

Shamier, Clare

From: Louise Mitchell [louisem@volunteeringaustralia.org]
Sent: Thursday, 16 February 2006 3:20 PM
To: Adjudication
Subject: VA Letter - ACCC Community Care Underwriting Agency Feb 2006
Attachments: VA Letter - ACCC Community Care Underwriting Agency Feb 2006.doc

To the General Manager,

Please find attached a letter from Sha Cordingley, CEO of Volunteering Australia, in response to the Community Care Underwriting Agency applications for revocation and substitution A90997 and A90998.

If you would like to discuss any aspect of the letter, please don't hesitate to be in touch.

Kind regards,

Louise Mitchell

Louise Mitchell
 Policy Officer

Volunteering Australia
 Suite 2 Level 3, 11 Queens Road
 Melbourne 3004

[t] 61 3 9820 4100
 [f] 61 3 9820 1206
 [e] louisem@volunteeringaustralia.org
 [w] www.volunteeringaustralia.org

Publishers of the Australian Journal on Volunteering

16/2/06 **DISCLAIMER** ~~This e-mail and all attachments contain confidential information intended only for the person named above.~~ If you have received this e-mail in error please contact the sender by reply e-mail and then delete the e-mail and any attachments. Any views expressed herein are that of the author and not necessarily of Volunteering Australia Inc.

Volunteering Australia Inc does not warrant the material contained in this message is free from computer virus or defect. Loss or damage incurred in use is not the responsibility of Volunteering Australia Inc.

16/02/2006



2 February 2006

The General Manager
Adjudication Branch
Australian Competition and Consumer Commission
PO Box 1199
Dickson, ACT 2062

Dear General Manager,

Re: Community Care Underwriting Agency's applications for revocation and substitution A90997 & A90998.

Thank you for the opportunity to participate in the consultation process. Volunteering Australia is pleased to be able to contribute.

As the Australian Competition and Consumer Commission (ACCC) is no doubt aware, the Community Care Underwriting Agency's (CCUA) application for revocation and substitution occurs in a very different climate to that in which the agency came about. Four years ago Volunteering Australia was increasingly confronted with the reality of not for profit organisations scaling back and canceling community activities due to the expense or unavailability of public liability insurance. This of course came at a great cost to Australian communities. It is apparent, however, since the tort law reforms earlier this decade (heralded as the solution to the insurance 'crisis'), that the public liability insurance market has once again become attractive to insurers. Information from the ACCC indicates that 42 insurers currently offer public liability insurance. Further to this, the proposed amendment to the current arrangement, that would allow CCUA members to compete against the CCUA itself, is an indication that this market is a more attractive one to insurers.

Volunteering Australia believes that for the CCUA to continue its operations, certain public benefits should be sufficiently evident to outweigh concerns that CCUA members will continue to enjoy the market share generated by the joint agreement, despite competition opening up in the market. These benefits should include:

- That the pool arrangement administered by the CCUA provides the most affordable insurance to not for profit organisations fitting the eligibility criteria; and

- That the CCUA offers insurance to organisations likely to be otherwise declined by other insurers.

Volunteering Australia does not have access to information to determine whether the CCUA is delivering the above benefits. We would urge the ACCC to further open to scrutiny the operation of insurers in the public liability market in order that the not for profit sector can inform itself of the benefits and costs of various products.

We would also encourage investment in the production of free information about risk management, legal requirements and insurance products. This information should be clear and unbiased toward commercial interests. A lack of certainty in not for profit organisations in these areas is a source of concern for the not for profit sector, and undermines the capacity of the sector to deliver the best outcomes possible.

If Volunteering Australia can provide any further information on this or any other matters, please do not hesitate to be in touch.

Sincerely

A handwritten signature in black ink, appearing to read 'Sha Cordingley', followed by a small dash.

Sha Cordingley
Chief Executive Officer
Volunteering Australia