

## Question on Notice

No. 83

Asked on 5 February 2020

**MR S ANDREW** ASKED DEPUTY PREMIER, TREASURER AND MINISTER FOR ABORIGINAL AND TORRES STRAIT ISLANDER PARTNERSHIPS (HON J TRAD)—

### **QUESTION:**

With reference to general insurance premiums which incur a 9 percent duty in addition to GST—

Will the Treasurer advise on measures to avoid government charges compounding on the underlying premium increases on often unaffordable insurance policies?

### **ANSWER:**

The Palaszczuk Government is acutely aware of the insurance issues facing disaster-affected areas, particularly in North Queensland and the regions impacted by the recent bushfires.

Queensland currently has the equal lowest standard rate of insurance duty at 9%, along with New South Wales.

Some other jurisdictions currently impose levies on insurers to contribute to the funding of emergency services. Levies of this kind are not currently imposed in Queensland.

It is important that all levels of government work together to address the immediate and long-term disaster risks faced by many parts of Australia, including in relation to climate change and its impact on the frequency and intensity of natural disasters.

A key element of this task is to enhance the disaster resilience of households and communities to help minimise the impacts of natural disasters when they occur.

The Palaszczuk Government has implemented and contributed to several key programs aimed at mitigating the impacts of natural disasters and placing downward pressure on insurance premiums. These include:

- \$38 million over four years for the Disaster Resilience Fund which supports projects that improve community resilience. Projects under this program include mitigation measures such as fire breaks, riverbank stabilisation and reducing disaster risk for people with disabilities;
- \$50 million over three years for the \$100 million Betterment Fund, jointly funded with the Australian Government, to rebuild more resilient essential infrastructure damaged by the devastating impacts of the North and Far North Queensland

Monsoon Trough. As at 31 January 2020, more than \$43 million has been approved for 13 projects across five local government areas.

- \$20 million over two years for the Household Resilience Program, which provided eligible home owners in parts of Central and North Queensland with up to \$11,250 to undertake mitigation works to improve the resilience of their homes against cyclones and achieve cost-savings on their insurance. More than 1700 households across 17 local government areas have directly benefited from the program.

The Palaszczuk Government continues to closely monitor insurance issues in North Queensland and across the rest of the State, and is committed to providing appropriate support for households and communities in the face of natural disasters.

The Palaszczuk Government has written to the Australian Government seeking clarification in relation to media reports indicating the Australian Government is considering the option of a reinsurance pool to subsidise insurance costs across northern Australia. We are still awaiting a response from the Australian Government.

We will continue to work collaboratively with the Australian Government and the other jurisdictions to improve insurance affordability in regional Queensland, and will closely consider the final recommendations of the ACCC's Northern Australia Insurance Inquiry when the final report is released later this year.