



4 March 2021

Senator Murray Watt
Chair of the Senate Select Committee
on the effectiveness of the Australian Government's Northern Australia Agenda
Department of the Senate
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Parliament House
Canberra ACT 2600

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Dear Senator Watt

Inquiry into the effectiveness of the Australian Government's Northern Australia agenda

Thank you for the opportunity to provide an addendum to our 2019 submission in relation to the Senate Select Committee Inquiry into the Effectiveness of the Australian Government's Northern Australia agenda.

The Local Government Association of Queensland (LGAQ) is the peak body for local government in Queensland. It is a not-for-profit association established solely to serve councils and the needs of their communities.

Our addendum to our 2019 submission is in support of calls in 2021 from north Queensland councils, including Townsville City Council and Whitsunday Regional Council, to establish a national reinsurance pool for the purposes of reducing the cost of insurance in Northern Australia.

We wish to add this proposal to our submission because Queensland is the most disaster impacted state in the country, and Queensland households must have access to affordable and appropriate insurance coverage. Despite this, home, contents, and strata title insurance products are the most expensive or difficult types of insurance to access in Northern Australia. As a result, more than 61,200 North Queensland homes are uninsured, with over 95% of uninsured people living in North Queensland citing cost as the major reason.

The LGAQ seeks Federal Government support to ensure essential insurance products are linked to the proposed national reinsurance pool to reduce premiums for those living in northern Queensland.

We note that a reinsurance pool already exists through the Australian Reinsurance Pool Corporation, set up by the Howard Government in 2003 to administer the terrorism reinsurance scheme, providing primary insurers with reinsurance for commercial property and associated business interruption losses arising from a declared terrorist incident.



The LGAQ understands some parts of the insurance industry have indicated an openness to the idea of a reinsurance pool to reduce Northern Australia insurance costs. We urge the Federal Government to work with the councils as leaders of their communities to ensure an effective scheme is implemented before the next disaster season.

Thank you for accepting this addendum, and the LGAQ look forward to engaging further with the Senate Select Committee on this matter.

Should you have questions, please contact Alison Smith, Head of Advocate, at

Yours sincerely

Greg Hallam AM
Chief Executive Officer