Australian Government

Creative Australia

Music Festival Insurance Study:

A summary by Creative Australia

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Executive summary

In mid-2024, Creative Australia together with Music Australia were approached by music-industry consultancy FEAT., in collaboration with Bloom Insurance, to examine the drivers of increased insurance premiums on the music industry and conduct a feasibility study on a discretionary mutual insurance model. Commissioned in September 2024, the scope was limited to an initial exploratory study, with a focus on music festivals in this first stage.

This work was conducted against the backdrop of significant concern and discussion about the impact of rising insurance premiums on Australia's music festivals. In 2024, Creative Australia published *Soundcheck: Insights into Australia's music festival* and *Soundcheck Two: Analysis of Australian music festival models and operations*, both of which identified rising operational costs and the increasing price of insurance as barriers to running a music festival. The Australian Government also considered the question of insurance in its Parliamentary inquiry into live music in 2024–25, recommending a study into the viability of a mutual insurance model in its final report.

FEAT. and Bloom Insurance submitted their final report to Creative Australia in July 2025. This summary lifts key insights from that report, and from the research process, for sharing with government and industry stakeholders.

Key insights

Data was collected from 74 festivals, with a clear majority of those festivals being not-for-profit. Due to a lack of claims data, combined with the small sample size for large commercial festivals, the question of the feasibility of a discretionary mutual insurance scheme could not be conclusively answered. The research encountered significant challenges in collecting data from the music festival industry which, as discussed further below, is something of an insight in itself.

The project did however provide other useful insights on the factors influencing music festival insurance in Australia, such as:

- **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. Even among larger, more financially robust festivals, there is a growing trend toward opting out of cancellation insurance altogether. This transfers risk into public liability insurance, since any event that proceeds under adverse conditions elevates the risk of injury.
- **As suspected, the majority of Australia's music festival premiums appear to be held offshore.** Around three quarters (76%) of the participating festivals have 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.
- **The drivers of rising insurance costs are different for different festival types.** This helps to explain the different insurance costs observed across the five festival types identified in Creative Australia's report on music festival models: *Soundcheck Two: Analysis of Australian music festival models and operations*. For example:
    - Premium increases in the touring festival category are due to geographic and logistical complexity of these festivals which span multiple states, venues and time periods, leading to increased exposure to variations in weather, transport liabilities and local compliance requirements.
    - Premium increases for small commercial festivals have been driven by the exit of several smaller insurers from the live events space post-COVID, which reduced competition and drove up premiums for remaining policyholders.
    - Large not-for-profit community festivals often benefit from access to dedicated insurance facilities tailored for sectors such as health, religious, and community-based organisations – leading to lower growth of insurance premiums.

Importantly, the study also provided an indication of industry sentiment towards a mutual insurance model; or at least, to participation in a research project that was designed in this way. As mentioned above, a key challenge of the project was data collection, with many festivals – particularly the large, commercial festivals – not participating in the study.

The researchers observed a reticence to engage with the study due to concerns around data sensitivity and privacy, particularly when it comes to insurance data. This raises the question of whether the sector is culturally aligned with a collective approach to managing insurance. The researchers also reported a widespread reluctance from the larger festival operators to share data without the privacy protections of a Non-Disclosure Agreement. Sector engagement with the study may also have been influenced by the project's reference to an insurance mutual – a proposal that some in the sector may not wish to support or entertain.

Next steps

Creative Australia together with Music Australia remain committed to ongoing collection of insurance data, both for tracking of costs over time and to inform further inquiry into potential responses to insurance challenges. We will do this with the inclusion of additional questions regarding insurance in *The Bass Line* – our annual study into the economics of the music industry that began in 2025 and which has had significant industry participation and support to date.

By including questions on insurance in *The Bass Line*, we will be able to track premiums and claims over time and collect insurance data without the framing of a proposed response. We will also be able to expand the scope to cover insurance for the entire music industry, rather than music festivals alone.

The learnings from this initial study have been critical for this planning of future related research. We look forward to moving into an upscaled stage of this work, collecting comprehensive insurance data annually from across the music industry, and sharing that with the industry for further consideration and innovation.

Introduction

Context

Australian live music emerged from the cancellations of the COVID-19 pandemic to face a raft of new challenges, including rising operational costs, changing ticket purchasing behaviour and the rapidly increasing cost of insurance. The latter, in particular, became a major stress point for the industry. *ArtsHub* reported that live-music venues saw their public liability insurance premiums increase 10-fold in the 12 months to August 2023.[1] There were many reasons for this, according to the Insurance Council of Australia, which noted that businesses in the live music industry are 'more difficult businesses to insure' due to factors like 'the service of alcohol, late operating hours, the use of staging, rigging and other equipment and a more fluid and mobile labour force'.[2] Live music festivals, a subcategory of the live music industry, faced even greater uncertainty, with reports of drug-related risks,[3] cancellations due to climate change[4] and changing consumer behaviour.

