

Follow up from Cairns forum 16 November

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As the disaster management resilience officer for Cairns I hear frequently expressed concerns about rising insurance costs and/or the difficulty in obtaining insurance, either because it's totally unaffordable or because particular insurers won't touch "the area". "The area" does often seem defined by particular post codes (4870 was generally raised last night – this post code covers much of the central Cairns region). I understand Youi is one such insurer.

In my work these concerns are often manifested as requests for changes to hazard zones for specific properties (eg, "the rest of the area is in a flood zone but I know my property - or the property I want to buy – is xxx metres above that" etc). People will ask us to provide or sign something attesting to the height of the property or ask to have the relevant storm surge zone sticker removed and so on. We are often criticised for making publicly available the storm surge mapping for example, as insurance companies appear to use this information to raise insurance levels.

The flood, hillslopes (landslip) and bush fire hazard mapping for the Cairns region has only recently become available through interactive maps published as part of the Cairns Plan (regional plan) approved last year – I believe someone referred to this mapping last night. While anyone can insert their address into the search and then click on the relevant hazard layers, the mapping of itself does not produce a specific hazard reference for an individual property. In the Cairns region, people must pay for a land record search per property for definitive information relating to flooding. (Note the form for this is misleading as it includes storm search information – this is already freely available by individual address through the council's disaster management web pages).

There is therefore a tension in the disaster management arena between the provision of public safety information – people need to know the hazards that might affect them and what action to take – and the same information being widely available for manipulation by other users. We have a hard enough time as it is convincing many residents that their property could indeed be flooded, or burned, or inundated by a storm surge, without insurers complicating the issue through high premiums.

A related problem is the no-disclosure requirement in Queensland. It's entirely possible to buy (and equally, rent) a property without having any idea of its propensity to flood or its proximity to sea level and thereby storm surge risk. As you can imagine, we have little luck persuading the real estate industry that providing this information is good practice given the amount of the region that is in some sort of hazard zone!

Over the past two years we have been running a resilience scorecard project in the region – essentially developing a benchmark of community and infrastructural resilience using a range of score criteria. One of these includes the levels of private and personal property insurance for the region. In this regard we have had no luck liaising with the ICA – it is impossible to get a response from anyone, even when we offered to host a forum they wanted to run in Cairns earlier in the year (they came and went without us knowing). We suspect of course that the levels are becoming progressively lower for reasons you are well aware of. This ultimately reduces community ability to recover effectively from a disaster, affects the economic and social wellbeing of the affected area etc etc. It is of grave concern to us, particularly given it's six years since the last major disaster hit Cairns

(STC Yasi) and even this cyclone did not have significant impacts for most of the region – premiums appear to have gone up exponentially ever since. Insurers seem to take the view there is more risk, citizens often believe it's "gone away" or overdone, as "it's never been that bad here" – and we have a poorly insured region. So many other things are also expensive in FNQ (power, petrol, communications packages) that we suspect people already scrimp and save on what used to be necessities. This does not bode well for sound community recovery scenarios. There is no guarantee that "the government" will come to the party!

I hope this provides some useful background from a local government disaster management perspective – I'm sure our colleagues in other regions will say similar things as the northern coastal councils in particular face very similar risks. Please feel free to get in touch if we can offer any other insights or information which may help your investigation.

A colleague from JCU in Cairns, Dr Nick Osbaldiston, is currently conducting research into understanding of risk and insurance levels in the northern beaches suburbs. He was hoping to attend last night but wasn't there – I'll pass the e-mail contact onto him as well.

Best wishes

Sioux Campbell

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