



Tasmanian Council of Social Service Inc.

TasInsure Discussion Paper and Preliminary Draft Bill

January 2026



INTEGRITY
COMPASSION
INFLUENCE

About TasCOSS

TasCOSS' vision is for one Tasmania, free of poverty and inequality where everyone has the same opportunity. Our mission is two-fold: to act as the peak body for the community services industry in Tasmania; and to challenge and change the systems, attitudes and behaviours that create poverty, inequality and exclusion.

Our membership includes individuals and organisations active in the provision of community services to Tasmanians on low incomes or living in vulnerable circumstances. TasCOSS represents the interests of our members and their service users to government, regulators, the media and the public. Through our advocacy and policy development, we draw attention to the causes of poverty and disadvantage, and promote the adoption of effective solutions to address these issues.

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Introduction

TasCOSS welcomes this opportunity to make a submission in response to the *TasInsure Discussion Paper and Preliminary Draft Bill* ('the Discussion Paper' and 'Draft Bill').

TasCOSS supports the primary objective of *TasInsure*, which is to respond to escalating insurance costs faced by Tasmanian families, small businesses and community groups.¹

Since 2020, the insurance CPI for Hobart has **risen by 47%**. This is more than **double** the rate of Hobart CPI (22.8%) over the same period, and **triple** the rate of community services industry indexation (16%).²

TasCOSS agrees with the Discussion Paper that insurance is a key part of financial resilience for households, businesses and community groups, and that if premiums are too high, under-insurance or insurance avoidance increases financial vulnerability.³

To ensure *TasInsure* will deliver affordable insurance products for Tasmanian households and the community services industry, this submission raises a number of issues to address relating to key policy architecture matters in the Discussion Paper and Draft Bill.

TasCOSS looks forward to working with government to address the challenges we have outlined and encourages engagement with the *Tasmanian Coalition of Community Service Peaks*⁴ to ensure the design and implementation of *TasInsure* benefits both the community services industry and broader Tasmanian community.

¹ Tasmanian Government (2025), *TasInsure for Tasmania*, Discussion Paper, p. 2.

² Australian Bureau of Statistics (2025), [Consumer Price Index, Australia](#), September quarter, accessed 23 December 2025 & Tasmanian Government (2025), [2025/26 Tasmanian Budget](#).

³ Tasmanian Government (2025), *TasInsure for Tasmania*, Discussion Paper, p. 3.

⁴ [Tasmanian Coalition of Community Service Peaks](#)

Key Policy Architecture

Individual experiences in relation to rising insurance premiums and the associated impacts on households, businesses, or events

The rising cost of insurance premiums has far outstripped both CPI and the indexation community services organisations receive to account for rising costs on their service delivery contracts.

Any increase in insurance costs, without a corresponding increase in revenue, means a reduction in services and supports that an organisation can deliver.

TasCOSS has heard from its members and networks that insurance is continuing to become more expensive and there are areas of service delivery that are unable to secure insurance cover.

TasCOSS has heard from our member organisations, and Tasmanian households, that the rising cost of insurance is creating conditions where many are left being either underinsured or uninsured. This is particularly acute in rural and regional areas, where TasCOSS is aware that premiums have become so unaffordable that many Tasmanians are unable to insure at all.

TasCOSS has also heard from its members, and community services industry organisations, that an outcome from both the *Royal Commission into Institutional Responses to Child Sexual Abuse* and the *Commission of Inquiry into the Tasmanian Government's Response to Child Sexual Abuse in Institutional Settings* ('Commission of Inquiry'), is that the insurance market is failing to provide appropriate, affordable product offerings to cover Tasmanian organisations working with children and young people.

A consequence of the Commission of Inquiry is that there are very few providers of insurance that offer cover for child sexual abuse and physical and sexual abuse (PSA). The result of unaffordable or unavailable PSA insurance is community organisations cancelling working with children, or refusing to allow children access to their community venues.

TasCOSS has already raised this issue directly with government members and administrators, together with industry concerns regarding rising insurance premiums and the cost of additional insurance products as a result of the Commission of Inquiry findings.

Sectors, regions or activities where insurance affordability or availability is currently constrained (or withdrawn)

Community services organisations, like other businesses in Tasmania, have experienced significant increases in insurance premiums over the past five years.

While some industries and sectors, such as tourism and hospitality, have benefited from state government grants to help offset the cost of insurance premiums⁵, this support has not extended to community services organisations.

Compounding the affordability problem for community services organisations is the Tasmanian Government's indexation policy that is currently set at 3%, below CPI and insurance inflation. As described above, since the COVID-19 pandemic insurance inflation is running at about three-times that of industry indexation.

Post-Commission of Inquiry insurance premiums for community services organisations have either skyrocketed, or necessary coverage such as PSA is being separated from public liability cover and requiring additional insurance products to maintain appropriate cover.

