar's public liability premiums had jumped from about $10,000 a year to around $60,000 within a couple of years. Despite paying the massively increased premium, The Old Bar was forced by its insurer to erect signage to ban dancing if drinking in its (carpeted) band room[17]. Matthews was quoted as saying the insurer had initially wanted a prohibition on all drinking in the band room. It was also disclosed that Matthews had run bars for 20 years without making a public liability claim.

12.7 Cherry Bar

In 2023, owner James Young was quoted as saying insurance at Cherry Bar had gone from $400 a week to $2,500 per week (so approximately $20,000 per year to approximately $130,000 a year, very similar to the price rise endured by Pride), despite Mr Young having not made a claim in 23 years[18].

12.8 Yah Yah's

In 2023, co-owner James Young was quoted as saying insurance at Yah Yah's had gone from $600 per week to $3,500 per week (so approximately $30,000 per year to approximately $182,000 per year), despite Mr Young having not made a claim[19].

---

[16] https://pubtic.com.au/another-icon-closes-in-the-wake-of-economic-hardship/
[17] https://www.insurancebusinessmag.com/au/news/breaking-news/melbourne-music-venues-struggle-with-skyhigh-insurance-costs-473731.aspx
[18] https://www.news.com.au/entertainment/music/greatest-threat-to-live-music-owners-outrage-as-melbourne-music-venues-hit-with-500-per-cent-insurance-premium-hikes/news-story/aaed9310d3d92ddd8d05eaa4c0c596da
[19] https://www.news.com.au/entertainment/music/greatest-threat-to-live-music-owners-outrage-as-melbourne-music-venues-hit-with-500-per-cent-insurance-premium-hikes/news-story/aaed9310d3d92ddd8d05eaa4c0c596da

12.9 Badlands Bar

It was reported in 2023 that live music venue Badlands Bar in Perth had to announce its closure, blaming unsustainable, sky-high increases in insurance premiums, specifically public liability, reporting a 10-fold increase in its premiums, despite saying it had never had a claim[20].

12.10 Sugar Nightclub

It was reported that Sugar Nightclub in Adelaide had to close after its public liability insurance increased from $32,000 to $220,000[21], a sevenfold increase between 2020 and 2022. In the year prior, Sugar had even received a quote for $305,000 (a quarter of their turnover)[22]. Sugar's owner told the ABC "I turned from one broker to another here in South Australia when I couldn't get insurance and they ended up saying to me we will never, ever get insurance"[23].

Sugar had a very late licence, 5am, but had a capacity of only 225. So, the insurers expected to be paid over $4,000 a week by a club that could only allow in 225 people, meaning each patron would need to drink their weight in alcohol, it's an extraordinarily irresponsible request from an industry supposedly focused on risk reduction.

12.11 Whole Lotta Love

The owner of the prominent, small-sized, live music venue Whole Lotta Love bar, Sasha Janssen was quoted as saying their public liability insurance had increased from under $3,000 annually to almost $30,000 annually. This increase, together with other rising costs, was cited as the reason Janssen had to close the venue[24].

[20] https://www.insurancebusinessmag.com/au/news/breaking-news/insurance-costs-blamed-for-closure-of-perth-bar-badlands-453275.aspx
[21] https://www.instagram.com/p/ClsOiInLrl9/
[22] https://www.abc.net.au/news/2021-12-01/sa-public-liability-insurance/100664198
[23] https://www.abc.net.au/news/2021-12-01/sa-public-liability-insurance/100664198
[24] https://www.smh.com.au/national/no-dancing-whilst-drinking-insurance-hikes-push-music-venues-to-the-wall-20240116-p5exn2.html

12.12 Corner Hotel

Corner Group (owner of two of the most famous live music venues in Melbourne, 'The Corner Hotel' and the 'Northcote Social Club') made submissions to the House of Representatives Standing Committee on Communications and the Arts 'live music inquiry', which reported in 2025. Within its submission, Corner Group directly addressed public liability insurance as a core cost challenge affecting their live music operations. It noted that rising insurance costs are forcing venues to reconsider whether they can afford to host live music and that costs for venues that do host live music are many times higher than for venues that do not. For example, one Corner venue (Northcote Social Club) faced public liability insurance costs about nine times greater than a similar venue that did not host live music[25].

12.13 Brunswick Ballroom

In an article dated 23 February 2024[26], it was reported that Brunswick Ballroom venue director Will Ewing said the inflated insurance costs were coming at a particularly bad time for music venues. Ewing was quoted as saying "I think every venue that I know of was paying insurance throughout COVID, so it was pretty heartbreaking that when we opened back up again insurance skyrocketed for so many venues". Ewing is further quoted as saying that "the added insurance fees are making the situation untenable for many venue owners" and that his own insurance broker told him the live music industry needs government intervention – "If an insurance broker is telling you that, that's saying something, don't you think?", Ewing is reported to have said.

12.14 Grace Emily Hotel

On 30 November 2021, Symon Jarowyj, owner of the iconic live music venue the Grace Emily Hotel in Adelaide posted on Instagram[27] after their **insurer gave them just 14 days' notice** that they would not be renewing their PLI;

---

[25] https://www.aph.gov.au/DocumentStore.ashx?id=0b788484-824c-4f60-bcab-803ae8c65cec&subId=755614
[26] https://beat.com.au/it-is-killing-us-all-how-a-400-increase-in-insurance-costs-is-slowly-destroying-melbournes-live-music-scene/
[27] https://www.instagram.com/p/CW4HHRHBfGm/?hl=en

*It is with great disbelief, frustration and anger that i announce the TEMPORARY closure of the Grace Emily. As of midnight tonight our public liability insurance has expired as our current insurer is no longer insuring pubs. As it stands I am currently unable to find a new insurer for the pub. I have employed a broker who specialises in these issues and is confident of a positive outcome but is unsure of a timeline. We are definitely closed for 2 weeks and past December 14 will be taking this week to week. I would like to thank @mdo_sa for their help and support with this issue. Can I be very clear that the pub WILL be open again. I am treating every gig past December 14 as still on but prepared that this may not be the case. All tix holders for cancelled gigs will receive refunds in the coming days. This is really sh*t. How a community pub like this can be left in this predicament is beyond me and I am still f_cking fuming. As soon as it's possible the Grace Emily will be getting back to being a live music venue as it always has been since 1998.*

Cheers.

Sym

The above example of the Grace Emily Hotel is symptomatic of the way in which the insurers treat the industry; no warning, no grace period, no discussion. They just cut off the insurance with little notice and less thanks, as if insurance wasn't vital. But as we have established, it's an essential service. If a person behaved that badly in a venue, they would be turfed out onto their ear! It should not be legal to behave in such a way when dealing in an essential service, reform is needed if the private insurers have any role in providing public liability insurance going forward.

The Grace Emily later posted an update on 5 January 2022 saying they had found alternative public liability insurance with a premium increase of 313% per annum.

These venues are famous, what about the rest?

The venues above are famous and well regarded. If such venues are powerless to negotiate sustainable insurance premiums (or even to be treated with any courtesy or respect), there is very little hope for the rest of the industry.

13.0 Industry Commentary on the Issue

There has been commentary around insurance market failure from others in the industry aside from venue-operators.

13.1 Australian Live Music Business Council ('ALMBC')

ALMBC provides focused advocacy for thousands of Australian owned small businesses and sole traders that support Australian music in public performance places and create tens of thousands of Australian jobs in the creative economy.

