

Question on Notice

No. 1427

Asked on 14 November 2023

MR N DAMETTO ASKED TREASURER AND MINISTER FOR TRADE AND INVESTMENT (HON C DICK)—

QUESTION:

With reference to the answer to Question on Notice No. 522 of 2023, specifically the Queensland Government's monitoring of the effectiveness of the reinsurance pool in delivering lower premiums in North Queensland—

Will the Treasurer confirm whether or not insurance premiums have lowered and if not, what is the Queensland Government actively doing to reduce insurance premiums for all North Queenslanders?

ANSWER:

The Queensland Government will continue to engage with the Commonwealth Government and relevant entities on insurance affordability for Queenslanders.

The Australian Competition and Consumer Commission (ACCC) is responsible for monitoring and evaluating the impact of the Cyclone Reinsurance Pool.

The ACCC on 8 December 2023 released their 2023 report on the reinsurance pool. The ACCC observed that it is yet to see any significant widespread price effects from the government's cyclone reinsurance pool in 2022–23, given insurers only began joining the pool at the start of 2023, and most that have joined did so on or after July 2023.

This report together with future annual reports from the ACCC will help inform assessments of whether the pool is delivering benefits to North Queensland households through reduced insurance premium costs.

The Queensland Government continues to invest in resilience measures in disaster-prone areas, including in North Queensland, to put downward pressure on insurance premiums.

The 2023-24 State Budget provided additional funding of \$152 million from the Disaster Recovery Funding Arrangements Efficiencies, jointly funded with the Australian Government, to deliver a suite of programs to enhance Queensland's disaster recovery and resilience.

Phase 3 of the Queensland Government's flagship Household Resilience Program has supported around 950 grants to date, with recipients having reported an average premium reduction of around 10 per cent.

Phase 4 of the Household Resilience Program is expected to commence shortly, supported by the Australian Government's investment of \$20 million through the Disaster Ready Fund.

The Queensland Government's \$10 million North Queensland Natural Disaster Mitigation Program is supporting grants to local governments for disaster mitigation initiatives, to help reduce insurance premiums in North Queensland communities.