

HPE CM: RE: ACCC - Northern Australia insurance inquiry [SEC=UNCLASSIFIED]

From: Mark McGrath | [REDACTED]
To: Insurance <insurance@accc.gov.au>
Date: Fri, 06 Sep 2019 11:24:22 +1000

Hi Brendan,

Please consider this is a submission from a private citizen – Mark McGrath.

I have run out of time to write a detailed submission (sorry) – but in essence the current problem with insurance in northern Australia (both excessive cost & onerous terms offered) is lack of competition.

The Government needs to find a way to cause or create competition in the insurance market.

Historically Governments have tried many things, including setting up corporations to operate in particular markets needing stimulus/support/growth – see history of Telstra (telecommunications), SUNCORP (was a Qld state SGIO), Medibank (health) – all now successful ASX listed corporations.

This should be considered as a real possibility for the Commonwealth or Qld to set up a new SGIO entity for offering insurance to northern Australian businesses, home owners, body corporates – to offer fair & reasonable terms & premiums.

But a huge positive benefit for the Government as a “owner/shareholder”, is to take a longer term view as an “investor” that in 10-15 years’ time, the SGIO entity could be floated/publicly listed on the ASX and sold off (like Governments’ shares in Telstra, SUNCORP, Medibank) – and the sale proceeds used to pay down Government’s sovereign debt. But by that time, there is an established insurance company operating with a focus on northern Australia creating competition.

All sides of politics will see the advantages in this – to create competition in the market, create jobs, support northern Australia (which is a huge source of tax revenue for state & commonwealth government) and an “asset” to possibly sell in 10-15 years’ time.

Regards

Mark McGrath | [REDACTED]