Amongst the ALMBC Policy Priorities listed on its website[28] is;

> *2. The establishment of a Live Music Public Liability Insurance scheme to help venues that have been unable to secure or afford PLI.*

The fact that the second policy priority for ALMBC is related to insurance shows how serious this threat is to the industry and that the issue needs to be resolved for the industry to be sustainable.

It was reported on 29 June 2023[29] that ALMBC representative Andrew Bassingthwaighte was quoted as saying some live music venues were paying up to $160,000 per year for insurance, and that he predicted that up to 400 live music venues in Victoria could close as a result of such price hikes.

On 25 August 2023, the ALMBC published its own update from Executive General Manager Stuart Watters[30] explaining the mathematical problem associated with the skyrocketing premiums;

> *"In the event live music venues are unable to secure insurance or at best affordable insurance, the key risk is that the small to medium live music venue ecosystem will collapse and this will have a devastating impact not only on the music industry but also to the broader community. The ALMBC has been the driving force addressing the core public liability crisis in the Australian music industry. The greatest risk has been the*

[28] https://almbc.org.au/about-us/
[29] https://themusic.com.au/news/melbourne-music-venues-struck-by-500-per-cent-increase-in-insurance-premiums/99ZF6-rt7O8/29-06-23#:~:text=Revealing%20his%20reaction%20to%20the,and%20keep%20live%20music%20alive%E2%80%9D
[30] https://almbc.org.au/we-need-to-talk-about-insurance/

potential full-scale collapse of the 100-400 capacity live music venues around the country, whose premiums are disproportionate to their revenue and when measured against profit, making continuation untenable".

An article published on 6 September 2022[31] quotes ALMBC chairperson Stephen Wade saying;

"When they've [**venues**] *gone to get their public liability insurance renewed, they've been faced with huge increases — sometimes up to 1,000 per cent above what they would normally do, and there's some venues that just haven't been able to get it at all."*

13.2 Lloyd Nunn [Business Broker]

In an article first published 13 March 2025[32], Lloyd Nunn, agent for CRE Business Brokers which sells a lot of hospitality/entertainment businesses, was quoted as saying "running a live music venue in the current climate had become nearly impossible". Further, Lloyd was specifically quoted as saying in relation to insurance;

"We need an insurance scheme, like they have for flood-prone homes. Hospitality venues — especially live music venues — are being crushed by insurance costs. If we had a government-backed insurance scheme, it would take a huge burden off businesses."

13.3 Music Victoria

Music Victoria is an independent, not-for-profit organisation and the state peak body for contemporary music.

Probably unsurprisingly by now, in 2024, General Manager Dale Packard of Music Victoria emphasised that rising insurance premiums were the top grievance among live music venues[33]. Not equipment failures, or noise complaints, or rowdy customers or security costs or marketing challenges – but insurance. Unbelievable given how much these venues must worry about.

---

[31] https://www.abc.net.au/news/2022-09-06/qld-music-venues-increasing-public-liability-insurance/101405518
[32] https://www.realcommercial.com.au/news/gasometer-hotel-to-close-as-melbourne-live-music-venue-gastropub-replacement-expected
[33] https://www.insurancebusinessmag.com/au/news/breaking-news/melbourne-music-venues-struggle-with-skyhigh-insurance-costs-473731.aspx#:~:text=General%20manager%20Dale%20Packard%20emphasizes,Leave%20a%20comment%20below.

In 2024, Music Victoria called on the Victorian Government to provide assistance through the Victorian Managed Insurance Authority (**VMIA**).

In an "Advocacy Update from Music Victoria" on 25 May 2024[34], Music Victoria stated;

> *With the exponential increase in public liability insurance costs faced by our live music venues, we took action including:*
>
> - *Exploring all possible solutions as recommended by the Insurance Council of Australia and their members, including risk mitigation, formal industry training, group buying power, specialist brokers and self-insurance*
> - *Bringing the issue to the attention of those with power to make change via briefings with:*
>   - *a. The Hon Tony Burke MP, Minister for the Arts;*
>   - *b. Minister Colin Brooks, Minister for Creative Industries;*
>   - *c. Minister Pearson, Assistant Treasurer;*
>   - *d. Bruce Bilson, Australian Small Business Ombudsman;*
>   - *e. Finity Consulting (engaged by Insurance Council of Australia) to explore the current civil procedure and liability settings, and potential reform, most likely to improve insurance capacity and affordability for the sector.*
> - *Getting John Trowbridge to provided us with his professional endorsement of market failure;*
> - *Gathering experiences from local venue operators;*
> - *Maintaining our presence in the media on such key issues;*
> - *Undertaking a state-wide live music venue audit to track the recent losses and changes.*
> - *Holding a Navigating Insurance session to understand the problem in more detail and our work;*
> - *Continuing to share our work and learnings with Local, Federal and State government representatives.*
> - *Continuing to call on the Victorian government to provide access to the VMIA (Victorian Managed Insurance Authority).*

Pride commends Music Victoria on its work, but the very fact Music Victoria must spend so much of its time and resources on insurance market failure shows the depth of the problem. This and other similarly good work by others within the sector show how

[34] https://www.musicvictoria.com.au/music-victoria-advocacy-update/

committed everyone is to a solution to this intractable problem, but there has been precious little work or involvement from the insurers. The insurers know their actions are actively closing small-medium live entertainment venues but it's not a concern to them, they have demonstrated very little public interest in the consequences of their actions, which is deeply concerning given they hold all the market power. Goodness knows where they expect to be able to hold their Christmas parties, for there may be precious few venues left.

13.4 Australian Festival Association (AFA)

In 2024, Chair of the AFA Adelle Robinson told a Senate committee in Canberra that festival premiums "are sometimes 10 times more than they were pre-2022", on top of rising operational costs. Robinson said;

> *"From a federal perspective, we need a government-run or backed insurance scheme". "We have been asking for this since the end of COVID. I advised the Government to look at the Victorian Government post-covid insurance scheme as a potential model and way to move forward."*

Ms Robinson had been presenting to the Senate Environment and Communications Legislation Committee (Inquiry into the National Cultural Policy).

This hearing took place on 16 April 2024 in Canberra, and Robinson's evidence was referenced in the committee's interim report, which documented rising insurance costs as a key pressure facing festivals and the broader live music sector.

14.0 Existing Government Knowledge

Following multiple recent federal government inquiries and reports, as well as extraordinarily consistent feedback from industry, and admissions from the insurance industry, there's now a deep understanding amongst many of our top politicians and bureaucrats about the public liability issue as it pertains to many sectors but particularly to live entertainment venues and festivals. The time to act is upon us, all the reports are flashing red that this is an emergency; the insurers are not coming back, particularly with any premiums the industry can realistically afford. They are not the Messiah, they are just very naughty bores. Previous inquiries haven't resulted in tangible change, this one can.

14.1 Reports by Australian Small Business and Family Enterprise Ombudsman in 2020 and 2021

An article by "aap Financial Brokers"[35] reports that in January 2024, Australian Small Business and Family Enterprise Ombudsman Bruce Billson had pleaded for urgent and decisive action from insurers to help businesses understand how risk was being assessed and could be mitigated.

