




Speech By
Ann Leahy

MEMBER FOR WARREGO

Record of Proceedings, 25 February 2021

PRIVATE MEMBER'S STATEMENT

North Queensland, Insurance Costs

 **Ms LEAHY** (Warrego—LNP) (2.26 pm): I wish to bring to the attention of the House the high cost of insurance for residents and businesses in North Queensland and the ACCC report *Northern Australia Insurance Inquiry*. I advise the House that I hold shares in Suncorp and my interest is appropriately declared on the members' register of interests.

In North Queensland we are seeing businesses close because they cannot get insurance. The Barra Fun Park was forced to shut its business after failing to secure public liability insurance. This has a ripple effect causing lost jobs and suppliers that no longer receive business. Volunteer organisations are also struggling to pay their insurance costs. One show society told me they had to pay a whopping \$40,000 insurance bill annually to hold their show, meaning that \$4 of every gate ticket sale goes to pay the insurance bill. Homeowners, particularly in Townsville, have had units on the market for seven years and not an offer because the body corporate insurance is excessively high. Businesses on Magnetic Island are finding it difficult to get body corporate insurance and without that insurance they cannot operate.

The Northern Australia Insurance Inquiry report released by the ACCC tells us home and contents insurance premiums are considerably higher and have risen faster in Northern Australia. Average premiums are almost double those in the rest of Australia. The state Labor government should not simply blame the federal government. The state has some skin in this game as well. If the state is to continue to collect funds from stamp duty on insurance premiums it has a responsibility to help communities become more resilient to disasters because, after all, the higher the insurance premium the higher the stamp duty collected. The state is responsible for driving mitigation and drainage projects that help prevent floodwaters from entering homes. It has a responsibility to help drive down the high cost of insurance for those North Queenslanders, those mums and dads, and it should be doing more to help those residents who live in North Queensland and deal with this increased cost of living.

In the process, the mitigation projects can also provide vital jobs for North Queensland economies. The ACCC report clearly references where mitigation has reduced insurance premiums. For instance, a case study at Roma is in the report. A 60 per cent reduction in insurance premiums was expected in Roma, and has actually occurred based on the market information from insurers. Mitigation works is not just about a levee bank; it is a suite of options that work in community. It could be raising homes, it could be making sure the drainage is actually improved. This state Labor government needs to step up and help North Queenslanders. North Queenslanders would like to see the state government's response to the Northern Australia Insurance Inquiry.