Views in relation to the proposed model, framework or structure of TasInsure, including considerations around scope, mandate and product offering

TasCOSS agrees with the Discussion Paper that insurance premiums rising due to national and international risk profiles that do not reflect Tasmania's actual risk exposure, pose a significant risk to household budgets and business conditions.⁶

The proposed *TasInsure* model — to operate in a way that is disconnected from the risk profiles of other jurisdictions⁷ — is a prudent approach, as it protects Tasmanian customers from paying a premium for mainland disaster risks.

However, Tasmania is not immune from its own climate and severe weather risks, and there must be assurance that *TasInsure* has appropriate and sufficient reserves to underwrite this risk.

Additionally, where new risk exposures emerge that are specific to Tasmania — such as the outcomes of the Commission of Inquiry which have created a range of insurance, coverage and

⁵ [Hospitality Business Boost Grant Program](#).

⁶ Tasmanian Government (2025), *TasInsure for Tasmania*, Discussion Paper, p. 2.

⁷ Ibid.

affordability issues for the community services industry — the Tasmanian Government must intervene to ensure the Tasmanian community is protected.

A key feature of *TasInsure* is ‘Expanded Coverage’ — providing a Tasmania-focussed insurance solution to reduce loss of coverage or under-insurance in industries and sectors where premiums have become unaffordable or risk coverage unavailable.⁸

TasCOSS has described above of the difficulty for community services organisations to access PSA cover following the findings of the Commission of Inquiry. This must be a priority area for *TasInsure* to address, ensuring community service organisations have access to affordable insurance products that enable them to continue to deliver their services and supports to all Tasmanians in need.

The design and components of the implementation plan including phasing-in arrangements, prioritisation of product offerings and target customers and groups

Customer Groups

The Discussion Paper and Draft Bill state that *TasInsure* will seek to deliver affordable insurance products for community groups, including public liability, but neither document defines what community groups are, the scope of public liability, or whether *TasInsure* will explicitly offer this coverage.

There are a number of community services organisations, not-for-profits and charities that require insurance products, but from the descriptions in the Discussion Paper and Draft Bill, it is unclear whether *TasInsure* product offerings will be available to them, or whether the intention is to exclude them from accessing *TasInsure* products.

The inclusion of ‘community groups’ and ‘event insurance’ in the product scope is welcome for the community services industry in Tasmania. Many of our members have been forced to cancel essential fundraising events or community programs because public liability quotes have tripled or been withdrawn entirely.

However, it remains unknown from the Discussion Paper or Draft Bill whether these organisations will be eligible to access *TasInsure*, or if its product offerings will address this need.

⁸ Ibid.

Recommendation:

***TasInsure* product offerings are made available to the following categories of community groups, organisations and enterprises:**

- **Small and medium-sized enterprises and non-government organisations delivering services to the community.**
- **Charities and not-for-profit societies, associations or clubs.**
- **Community groups and incorporated bodies.**

Product Offerings

The Discussion Paper does not reference the Commission of Inquiry and while the Draft Bill covers community insurance including public liability insurance, a glaring omission is that there is no product offering for PSA liability, which is critical to the community services industry to ensure it can deliver services and support to vulnerable and young Tasmanians.

Most community organisations are required by Tasmanian Government funding deeds to hold specific insurance covering PSA. The private insurance market has largely failed in this specific area — either withdrawing the product entirely, bundling it with other insurance products for purchase, or pricing it at inflated rates that community services organisations cannot afford.

While the Discussion Paper and Draft Bill list ‘public liability’ insurance, it is not specified whether this incorporates, or excludes, PSA coverage.

Public liability policies generally exclude abuse claims. If *TasInsure* does not explicitly offer PSA coverage, it will fail in its key objective — a Tasmania-focussed insurance solution to reduce loss of coverage or under-insurance in industries and sectors where premiums have become unaffordable or risk coverage unavailable.⁹

A *TasInsure* company that offers cheaper building insurance will be of little benefit to an organisation that has to close its doors because it cannot secure the PSA coverage required to hold its government contract or meet its obligations to the community.

This is an issue impacting community organisations across the country and has resulted in strategic planning at a national level. An Interjurisdictional Working Group (IJWG) has been established and it engaged Finity Consulting to review issues with PSA at a national level and to identify potential long-term solutions.

⁹ Ibid.

Finity Consulting identified and explored several potential solutions to the issue and ultimately recommended state or territory insurance/indemnity as the preferred solution.¹⁰ Ensuring *TasInsure* product offerings adequately support community services organisations for PSA cover and mitigating future risk will align with the findings and work of the IJWG.

Recommendation:

***TasInsure* product offerings include public liability policies that cover child sexual abuse and physical and sexual abuse (PSA).**

Other proposals, programs or policies that may deliver improved insurance outcomes for Tasmanians (including resilience building opportunities)

Around 21% of the price of insurance premiums are state and federal government levies. This includes a 10% state government insurance duty, which is effectively 11% because it is applied to the premium inclusive of 10% GST.