Ombudsman Billson reportedly said;

> ***"Live entertainment and music venues have been heavily affected by the lack of suitable insurance cover to continue <u>what they have been doing for decades</u>".***
>
> *"Unlike households who, for many reasons, might choose to be uninsured or under-insured … a small business must have insurance covering areas such as public liability."*

Pride supports the words of Ombudsman Billson. He highlights the central issue, nothing has changed, live entertainment has gone on for decades, indeed millennia, since adventurers would rest at the tavern for a meal and a beer whilst enjoying the sounds of people singing as the local musician played the lute. But suddenly between 2021-2023 insurers decided to raise premiums 10-fold, without any warning to the sector or to the government about what they were doing, when the ruinous consequences would have

[35] https://aapfb.com/paying-a-premium/#

been immediately obvious to them, given they know their product is mandatory for venues.

In 2021, the Australian Small Business and Family Enterprise Ombudsman (**ASBFEO**) released an interim report called "The Show Must Go On" (**Interim Report**)[36] into the insurance crisis facing Australia's amusement, leisure and recreation sector. The Interim Report at 4.2.2. states;

> *For small businesses, it is not possible to separate affordability from availability. In many instances, insurers will point to the existence of a policy and claim that its existence means that insurance is available. In many instances, the policy is priced such that it may as well not exist, because small business operators have no capacity to pay for the cover they need to continue operating.*

This above insight from the ASBFEO perfectly encapsulates Pride's experience. Pride's broker asked 19 insurers for PLI. Of those, 18 declined to offer insurance. And the 19th, SLE, provided a quote of $142,890 (or $157,179 with financing). But that offer is so expensive as to not really exist, SLE may as well have asked for a trillion dollars. So, effectively 19 out of 19 insurers failed to offer insurance.

In respect to the amusement, leisure and recreation sector, the Interim Report considered a Discretionary Mutual Fund (**DMF**) as a remedy to the insurance market failure being experienced in that sector. In the Final Report[37], its foreword notes that during consultation with stakeholders and government, concerns were raised about possible heightened expectations in other industries interested in establishing their own DMF. Pride believes other industries wouldn't be interested in establishing their own DMF unless they were suffering from significant insurance market failure already. The last thing any business wants to spend time on is considering the structures behind the insurance market, they are only forced to do so by the insurance market failing them. The Interim Report proposed policy parameters to guard against superfluous DMFs, suggesting the following;

1. Significant market dysfunction or market failure must be established prior to government intervention;
2. The sector affected is unable to support establishment of a DMF in their own right;

[36] https://www.asbfeo.gov.au/sites/default/files/2026-02/ASBFEO%20-%20DMF%20Report%20-%20The%20Show%20Must%20Go%20On%20-%2020Oct2021.pdf
[37] https://www.asbfeo.gov.au/sites/default/files/2026-02/DMF_Final-Report_Public.pdf

3. There are no suitable alternatives for the sector to pursue, and therefore, the inability to secure insurance will lead to the loss of the sector or closure of a significant number of businesses within the sector;
4. There are other groups or entities outside of the sector likely to be negatively affected if the government does not take action.

The parameters outlined above, put forward by the ASBFEO in 2021, applied to the conditions faced by live entertainment venues today, suggest that Live E.V.s would qualify immediately for proactive intervention towards starting a DMF for the sector.

Just a year prior, in December 2020, then Australian Small Business and Family Enterprise Ombudsman Kate Carnell (**KC**) had handed down a report entitled “Insurance Inquiry Report”[38]. KC in her foreword said;

> *“For a significant number of small businesses … insurance has become a daily stressor and* ***the primary reason for considering closure****”.* (Emphasis added)

KC further notes;

> ***Over the course of this inquiry we heard from hundreds of small businesses facing closure because they cannot secure insurance****. The insurance market is opaque and small businesses desperately need help navigating it.*

Pride believes KC was entirely correct and if anything understates the commercial experience on the ground. It’s worse than opaque, it’s just a “computer says no” model. The insurers refuse to renew your insurance, or they simply deny new insurance, there’s no negotiation, they don’t engage. They hold an essential service in their hand and withdraw it or deny it without engagement. Should insurers not improve their engagement with industry and government, either through gentle persuasion or strong legislation, then their licence to trade ought to be reconsidered.

KC also noted “This is not a new phenomenon” which is also correct, we have been through this before; the insurers will not change without strong action.

14.2 Public Liability Insurance Crisis in the early 2000s

[38] https://www.asbfeo.gov.au/sites/default/files/2021-11/Final%20Insurance%20Report_0.pdf

Around 2001–2003 (**2000s Crisis**), Australia experienced a sudden collapse in the availability and affordability of public liability insurance. Premiums rose sharply (often 200–500%), excesses ballooned, exclusions multiplied, and in many cases insurance simply became unavailable.

Community events were cancelled, small businesses closed, councils shut facilities, and volunteer organisations stopped operating because they could not obtain cover.

The 2000s Crisis triggered coordinated emergency action by state and federal governments. It also led to the “Ipp Review” (2002), the Review of the Law of Negligence (led by Justice David Ipp) which concluded that liability law had progressed beyond sustainable limits and recommended reforms to rebalance risk.

The very serious reforms implemented (which included extensive data recording requirements to try to make the insurance market more transparent) stabilised the market but underlying issues remained (including reliance on offshore reinsurers) and two decades later the situation is more catastrophic, triggering this very inquiry but also the ASBFEO reports of 2020 and 2021.

In the forward of his Final Report, the Hon Bruce Billson states;

> *But the show (*editor - like the Royal Melbourne Show*), as we know it, is on the brink of being a thing of the past. In fact, even the school or church fete, children’s play centres, amusement parks and splash zones at caravan parks are all facing a clear and present danger.*

Live entertainment venues can now be added to Billson’s list, and the question that arises is where does all this leave Australian society? Just shopping at Westfield or sitting at home passively absorbing American social media? We risk our public lives being perpetually restricted at the whims of profit-driven insurers. It is imperative that we don’t allow ourselves to be trapped in our own homes by insurance companies under the guise of risk (in reality, it’s risks to their profits, not to your ankle).

14.3 Inquiry into the National Cultural Policy ('NCP')

The Senate Environment and Communications Legislation Committee (Inquiry into the National Cultural Policy) published an Interim Report in May 2024[39] having been referred the inquiry on 8 February 2023. The terms of reference were to inquire into;

1. The National Cultural Policy (**NCP**) released on 30 January 2023; and
2. Any other related matters.

Despite the broadness of the NCP, one of the three recommendations of the Interim Report was about insurance which speaks volumes, specifically;

> **Recommendation 2**
>
> *The committee recommends the Australian Government lead coordination with the festivals sector and insurance industry to reduce premiums for festivals and investigate options for ensuring access to insurance is available to small and medium operators.*

14.4 Yarra Council

In a report for a meeting of the Yarra Council on 12 March 2024[40], a report written by Brona Keenan found;

> *Live Music Venues are finding it increasingly difficult to obtain public liability insurance, and those that are able to secure insurance are facing significant rises to their existing premiums.*
>
> ***Small to medium live music venues are being impacted to the point that running their businesses may no longer be viable.*** (Emphasis added)

The suburbs contained within Yarra Council feature many live entertainment venues and what the council has reported here is exactly the situation being faced by the small businesses running those venues.

---

[39] https://parlinfo.aph.gov.au/parlInfo/download/committees/reportsen/RB000394/toc_pdf/NationalCulturalPolicyInterimreport.pdf

[40] https://www.yarracity.vic.gov.au/sites/default/files/2024-05/20240312-council-agenda.pdf

14.5 Victorian Greens suggest Live E.V.s be covered by VMIA

In April of 2024, the Victorian Greens issued a public statement[41] which called on the state government to facilitate insurance for live music venues through the state's public insurer.