Creative Australia first investigated the issues surrounding music festival insurance in its two *Soundcheck* reports, released in April and September 2024.

The first *Soundcheck* research investigated the post-pandemic challenges faced by music festivals. It found that rising insurance costs were a critical concern, and had a 'major to severe' impact on almost one third (31%) of participating music festivals. A further 27% reported a 'moderate' impact. The report found that 29% of festival organisers believed support for insurance underwriting was needed.[5]

In response to an increasing number of festival cancellations, Creative Australia undertook *Soundcheck Two* to analyse festival financial arrangements. It aimed to better understand the relationship between the disruptions and various business models adopted by music festivals, which it divided into five categories. Participants were asked to provide information about discrete expenses, including insurance premiums. The report found that from 2019 to 2024, average insurance premiums per festival had steadily increased across all festival types, with commercial festivals (large, small and touring) experiencing the largest increases.[6] However, data was not collected on insurance claims made by the festivals.

On 25 March 2024, a Parliamentary inquiry into the challenges and opportunities within the Australian live music industry was announced. The report, released in March 2025, made a number of recommendations related to insurance, including that the 'Australian Government partner with relevant stakeholders to undertake research into the viability of a self-insurance or mutual insurance model for the music industry'.[7] A mutual insurance model refers to an insurance entity owned by its policyholders, with profits either retained in the company or rebated to members via reduced premiums or distributions.

In mid-2024, Creative Australia together with Music Australia were approached by music-industry consultancy FEAT., in collaboration with Bloom Insurance, with a proposal for an initial analysis of alternative insurance models for the music festival industry, particularly the discretionary mutual insurance model. Creative Australia and Music Australia contracted FEAT. to conduct this study in September 2024.

1 Pickup J 2023, 'On the Brink: Why has music venue insurance gone through the roof?', *ArtsHub*, 8 August. https://www.artshub.com.au/news/news/on-the-brink-why-has-music-venue-insurance-gone-through-the-roof-2655150/

2 Hall A 2024, Insurance Council of Australia Submission to the Inquiry into the challenges and opportunities within the Australian live music industry, Parliament of Australia.

3 Quinn K 2024, 'The hidden costs that are killing live music festivals', *Sydney Morning Herald*, 29 June. https://www.smh.com.au/culture/music/the-hidden-costs-that-are-killing-live-music-festivals-20240627-p5jpbz.html

4 Green B and Strong C 2023, '"What if it rains? What if there are bushfires?": Extreme weather, climate change and music festivals in Australia', *Media International Australia*, 195(1), 120-136. https://doi.org/10.1177/1329878X231184913

5 Creative Australia 2024, *Soundcheck: Insights into Australia's music festival sector.*

6 Creative Australia 2024, *Soundcheck Two: Analysis of Australian music festival models and operations*.

7 House of Representatives Standing Committee on Communications and the Arts 2025, *Am I Ever Gonna See You Live Again*?, Commonwealth of Australia.

Objectives

FEAT.'s proposal was for a study into two research questions.

Feasibility of a discretionary mutual insurance model

The study examined the feasibility of alternative insurance models, specifically a discretionary mutual insurance model. In a discretionary mutual model, the mutual fund retains discretion over whether or not to pay claims.

Drivers behind the variation in insurance premiums

Soundcheck Two defined five festival models, and found there was a wide variation in insurance cost increases across the different models:

1. large commercial festivals
2. small commercial festivals
3. touring festivals
4. large not-for-profit (NFP) festivals
5. small not-for-profit (NFP) and government-owned festivals.[8]

The new study aimed to investigate the drivers behind the rising public liability insurance costs for Australian music festivals, as well as the wide variation in cost increases experienced by the five different festival models.

Methodology

Between September and December 2024, the researchers conducted discussions and interviews with music festivals and insurance providers, aiming to secure consent and legal authorisation to collect data covering a five-year period for aggregated modelling. The data they sought included:

- **Total insurance costs:** The total amount spent on insurance each year, including extra charges like stamp duty, fire services levy, and emergency services levy.
- **Cost of small claims:** The amount spent each year on small claims below the deductible (excess) of insurance held. These are typically covered by mutual insurance models.
- **Paid claims:** The total amount paid by insurers each year for liability and property claims, broken down by type and location.
- **Open claims:** The total amount and type of all current open claims with insurers, including both paid and outstanding amounts.

