



## Minister for Sport and Recreation

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To the Sport and Recreation Sector

### **PUBLIC LIABILITY INSURANCE AND RISK MANAGEMENT INITIATIVES**

Recent community consultations undertaken as part of the Government's Sport and Recreation strategy development have indicated that:

- public liability insurance continues to concern many organisations, and
- there is a general lack of awareness of legislative reforms that have been undertaken by Government to provide better access to insurance.

In recognition of this, the Government, under the leadership of the Premier and the Honourable John Lenders MP, Minister for Finance, is continuing to implement initiatives to make public liability insurance arrangements more manageable.

I am writing to you to outline the Government's response to public liability insurance and risk management issues and highlight initiatives that are particularly relevant to sport and recreation organisations.

### **Legislative Reforms**

The Victorian Government has introduced a series of legislative amendments since October 2002 to improve the availability and affordability of insurance in general and public liability insurance in particular. This has included tort law reform, which has been based on striking a reasonable balance between providing adequate compensation and affordable insurance. Legislation was passed in Parliament in 2003 capturing the existing common law of negligence in statute. This provides greater certainty for courts, plaintiffs, legal advisers and insurers. In addition, legislation now provides a threshold for general damages. The introduction of this threshold has reduced the frequency of claims, particularly small claims. As a result, the reforms have created a platform for more stability and certainty in insurance markets, including those involved in sport and recreation, to enable access to adequate insurance coverage.

The Victorian Government is gathering data to monitor and assess the impact of these reforms. The Department of Treasury and Finance has established a consultation process with peak body groups including VicSport and the Outdoor Recreation Centre to inform Government of sport and recreation organisations' experiences with tort law reform.

As part of the reform evaluation process, Our Community recently undertook a survey of community organisations. A similar survey is being developed for sport and recreation organisations on a national basis.

### **Volunteer Protection**

One of the most important Government insurance initiatives was to introduce legislation protecting volunteers from the risk of being personally sued. This took effect on 15 March 2003. The legislation recognises volunteers as the lifeblood of the community sector, including sport and recreation organisations, by providing them with legal safeguards.

The legislation defines a volunteer as an individual who provides a service in relation to community work (which includes sport and recreation) on a voluntary basis. A volunteer acting for an incorporated community organisation cannot be held liable in any civil proceeding for anything done, or not done, in good faith while providing a service in relation to community work organised by a community organisation. Instead the community organisation will be liable to pay the compensation.

The protection offered by the legislation only applies where the volunteer acts within the scope of their allocated task. The protection will not apply where the volunteer's ability to carry out the work properly was significantly impaired by drugs or alcohol and in respect of any claim to recover damages for defamation.

This important legislation means that volunteers who are acting responsibly within organised sport and recreation can play their important roles without concerns about being personally sued. However, I would suggest obtaining independent legal advice to discuss the effects the legislation will have on your organisation.

### **Sport and Recreation Risk Management**

In response to insurance-related issues impacting on the sport and recreation industry, the Government has committed \$400,000 over four years to assist sport and recreation organisations address risk management issues.

The focus on risk management is a response to research findings identifying enhanced sports risk management processes as the best investment sports can undertake to reduce their premiums. VicSport was funded to deliver risk management information resources and an associated training program to State Sporting Associations and Regional Sports Assemblies (the training is now completed).

Funding has also been provided to the University of Ballarat to enable the development of a new risk management process for sport to be trialled and implemented in 2005/06 and 2006/07.

### **Injury Prevention**

The Sports Injury Surveillance and Database System for Victorian Community Sport aims to provide data necessary to systematically reduce sports injuries at the community level.

The Sports Ground Conditions Study and the Development of User Safety Guidelines will facilitate improved systems for ground condition checks undertaken by sports officials and ground managers, with a particular focus on community sport. This project is due for completion in December 2006.

## **Activity Standards**

Sport and Recreation Victoria (SRV) and other Victorian Government Agencies previously funded the Outdoor Recreation Centre to develop Adventure Activity Standards (AAS). AAS have contributed to the re-entry of several insurers to the outdoor recreation and adventure tourism market.

If you would like more information on these issues please contact David Hobbs at SRV on 9208 3490 or at [david.hobbs@sport.vic.gov.au](mailto:david.hobbs@sport.vic.gov.au).

**JUSTIN MADDEN MLC**  
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