Within the statement, Victorian Greens arts spokesperson, Gabrielle de Vietri, said "more and more venues would be forced to shut their doors as long as they are beholden to unreasonable and arbitrary insurance price hikes". And further said "the state government could offer cheaper insurance through the Victorian Managed Insurance Authority (VMIA) as they do for the construction industry. In 2021 during COVID, the government directed VMIA to offer insurance for live music and community events to cover them in case of cancellation. There's no reason they couldn't do it again".

Pride believes that a government facilitated statutory scheme would work best but given the federal nature of the problem, it would be ideal for the scheme to be implemented federally. The Victorian government acknowledged the insurance issue for venues in its submission to the 2025 inquiry into the challenges and opportunities facing the Australian live music industry, which is addressed further below.

14.6 Music Festival Insurance Study: A summary by Creative Australia (2025)

The Music Festival Insurance Study (MFIS) was conducted by Creative Australia[42] and its key findings included;

> *Around three quarters (76%) of the 74 participating festivals had their policies underwritten by Lloyd's of London, via international and Australian brokers. This situation exposes Australian festivals to international insurance trends, such as rising premiums, tighter underwriting, reduced coverage and an increasingly risk-averse climate.*

Pride's comment; 76% of festivals being underwritten by Lloyd's of London suggests Lloyd's of London exists but a functional competitive insurance market does not.

---

[41] https://greens.org.au/vic/news/media-release/government-insurer-should-step-save-live-music-venues-exorbitant-insurance
[42] https://creative.gov.au/sites/creative-australia/files/documents/2025-10/ACA_303635_Music%20Festival%20Insurance%20Study.pdf

> Also from MFIS - *For many festivals, event cancellation cover is now either commercially unviable or strategically avoided. Smaller operators reported premiums of 15–20% of the event budget, placing this cover entirely out of reach.*

Pride's comment; Insurers proposing quotes that they know are likely to be up to 20% of the event budget suggests the quotes are not being produced in good faith. And, with event cancellation insurance out of reach, events may have to proceed forward regardless of conditions (flood, fire, cyclone, heat, snow), and of course that impacts the festival promoter's public liability insurance, which they must pay for as part of their permit to run the event. And they would be more likely to claim under their public liability insurance if they have had to proceed in dangerous conditions because of the lack of cancellation insurance, putting attendees at risk.

This scenario is the same as Pride being quoted 2000%+ more for its public liability insurance, i.e. if Pride accepted that, it would have to sell patrons a radically higher volume of alcohol, which could put pressure on all Pride's safe service of alcohol procedures, therefore the insurer has contributed to its own risk in a shockingly foreseeable manner. It is abundantly clear the insurers do not care for the venues, for the festivals or for the patrons, they are harming all stakeholders.

14.7 Am I Ever Gonna See You Live Again? (Parliamentary Inquiry Report 2025)

The House of Representatives Standing Committee on Communications and the Arts conducted an inquiry into the challenges and opportunities facing the Australian live music industry, holding 18 public hearings and receiving wide industry input (**2025 Inquiry**).

Whilst the 2025 Inquiry[43] was not specifically in relation to insurance, the public liability insurance issue became a big focus due to the insurance market failure the entire sector was being confronted with and how deeply that risked their existence.

Many submissions to the 2025 Inquiry received mentioned the insurance challenge, including submission 119 from Corner Group Live, on behalf of several well-known live

43 https://parlinfo.aph.gov.au/parlInfo/download/committees/reportrep/RB000566/toc_pdf/AmIEverGonnaSeeYouLiveAgain.pdf

music venues including The Corner Hotel and Northcote Social Club, which submitted that;

1. *Rising insurance costs are a major barrier to operating and growing live music venues. Insurance coverage for ticketed live music events can be up to nine times higher than for similar hospitality operations without live music.*

2. *Rising public liability costs are driving some venues to remove live music from their offerings entirely, reducing cultural output and acting as a "cost of entry" barrier for new venue entrants.*

3. *A government-backed regulated insurance for live music venues as a policy solution was recommended.*

The Victorian Government also made a submission (Submission 704), which explicitly identified skyrocketing public liability insurance premiums as a systemic and critical threat to the viability of live music venues — **particularly small to medium grassroots venues** (*emphasis added*) which are central to artist development and local cultural ecosystems.

Overall, the 2025 Inquiry highlighted public liability insurance as one of the most pressing operational cost pressures for Australia's live music sector. It documented significant premium increases, concerns over market competition, and limited domestic insurer involvement, and recommended further government exploration of alternative insurance models, possible government support mechanisms, and better risk-assessment tools to help the industry manage insurance costs and access coverage.

14.8 Victorian Parliament Research Paper - 'No dancing whilst drinking'

The Victorian Parliamentary Library report 'No dancing whilst drinking': Challenges and opportunities for Victoria's live music venues, by Caleb Triscari & Ellie Florence, published in May 2025[44] (**Vic PL Report**) identifies public liability insurance as one of

[44] https://www.parliament.vic.gov.au/about/publications/research-papers/challenges-and-opportunities-for-victorias-live-music-venues/

the most serious and immediate threats to the sustainability of live music venues. Premiums have increased dramatically — often without claims — and insurers increasingly classify live music as inherently high risk, regardless of mitigation measures. These costs are distorting venue operations, leading some venues to limit dancing, reduce programming, or remove live music altogether. The report frames the issue as structural rather than behavioural, disproportionately affecting small and independent venues and raising clear public policy questions about the future insurability of live music.

Pride's view is that The Vic PL Report is amongst the best research on the market failure of insurance in relation to PLI for Live E.V.s and should be reviewed by all stakeholders concerned with this issue.

Overall, there is now a reservoir of data on the extent of insurance market failure relating to Live E.V.s. Transformational change can now be pursued on very solid ground, particularly as it's clear there's no real private market left, the path forward is clear.

15.0 What the Insurance Industry is saying itself

Communication from the insurance industry has not generally been helpful, reliable, proactive or candid, though there have been useful exceptions.

In acknowledging this very inquiry, a spokesperson from the Insurance Council of Australia immediately deflected blame away from the insurers and onto the government, quoted as saying the following to “Accountants Daily” magazine[45] in an article published 5 November 2025;

> *“State and territory governments have a critical role to play when it comes to making insurance more affordable by removing state insurance taxes and reforming laws that are no longer fit for purpose. The insurance industry welcomes the inquiry into small business insurance and looks forward to working constructively with the committee to help find ways to reduce risk and improve affordability.”*

The immediate deflection to government is scandalous; it belies the fact that insurers had been busy raising premiums more than 1,000% over recent years, directing huge increases at the Live E.V.s that had emerged out of long COVID-19 closures and restrictions with very little in reserve, quickly shuttering several of the venues that had survived the pandemic.

These extraordinary premium increases came after venues had been largely shut or heavily restricted for the preceding two years in Australia, which would suggest that public liability claims had not risen.

Almost a year into small-medium venues being affected by the skyrocketing claims, there was an ABC News report published on 6 September 2022, wherein Mathew Jones, general manager of public affairs at Insurance Council of Australia, said live music venues were an “unfortunate casualty”[46].