However, the project encountered several challenges with data collection, with festival operators expressing reservations about sharing commercially sensitive insurance information. These included concerns over privacy obligations and wariness about the possibility of project data later being released under Freedom of Information requests. Uneven record-keeping practices across the sector also proved a challenge.

8 Creative Australia 2024, *Soundcheck Two: Analysis of Australian music festival models and operations*.

The project pivoted to collecting data through a confidential web-based survey, supported by survey assistance and a sector briefing hosted by Creative Australia together with Music Australia. The survey requested information on:

- **Annual premiums paid:** In total – not broken down into insurance types; some totals may have included broker fees and taxes.
- **Size of festival:** Measured by attendance, classified by the *Soundcheck Two* report's categories.
- **Claims:** Numbers, values and high-level loss descriptions.
- **Qualitative insights:** Insurance market experiences.

Data was collected from 74 festivals. The survey received 58 responses. This data was combined with data from 24 interviews and another 16 'data-only' contributors who shared their premiums and claims information.

Key insights

Feasibility of a discretionary mutual insurance scheme

Due to a lack of claims data, combined with the small sample size for large commercial festivals, the research question on the feasibility of a discretionary mutual insurance scheme could not be conclusively answered.

Only four participating festivals reported having made any public liability claims – amounting to nine claims in total, two of which were notifications only. Seven of the nine were identified as 'slip-and-fall' incidents; the other two claims were not identified.

Drivers behind the variation in insurance premiums

The researchers provided useful insight into the risks faced by different festival categories and the drivers behind the variations in insurance costs.

One contributing factor was the varying types of insurance required for different festivals. While all festivals require public liability insurance, other types of insurance depend on festival categories (eg, travel insurance is only required only for touring festivals and large festivals flying in international acts) – see Appendix 1 for details.

Premium cost trend analysis

The researchers analysed the insurance premium trends across the five festival categories.

Touring festivals

The researchers reported that premium increases in the touring festival category were due to geographic and logistical complexity, which spanned multiple states and venues with increased exposure to variations in weather, transport liabilities and local compliance requirements. Long durations and back-to-back shows increase the exposure windows for incidents such as equipment damage, performer injury or cancellations, while effects on one leg of the tour impact future scheduling. Tour costs, such as freight and accommodation, have also increased, leading to higher insured sums.

Large commercial festivals

While few large commercial festivals participated in the research, the researchers note that festivals in this category share many of the same risk dynamics as touring festivals. These risks include exposure to severe weather, increasingly strict compliance requirements and ongoing uncertainty around liability for drug-related incidents. The multi-day nature of many large, single-site commercial festivals further increases exposure to these risks. These risks, along with limited underwriting capacity, have inflated premiums to the point where large commercial festivals have the highest insurance costs of all festival types (see the *Soundcheck Two* report).

Small commercial festivals

The researchers found that small commercial festivals (<20k patrons) recorded the highest relative premium growth across all festival segments. Factors impacting this subsector included the exit of several smaller insurers from the live events space post-COVID-19, which reduced competition and drove up premiums for remaining policyholders. Smaller festivals also often lack the infrastructure, safety protocols, and contingency planning capabilities of larger, more established events, leading to higher underwriting risk assessments.

Large not-for-profit festivals

Large not-for-profit community festivals experienced the lowest premium growth across all festival segments. The researchers found that these festivals often benefit from access to dedicated insurance facilities tailored for sectors such as health, religious, and community-based organisations. These are placed through the same global liability markets as the other festival segments but benefit from more stable claims pools due to diversified industry exposure. They are also often long-running and well-organised, with mature governance, volunteer support networks, and established safety protocols, reducing insurer concern. Many are supported by local councils or receive grant funding, providing financial stability and sometimes shared liability arrangements or access to group insurance policies. Also, with less focus on high-revenue activities (eg, alcohol sales, big-name acts), the risk of large losses is comparatively low.

Small not-for-profit festivals

Despite facing similar capacity and environmental challenges, the researchers reported that small not-for-profit festivals experienced a significantly lower premium increase than their commercial counterparts. These events typically have a more localised footprint, lower production complexity, and community-driven programming, reducing exposure to high-value claims.

Other key insights

Beyond the key research questions, the study contributed important findings on the factors influencing music festival insurance in Australia.

Coverage exclusions and insufficiencies

The research surfaced significant concerns around event cancellation insurance. Participants reported that 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. Even among larger, more financially robust festivals, there is a growing trend toward opting out of cancellation insurance altogether. This transfers risk to public liability underwriters – any event that proceeds under adverse conditions rather than cancelling elevates injury risks and increases the risk of negligence.