The Tasmanian Government could choose to remove the 10% insurance (stamp) duty, instantly cutting the price of premiums, and without the expense and complexity of establishing a new government business and related policy architecture.

Recommendation:

The Tasmanian Government considers removing the 10% insurance duty, instantly cutting the price of premiums.

TasCOSS notes the Premier's statement in the media release announcing the *TasInsure* consultation, that "*TasInsure is proposed to save Tasmanian households \$250 and small businesses thousands per year*".¹¹ These figures do not appear in the discussion document however, and there is no indication as to how they have been calculated.

The establishment of a state-owned entity is one rationale offered in the Discussion Paper for keeping premiums low, however, Government ownership of an entity does not guarantee lower prices for consumers.

This is evidenced in the energy industry, where the state government owns generation, network and retail businesses in the Tasmanian energy market but does not offer the lowest energy prices in the country. The OTTER price comparison report shows that despite state

¹⁰ [NGO physical and sexual abuse insurance: Interjurisdictional Working Group \(IJWG\)](#), accessed 9 January 2026.

¹¹ Hon Jeremy Rockliff MP (2025), *Progressing TasInsure: Cheaper. Fairer. Ours*, Media Release, Tasmanian Government, 14 November 2025.

government-owned businesses being monopoly (TasNetworks) or dominant market players (Hydro and Aurora), there are lower electricity prices available in other mainland jurisdictions than in Tasmania.¹²

The ownership structure of an enterprise is less important in delivering lower prices than the regulatory and competitive environment that the business is operating in. TasCOSS welcomes measures that deliver household and business insurance savings and is interested to better understand the assumptions, modelling or costings underpinning the Government's proposal.

Opportunities to leverage existing Tasmanian frameworks and models to deliver improved insurance outcomes (for example, coordination with the MAIB)

TasCOSS notes the Discussion Paper references leveraging the MAIB model and structure. While MAIB is excellent at providing defined statutory benefits to people injured in motor vehicle accidents and has a strong balance sheet, it is not a business experienced in the complex, 'long-tail' liability of PSA claims. This gap in expertise and product scope must be addressed in the development and establishment of *TasInsure*.

TasCOSS understands that the Victorian Government provides insurance coverage for some organisations it funds, such as Personal Accident, Professional Indemnity, Volunteer and Care Giver Property Damage, and Public and Product Liability.

The Tasmanian Government should consider offering insurance coverage in its community organisation contracts that it could underwrite through the Tasmanian Risk Management Fund (that insures state government departments and other entities). This would remove insurance costs and risks for community organisations, ensuring vital core funding is available to deliver essential community services and supports.

Recommendation:

The Tasmanian Government undertakes an assessment of insurance models in other jurisdictions for underwriting community organisations, including the potential to leverage the Tasmanian Risk Management Fund.

¹² Tasmanian Economic Regulator (2025), [Comparison of Electricity and Gas Prices Available to Small Customer in Australia](#), Office of the Tasmanian Economic Regulator, p. 4, 5, 7, 8, 10, 11, 13, 14.

Conclusion

Community services industry organisations are being challenged by both excessive increases in insurance premiums, limited product offerings and higher exposure to risk.

The *TasInsure* Discussion Paper has a necessary focus on ‘affordability,’ as the rising cost of insurance premiums has far outstripped CPI and indexation. Any increase in insurance costs is an operational expense that must be met out of core funding, further reducing the resources available for service delivery and frontline support for Tasmanians.

There must also be product offerings that meet the needs of Tasmanian industry, including the community services industry.

A key issue making insurance more expensive and riskier for community services organisations, is the impact of the Commission of Inquiry findings and recommendations. There are very few providers of insurance to cover child sexual abuse. This is resulting in excessive and unaffordable insurance premiums and organisations cancelling or declining working with children.

The current *TasInsure* proposal is lacking specific, high-complexity coverage types — specifically abuse liability — that are threatening the sustainability and service offerings of our member organisations.

If *TasInsure* is to be a true Tasmanian-based insurer that is responsive to Tasmanian conditions, it must provide the products the private market in Tasmania has abandoned, not just cheaper versions of the products that are already available.

Summary of Recommendations

1. ***TasInsure* product offerings are made available to the following categories of community groups, organisations and enterprises:**
 - Small and medium-sized enterprises and non-government organisations delivering services to the community.
 - Charities and not-for-profit societies, associations or clubs.
 - Community groups and incorporated bodies.
2. ***TasInsure* product offerings include public liability policies that cover child sexual abuse and physical and sexual abuse (PSA).**
3. **The Tasmanian Government considers removing stamp duty on insurance premiums, reducing them by 10%.**
4. **The Tasmanian Government undertakes an assessment of insurance models in other jurisdictions for underwriting community organisations, including the potential to leverage the Tasmanian Risk Management Fund.**