> *"Insurance prices risk and the activities we're talking about are inherently riskier than other types of leisure activities," he said. “There's alcohol involved, large numbers of people in tightly packed venues, activities taking place at night rather than the day.”*

[45] https://www.accountantsdaily.com.au/business/21899-parliamentary-inquiry-into-small-business-insurance-officially-kicks-off
[46] https://www.abc.net.au/news/2022-09-06/qld-music-venues-increasing-public-liability-insurance/101405518

Following that, in the August–September 2023 issue of Insurance News Magazine, an article by Wendy Pugh called “The pain and perils of public liability”[47] acknowledged;

> *Live music businesses say premiums have soared, especially for smaller venues that can have crowds up to 400 and that can least afford the increases, with a sweeping approach hitting many businesses after underwriters experienced some large claims.*
>
> *“A lot of live music venues are in a position where they have to start making decisions about their future and how they’re going to operate,” Australian Live Music Business Council Executive General Manager Stu Watters tells Insurance News. “It’s a predicament when insurance becomes one of the largest costs live music venues have.”*
>
> *In extreme cases music venues have seen premiums rise from $10-20,000 to $140-160,000 after a major market reset by insurers that hit particularly hard a year ago (*author - 2022*).* ***Venues which open after midnight, serving alcohol and with a dance floor, have had major problems****.* (Emphasis added)

The article goes on *to* quote an Insurance Council of Australia spokesperson saying;

> *“There is limited capacity in some sectors of the public liability insurance market in Australia, with many operators in sectors like live music, amusements and caravan parks experiencing significant difficulty obtaining affordable insurance”.*

In an article published 16 October 2024[48], it was reported that Alexandra Horden, General Manager of Regulatory and Consumer Policy at the Insurance Council of Australia, told a hearing of the House of Representatives Standing Committee on Communications and the Arts on 11 October 2024 that;

> *“Although rising insurance costs are not the sole factor contributing to the closure of live music venues, we do know that it plays a significant role in the viability of these businesses, especially the small and medium businesses which may lack the financial capability of absorbing these premiums”.*

For Pride, the words of Alexandra Horden are at least honest in that the insurers know these premiums cannot be absorbed, they just forgot to tell anyone in advance this was coming.

---

[47] https://in-magazine.com.au/the-pain-and-perils-of-public-liability/
[48] https://themusic.com.au/industry/insurance-industry-explains-why-live-music-s-so-high-risk/5yNV-_r9_P8/16-10-24

16.0 Consequences of Insurance Market Failure

The oppressive failure of the insurance market is subjecting live entertainment venues (**Live E.V.s**) to one of two perilous outcomes;

1. Ruinous public liability insurance (**PLI**) premiums; or
2. No PLI cover.

Both come with obvious and severe consequences, for the venue itself, but also the staff, musicians/performers, patrons and neighbourhood.

16.1 Murder of the Dancefloor

As brokers have told Pride directly, insurers no longer wish to offer public liability insurance to venues where alcohol and dancefloors are involved, particularly if the venue is open past midnight. This was publicly confirmed in that Insurance News Magazine article in 2023 which said;

> *Venues which open after midnight, serving alcohol and with a dance floor, have had major problems”[49].*

Therefore, the fastest way to obtain PLI or to materially reduce premiums would be to remove the dancefloor.

It beggars belief this must be said, but a mass removal of dancefloors across Australia should be subject to high-level democratic debate about the risks vs rewards of being able to dance with your friends at a club or in front of a band, it should not be the result of a panicked response to insurance giants withdrawing from the market without warning.

16.2 Discrimination against certain genres of music

Insurers don’t want patrons dancing in front of a band in small-medium venues (as such venues struggle to afford the ruinous premiums or the big excess requirements if there is a claim).

The fastest way around this issue is to cancel bands, replacing them with an act that can play to a seated audience. So, the indie, rock and punk bands get replaced with either nothing, or a musical act that the insurers approve of, maybe a jazz trio or a string

[49] https://in-magazine.com.au/the-pain-and-perils-of-public-liability/

quartet. The obvious outcome is that diversity in musical offerings (cultural output) is reduced.

16.3 Urgent Safety Concerns

Pride runs its operations conservatively to maximise patron safety [see section 10.0 on Pride's Safety Record], and many Live E.V.s would maintain similar good practices.

However, insurers forcing ruinous premiums onto small-medium venues means somehow these venues need to desperately raise revenue and desperately slash costs and that impossible equation could foreseeably lead directly to risky behaviour such as;

- Cutting bar staff to dysfunctionally low levels;
- Cutting floor staff to dysfunctionally low levels;
- Replacing experienced managers with cheaper new hires;
- Cutting crowd controllers;
- Stretching or ignoring Responsible Service of Alcohol obligations;
- Admitting potentially unruly patrons.

The result would be a more chaotic and less safe environment, as the venues desperately try to find the huge amounts of extra money that insurers are now demanding. It is another farcical outcome borne from the actions of insurers who are supposedly concerned with risk mitigation.

16.4 Promotion of Alcohol and Gambling above Art and Entertainment

It is easier to obtain PLI if a venue just focuses on alcohol, or alcohol and gambling, instead of providing entertainment. A venue wanting insurance is therefore better off sacking all its drag artists and musicians and replacing them with a slot machine. It's an utterly contemptible and ridiculous situation; the incentives are all wrong.

In 2022, Aon advised Pride in writing that its General Entertainment (that always finished before 10pm), specifically listed as 'poetry, stand-up comedy, cabaret, live music (everything from piano players to bands), theatre (plays), musical theatre and drag queens' was a "**<u>non-palatable risk</u>**", and therefore the insurer would not be willing to renew Pride's PLI.

Therefore, to retain its PLI insurance, Pride would have to jettison the live entertainers providing this early entertainment and concentrate exclusively on the provision of alcohol, an entirely perverse outcome affecting people's health and morale, as well as culture and jobs. A dysfunctional result no sensible policymakers should tolerate.

In respect to insurers preferring gambling venues over Live E.V.s, that's probably as simple as insurers knowing the profits from slot machines would more easily cover the excess if there was a claim compared to the low margins for Live E.V.s (because our sector is paying so many human entertainers). Excess on a claim can be $50,000, most small business running Live E.V.s would probably be wiped out by the excess bill. And, of course, there would be less 'slip and falls' on a carpeted slot machine room vs a dancefloor, so the insurers would see less claims, even though the real damage to society from slot machines is well documented.

It would be a discredit to us all if we ended up with venues that could serve alcohol and venues that could provide gambling but allowed all the small-medium venues that provide live entertainment to be lost.

16.5 Employment

A small business having to find an extra $100,000 - $150,000 for an insurance bill is likely to have to;

- Cut jobs;
- Reduce staff pay;
- Cut shifts;
- Increase unpaid overtime;
- Hire less entertainers;
- Reduce performer pay.
- Rely heavily on AI.

As discussed, one of the counterintuitive outcomes of insurance market failure is that insurers deem wine bars or craft beer bars "safer" than venues with live entertainment and/or dancing. Better to just drink alcohol than to enjoy a show, according to insurers.

The local wine bar or craft beer bar might employ one, two or three people to run a shift depending on the time of the day.

But a live entertainment venue like Pride with drag artists and a dancefloor would typically employ;

- Shift Manager;

- Four bartenders;
- Door person;
- Cloak room attendant;
- Floor steward;
- Stage Manager;
- Three Drag Artists;
- Three DJs;
- Three crowd controllers.

That's 18 people employed by a small-medium Live E.V.s versus 1-3 employed by the bars that don't provide entertainment. And if we continue to lose Live E.V.s, we lose a disproportionate number of jobs.