The study also found two areas of exclusion by traditional insurance that leave music festival operators exposed: drug-related incidents, which are typically not covered as they are illegal, and volunteer staff, who are excluded under statutory workers' compensation schemes.

Global context

The study confirmed that there is a strong reliance on international underwriting capacity, particularly via the Lloyd's of London market, which underwrites 76% of the participating music festivals (via placements through international and Australian brokers).

This exposes Australian festivals to international insurance trends. The study found that the insurance industry globally has entered a phase of market hardening, with rising premiums, tighter underwriting, reduced capacity and an increasingly risk-averse climate.

Reticence in the sector

The project was unable to conclusively answer the key research question about the feasibility of a discretionary mutual insurance scheme, due to a lack of claims data, and an insufficient sample of large commercial festivals.

These issues were attributed to reticence in the sector around disclosing commercially sensitive information, due to concerns over privacy obligations, wariness about the possibility of data being released under Freedom of Information requests, and uneven record-keeping practices across the sector.

These reservations may indicate that the sector is not culturally aligned with a collective approach to managing insurance. It may also suggest that the framing of the research around the feasibility of a discretionary mutual scheme precluded some people from participation, ie those who do not support this insurance model. Festivals were more responsive to insurance-related questions in the *Soundcheck Two* research, which were incorporated into a general survey about rising costs in the industry, rather than tied to a specific solution.

Next steps

While the initial analysis into the feasibility of an insurance mutual was inconclusive, it provided useful insight into the variations in insurance premiums and costs applied to different festival types. The study has also provided insight into the sensitivities of insurance-related data collection, and the willingness or ability of the music festival sector to provide this information to a study of this kind.

The study highlighted the strong need for comprehensive data on the factors impacting the insurance of Australian music festivals. To encourage strong participation in this research, questions about current insurance settings should be separated from any proposed future model, such as a discretionary mutual insurance scheme.

An effective vehicle for collecting this data is Music Australia's annual *The Bass Line* study into the economic conditions within the Australian music industry. First published in 2025, the study is a comprehensive, end-to-end analysis of the economic conditions of the Australian music industry. The study will be published annually to track financial trends in the industry. Questions on insurance will be included in future iterations.

By using the ongoing *Bass Line* study as the framework to continue this work, we will be able to:

- increase the scope to include the whole sector, including individual musicians and venues
- collect and share data on insurance premiums and claims annually, tracking trends over time
- collect data on insurance without the framing of a proposed, specific response.

Creative Australia is committed to tracking insurance costs in the music industry and sharing these findings publicly. This research will contribute to the ongoing assessment of appropriate responses to rising insurance costs affecting music festivals and the broader music industry.

Appendix 1: Key premium types for Australian music festivals

Premium type	Description	Category most affected	Why it matters
Public Liability	Injury, loss or damage claims due to allegations of negligence from patrons, contractors or third parties. Coverage limits typically range from $20-100 million.	All festivals. Highest severity for large touring and large commercial festivals due to the larger number of festival patrons.	Legal settlements can reach $10-100 million + (eg, Astroworld 2021, Indiana State Fair 2011). Crowd-management plans, evacuation routes and trained security are essential.
Crowd Management / Duty of Care	Real-time monitoring of crowd flow and surge prevention. Indoor venues can contractually transfer some risk to the venue; with outdoor festival organisers carrying the full exposure should negligence be proven.	Touring and large festivals; community festivals with open access.	Failures can trigger severe liability and reputational damage; advanced technology (heat maps, CCTV) and trained staff reduce risk.
Event Cancellation & Non-Appearance	Financial loss from weather, force majeure, logistical failure, or headline artist cancellation.	Touring festivals; large festivals; not-for-profits of any size (budget-limited).	Cancellation can wipe out annual operating surplus; insurance costs and availability have tightened sharply since 2022. This tightening is the result of fewer insurers offering coverage globally, as premium costs are driven by global claims.
Travel & Logistics	Medical emergencies, travel delays and equipment loss affect artists and crew.	Touring festivals and large festivals that fly in international acts.	Artist no-shows drive refund demands and reputational harm; travel cover offsets cost shocks.
Workers Compensation	Statutory cover for employee injury or illness, required in every jurisdiction where staff are engaged on a salaried basis.	Touring festivals (multi-state operations) and large fixed-site events.	Non-compliance attracts fines and leaves organisers liable for medical/wage costs. Failing to carry workers' compensation insurance can result in steep fines, criminal charges and civil liability.
Volunteer Workers	Injury to unpaid helpers who fall outside statutory workers' compensation. Some policies exclude volunteers over 70.	Not-for-profit festivals (large and small) rely on community volunteers.	Medical costs, disability or death benefits must be self-funded if cover is absent; an aging volunteer base increases exposure.