16.6 Inability to Plan for, or invest in, future

Using Pride as an example, if insurance premiums can go from $6,270 (2020) to $43,010 (2022) to $142,890 ($157,179 including finance), what will premiums be in 2028 or 2030? Will we even get insurance? It's impossible to plan for the future, especially given the insurers do not engage in any warning or discussion, they just cancel policies or deny new policies without conversation or context. It provides Live E.V.s with no ability to budget for forthcoming years. It also makes seeking investment extremely difficult, given PLI is likely to be either denied or else charged out at an exorbitant rate, and investors would be hesitant to invest in something that was uninsurable.

16.7 Inability to trade

Venues having no PLI, either because insurers would not offer it or because the venue cannot afford the ruinous premiums, comes with severe consequences in many cases, including;

- Breach of their lease's requirement for PLI, leaving the venue constantly exposed to eviction action from their landlord;
- Inability to obtain grants, as often grants, including government grants, require PLI;
- Inability to host bigger events that request confirmation of PLI, particularly corporate events;
- Inability to enter festivals that require PLI, which many do, such as The Melbourne International Comedy Festival;

- Inability to sign alcohol supply contracts that require PLI;
- Risk of closure and bankruptcy if a patron does suffer a serious incident;
- Risk of that patron not being properly compensated as the venue has gone into bankruptcy;
- Risk of financial ruin of the owner/directors of the small business, as often they will have guaranteed the debts (no corporate veil);
- Difficulty obtaining loans as lenders may be reluctant to lend to an uninsurable operation;
- Severely reduced ability to raise capital as investors reluctant to invest in an uninsurable operation;
- Closure or sale as operating without PLI for an extended period is not financially or operationally feasible.

16.8 Stress on Management

Having no PLI coverage or having to immediately find $100,000 to $150,000 to pay the cost for a premium rise is likely to put venue owners/venue managers under extraordinary and prolonged pressure, as they are forced to manage significant operational and financial challenges caused by the actions of the insurers who provided no warning before imposing these burdens onto venues.

16.9 Consequences for wider economy

Many Live E.V.s are likely to have been built utilising;

1. Investments by individuals or groups;
2. Loans from banks;
3. Loans from small business lenders.

All the aforementioned are at extremely high risk of losing their contributions if this insurance market failure means most small-medium Live E.V.s have suddenly and without warning become essentially uninsurable. If a venue is uninsurable, it's almost impossible to operate and therefore very difficult to sell, wiping out all value which had been created.

There're risks appearing for commercial property owners too, as insurers have started de-insuring buildings that contain Live E.V.s, which means building insurance premiums will likely rise (as the next insurer is hardly going to do it cheaper in that circumstance). It also means that some commercial property may be worth less if it's not possible to have a Live E.V. as a tenant because the insurers won't provide insurance.

16.10 Venue Closures and Insolvency

Astronomical PLI can only be absorbed by the biggest Live E.V conglomerates or by the top few most successful independent venues. For most independent Live E.V.s however, astronomical PLI is simply not possible to afford.

Since 2020, venues in Australia have had to deal with;

- Closures and restrictions associated with COVID-19;
- Significant and continuous "cost of business" increases;
- Changing consumer behaviour associated with many factors, including;
    - Cost of living pressures;
    - Wellness trends;
    - Digital entertainment options;
    - Reduction in willingness to socialise post lockdowns.
- General reductions in alcohol consumption (seen across most of the world).
- Unprecedented revenue declines based on the above.

The combination of factors above (heavily increased costs exacerbated by heavily decreased revenues) meant many Live E.V.s are under severe pressure at the same time as being hit with the ruinous PLI premiums (without insurers providing warning or time to adapt).

This is not a "crisis" that may close venues, the reality is here and it is estimated that at least 30% of Live E.V.s have already been closed, sold or put up for sale. Many of those who have elected to close or sell have cited unaffordable insurance as a key reason (and the insurers have acknowledged this consequence). Specifically for this inquiry, it is estimated about ⅓ of small-to medium live music venues have closed. Most of the surviving venues are just clinging to the edge of solvency themselves, they are not thriving because so many others have closed.

As previously mentioned, some venues have tried to pay the big PLI premiums via monthly instalments but then had to stop as the cost overwhelmed them, leading them to operate without insurance or put themselves up for sale.

The evidence is clear that PLI premiums or unavailability is closing venues or otherwise putting extreme pressure on the solvency of the Live E.V.s who are attempting to pay it. ASIC and the ATO will be the most aware of the scale of the financial collapses within the sector, as venue failure remains at a historically significant rates.

16.11 What do venue closures mean for Australian cultural life?

If the small-medium Live E.V.s continue to close, it will naturally result in live entertainment becoming an activity that can only be delivered by the biggest operators (**Big Entertainment Providers**);

1. The very few remaining hyper successful independent venues;
2. Large private conglomerates;
3. Government operated or supported venues

16.11.1 Outcomes of Big Entertainment Providers

Live entertainment only being delivered by Big Entertainment Providers could have a number of foreseeable consequences, including the below.

16.11.1.2 Human Connection

Live Entertainment being the exclusive domain of Big Entertainment Providers fundamentally changes the nature of the human experience, for example if you have attended a show at the MCG, Regent Theatre, Opera House or Rod Laver Arena, can you recall the name of your server/bartender? Would they know your name? The human aspect of the experience is lost, your transaction is simply one of thousands on the night across multiple points of service, it is transactional; meaningless. Big shows are not a place to find community and meet people.

16.11.1.3 Reduction in Show Diversity (Cultural Output) and Artist Opportunity

Big Entertainment Providers naturally need to recoup significant investments in their productions, so will naturally favour established acts and show formats. So, people will continue to be able to see Taylor Swift, Lady Gaga, Phantom of the Opera, Wicked and Coldplay, but Big Entertainment Providers are not going to put on a line-up of local bands or book the local drag artists.

Local bands are raised in small-medium venues and drag artists are raised in queer nightclubs. The further loss of such venues would affect such artists directly and immediately and materially reduce the diversity across entertainment instantly.

16.11.1.4 Gentrification of Entertainment

It naturally flows that should live entertainment be unviable for small-medium venues because of the issues around PLI an it's only Big Entertainment Providers putting on show, then that will naturally cost people more, pricing some people out of the market, like they won't be able to see a local band line-up for $10 or a local drag artist for free at the local queer bar any more, all entertainment will come with a much greater cost to meet the ever growing expense of putting on shows and having them insured.

16.11.2 The further American-isation of Australian Life

There already exists a trend towards "event entertainment", so people will save for a big concert ticket but are attending small-medium Live E.V.s less. Most of the big concert acts are American.

In the meantime, between this event entertainment, people are being amused at home on digital platforms, including;

- YouTube (long form videos);
- Instagram (short form videos and photos);
- WhatsApp and Messenger (communication with friends);
- Facebook (updates about life);
- Uber Eats (ordering food to home);
- Tinder (dating);
- Netflix (tv and movies);
- YouTube Music (music);
- Amazon (online shopping).

All the listed platforms are American owned, so for much of the time, we are leaving the house to see American acts or staying at home enjoying American apps. There is no benefit in this for Australian culture, jobs, artists or business. We are instead passive receivers of American entertainment and business. It's not a healthy or sustainable way to run a society. We need to retain local venues.

16.11.3 Decline in neighbourhood value

If small-medium venues are priced out of the market due to the insurers, their neighbourhoods lose value.

Our home of Footscray has some great restaurants and cool little bars. A typical Saturday night out in Footscray might be dinner at one of the Vietnamese restaurants, then a few beverages at one of the cool bars, then finishing the night by dancing it all off at Pride whilst seeing some drag shows on the stage. The cool bars close by 1am, and Pride is open till 3am. If Pride also fell victim to this insurance market failure, the only venues open past 1am in the area would be The Courthouse Hotel (gambling till 4am), The Powell Hotel (gambling till 4am) and The Palms (gambling till 3am). This outcome does not improve our neighbourhood in any way, it's a heartbreaking thought, all dancing, drag and joy replaced by slot machines. This scenario would play out in activity centres all around Australia (and is already playing out). Suburbs aren't going to increase in value because they're cool and edgy if all they've got after 1am is slot machines and Keno.

16.11.4 Events going underground

If the small-medium Live E.V.s which are licensed and supervised by the state/territory liquor licensing continue to close in such numbers, it is clearly foreseeable that events will go underground with no supervision. People will still get together for electronic dance music or to see bands, it's just that these events would have to be "off the grid", with no regulation or oversight in place. Such a situation would be even worse for bands, which need more equipment to play. What's needed is licensed, supervised venues which are properly insured.

Whilst there are many downsides to live entertainment venues closing due to the insurance market failure being encountered, we are not aware of any specific upsides, other than a potential reduction in "slip and fall" cases.

17.0 The Devil's Advocate – Why would the insurers leave the market en masse?

Insurers are data driven, they must very precisely factor in risk, it is not easy, they are not institutionally stupid.

So why would they all choose to leave the market at the same time? They all wouldn't make the same mistake by chance, there must be an evidence-based reason, though the insurers have rarely shared strategic data with anyone.

The lack of disclosure from insurers across many inquiries invites speculation as to their motives. It's almost impossible that all of them lost money on insuring live entertainment venues, all at the same time, leading to all insurers leaving the industry with coincidentally timing. It must be something else.

Possible reasons the insurers stopped providing PLI

It's possible that the profit margin on PLI for live entertainment venues is low compared to other types of insurance, so whilst the insurers might not be losing money, just being involved in this sector may be a drag on their margins, so they are exiting to focus on higher margin products.

It's also possible that insurers believe that small-medium Live E.V.s (run by small businesses) would not have the $50 thousand excess required to pay the insurer in the event of a serious claim. The insurers protect themselves by making the Live E.V.s pay a large excess before they take care of anything after that. However, in this economy, they may understand that many small businesses do not have anywhere close to the $50 thousand needed in the bank in the event of a claim. So rather than get stuck out of pocket, it's simpler just to leave the sector. And obviously just easier to do that without telling anyone.

18.0 Possible Solutions to PLI Market Failure

As this submission has detailed, live entertainment venues are confronting total failure in the insurance market, at this stage all on their own, completely unqualified to challenge these opaque corporate behemoths. Even the live music industry bodies have been forced into thinking about alternative insurance market structures, which is just ridiculous, alternatives should have been forthcoming from the insurance industry, instead of the haphazard market withdrawal we have witnessed.

Practically no insurers are offering realistic public liability insurance to Live E.V.s. Prior to COVID-19, Pride's broker asked for PLI from 14 insurers and they all said no. And more recently, Pride's broker asked 19 insurers and 18 said no, with one quote being received, a quote for $142,890 (or $157,179 after finance), equivalent to approximately 13% of the Company's entire annual revenue. PLI has gone from a manageable overhead to a bill far bigger than the annual rent of the building. It has completely changed the viability of Live E.V.s and venues have been closing all around the country as a result. And the Insurance Council of Australia acknowledges this.

We are grateful for the committee's inquiry here, as genuine solutions need to be deciphered urgently. The reason this has been left to this inquiry, is that insurers did not forewarn the sector or the government about what they were doing, i.e. putting up premiums 10-fold or just walking away, they just did it. There must be consequences for such reckless and damaging corporate behaviour, particularly given their market power. One consequence is that the insurance industry may have to help fund any solution to their actions.

Given insurers are dealing in an essential service, their conduct has been breathtakingly irresponsible and should be officially condemned. It's the equivalent of the water or electricity companies deciding to decline supply or put the rates up 10-fold, without any warning or discussion. The behaviour illustrates a complete disregard for the Live E.V.s that work so hard to actually improve people's lives each week (adding to the value of their neighbourhoods and offering opportunities for performers) and contradicts government efforts to turnaround their night-time economies. Solutions need to be found, Live E.V.s need PLI to operate and they want to be responsible operators, both in respect to patron safety and in relation to financial solvency.

These ruinous premiums (the PLI for one Live E.V. went from $32,000 annually to $220,000) are also siphoning funds from workers and artists in a famously low margin industry, directly to insurers who in financial year 2025 made billions of dollars in profit in Australia alone. And much of this money ends up offshore.

Most venues run by small businesses have little prospect of being able to afford these astronomical premiums, even in the short term, so many are going uninsured, which means if a serious incident happened, the venue would likely go bankrupt, and the relevant patron wouldn't be compensated. Everyone is exposed, except the insurance companies, who have taken their money and fled the scene.

Urgent solutions must be found to keep Live E.V.s going in the short-term and to ensure they are sustainably able to access PLI going forward. There are always many possible solutions to a problem and here those could include the following.

18.1 - Compel insurers via legislation to provide public liability insurance

If insurers want a social licence to operate in Australia and benefit from selling highly profitable home and vehicle insurance to Australians, then perhaps they must also be compelled to provide PLI insurance to Australian Live E.V.s, and they could be made to provide that insurance at an affordable rate commensurate with the venue's purpose, record and liquor licence capacity, as obviously a small venue of 200 capacity will never be able to afford $157,179 for insurance over the course of a year, particularly if it's paying artists all the time, and not just open for alcohol or gambling.

18.2 – Liquor Licence Buy-Back Scheme

Many venues with late night licences (i.e. past midnight/1am) are not being offered the PLI, which they need to trade. Late night licences are only awarded to venues after approvals from local council, local police, state/territory liquor licensing authorities and the public (via public objection periods). The system of issuing licences is extremely sophisticated, and the state/territory liquor licensing authorities do regular unannounced inspections to ensure compliance. Venues must also remain in compliance with their underlying permits issued by the relevant local council. Once the liquor licences are issued, the licence holders and supporting partners including banks and small business lenders then invest in building a great venue. All these investments are lost should the venue developed then be suddenly deemed uninsurable.

Insurers are effectively making a mockery of Australia's liquor licensing regime by now suddenly, and without warning or discussion, declaring the venues operating under those licences to be uninsurable (through denial of PLI or through mathematically impossible premium quotes), instantly putting their viability and ability to operate in peril.

Based on this dichotomy (society and system says yes but insurer says no), one solution may be a buy-back of liquor licences that have effectively been deemed uninsurable. And given who is at fault here, and given insurers did not provide any warning, grace period or discussion before subjecting licence holders to this catastrophic situation, then all or some of the funding could be put onto the insurance sector by way of a levy to ensure "uninsurable" Live E.V.s can exit the sector as part of a dignified shut-down process. As it stands, insurance market failure has effectively blown up the sector and its been left to everyone else to pick up the pieces. It's patently not good enough. At least a buy-back would partly compensate the lenders after insurers arbitrarily put their investments at massive risk.

18.3 - Immediate temporary emergency grants (funding bridge to solution)

If government ultimately believes that a solution can be found in the short-medium term, then potentially an emergency grant scheme could be established to allow for affected Live E.V.s to be covered with PLI until the relevant solution is operational. For instance, Pride's insurance has gone from $6,230 in 2020 to $157,179 now (including financing). The difference is roughly $150,000, so maybe the temporary grant covers the $150,000, and it's shared between the relevant stakeholders, i.e. the venue, the federal government, the state government and the insurance industry (via a levy) split the bill four ways, until order and choice is returned to the PLI market or until some other scheme is operational.

18.4 - Government to establish a statutory PLI scheme for Live E.V.s

It would be open for the government to set up a statutory scheme federally for all Live E.V.s, in the same way there are statutory insurance schemes already in place at different levels of government, for instance;

- Traffic accident insurance;
- Employee Insurance;
- National Disability Insurance Scheme.
- Terrorism and Cyclones.

There are plenty of precedents for statutory schemes that are effective and affordable. And a statutory scheme covering culturally significant Live E.V.s that pay artists (as opposed to venues that just exist to serve liquor or gambling) should have good prospects of covering its costs, given serious claims are not common.

One example of relevance to this inquiry is that New Zealand has a statutory, no-fault injury insurance scheme called the Accident Compensation Corporation (ACC).

ACC is a compulsory, government-run statutory insurance scheme that covers personal injury for everyone in New Zealand — residents, workers, visitors, and tourists. It was established under the Accident Compensation Act and has operated since the 1970s.

If you're injured in an accident (workplace, sporting, recreational, public place, medical treatment injury, etc.), ACC pays for:

- medical treatment;
- rehabilitation;
- income replacement;
- long-term support if required.

In exchange:

- You generally cannot sue for personal injury damages; and
- Lawsuits for pain and suffering are largely removed from the system.

This is the core social contract of the ACC. Such a scheme could be set up in Australia that protects patrons where the relevant injury took place in a Live E.V. protected under the scheme.

A statutory scheme run federally would enable some certainty to return to the sector, providing opportunities for investment again. At the moment, investment is so uncertain given a venue could be ruled uninsurable at any time or otherwise face bankruptcy-inducing premium rises. The sector can’t wait on the return of the insurers, but nor do the insurers deserve to be able to come back in and take more money from the sector having just abandoned it for dead whilst the industry was at its most vulnerable (post COVID-19).

18.5 - Government to establish a statutory PLI scheme (open only to Live E.V.s deemed uninsurable)

As in section 18.4 above, government could introduce a statutory scheme, but one only open to Live E.V.s (under a range of qualifying criteria) that the private market has effectively deemed uninsurable, and that might be because;

- The Live E.V. has been denied PLI from all relevant insurers; or
- The Live E.V. has been offered PLI but the premium is not mathematically possible to pay, based on a criteria related to their liquor licence.

18.6 - Discretionary Mutual Fund (‘DMF’)

The Australian Live Music Business Council has previously proposed investigating a Discretionary Mutual Fund as a possible solution. This model has a proven track record in Australia. Essentially, Live E.V.s would pool their premiums into a Mutual Fund rather than paying a commercial insurer. The Mutual covers claims up to a certain level from the pool. It purchases "stop-loss" reinsurance for catastrophic claims above that. The Board (comprising industry members) has the "discretion" to pay claims. This allows the Mutual to reject technical or frivolous claims that commercial insurers might settle purely for economic expediency, thus protecting the pool's capital.

Precedent: The Statewide Mutual Model

Statewide Mutual in NSW is the accepted standard. Created in 1993 when local councils were deemed "uninsurable," it now covers 115 councils. It stabilised costs by pooling risk and, crucially, enforcing strict risk management standards among members.

Comparison: Like local councils, live music venues are all different but face similar liability risks. A Live Entertainment Venue DMF could replicate the Statewide success by enforcing risk accreditation (e.g., standardising security and risk minimisation protocols) as a condition of entry.

Capitalisation.: A DMF needs significant startup capital (approx. $5m - $10m) to satisfy regulators (ASIC/APRA) and purchase the initial reinsurance layer.

Recommendation: The Federal Government could provide a seed capital grant or loan guarantee to capitalise the Live Entertainment Venue DMF, conditional on the industry adopting rigorous risk management protocols. Some of these funds could be raised via a levy on insurers.

18.7 - Federal Reinsurance Pool

If a Discretionary Mutual Fund is not supported, the Government could expand the mandate of the Australian Reinsurance Pool Corporation (ARPC).

The ARPC Model:

Currently, the ARPC manages a $10 billion guarantee for Terrorism and Cyclone risks. These were sectors deemed “market failures” where the private sector fled.

Proposal: Expand the ARPC remit to include “Public Liability Insurance for Live E.V.s (or Cultural Infrastructure more broadly).”

Mechanism: Commercial insurers would still write the policies, but the Federal Government (via ARPC) would reinsure the “catastrophic tail” (e.g., claims over $5 million).

Rationale: This structure removes the “uncertainty loading” for insurers. Knowing the government backs the mega-claims allows insurers to reduce premiums for the working-layer claims.

Precedent: The Medical Indemnity crisis of 2002 was solved effectively via the High Cost Claims Scheme, where the government subsidised claims over a certain threshold to keep doctors insured. This is a proven model.

18.8 – The Footloose Option (Ban but Compensate)

Given the data-driven insurance companies have decided that dancing is a "non-palatable" risk, it may be best if the government places a nationwide ban on dancing, and we can all rest peacefully in the knowledge that "slip and fall" incidents on dancefloors will be a thing of the past. People may be sad and depressed without dancing but there's a pill for that, and they won't have a dancefloor related ankle sprain, and that's the main thing here. For the venues that have relied on dancefloors for their income, it is suggested they be compensated as part of the ban, to help them pivot to different options and to help offset the investment in the dancefloor and supporting infrastructure like lights and fog machines. A levy could go on the insurance industry to help pay for the compensation given it was their reckless withdrawal from the market that has caused the sector so many challenges.

18.9 - Make people accept some responsibility and sign waivers before dancing

When undertaking inherently risky activities like skydiving or bungee jumping, participants usually sign a waiver first, which recognises the risk involved and tries to limit actions that can be taken should something unexpected happen.

It may be that similar waivers need to be signed before people enter a nightclub or live music event if insurers are insistent that dancefloors are uninsurable. A "dance at your own risk" sign would be more popular and more effective than "no dancing whilst drinking" or "no drinks on the dancefloor". And the "dance at your own risk" message would spread very quickly, as it would be quite shocking news to people, and so very few people could later claim they went dancing and got hurt after not understanding there was some risk involved. So, in those circumstances, the range of actions they can take is narrower as they were aware there was some risk.

19.0 PRIDE'S RECOMMENDED SOLUTION

It is Pride's contention that "**increases in insurance premiums are ruining the whole social fabric of communities**".

If that contention sounds familiar, it's because that's what the Country Women's Association of Victoria told a parliamentary inquiry when public liability insurance was causing chaos back in 2002. This is a recurrence of an old issue and this time we must sort it out, because the Country Women were impressively prescient back then.

A full list of what Pride is asking the committee to recommend is found in section 3.0, however Pride believes that the key solution, having considered all the possible solutions here, and after all it has been through, and after considering the volume of research and reporting on the issue, is Possible Solution 4 (see 18.4), a statutory scheme implemented by government akin to road accident insurance, open to all Live E.V.s under certain rules and minimum standards, as there is little value in trying to bring back the private market, it has failed, and it is not interested in returning. The premiums charged under such a scheme should still be sufficient to cover the associated costs; the government should not be out of pocket. The government can review the scheme each year for effectiveness and if it does end up costing money (or too much money), then the conversation can then turn to whether live entertainment venues should indeed be allowed to exist. Maybe we would all be better off on Instagram anyway.

WE THANK YOU WITH PRIDE.