

Monday December 13, 2021

Cyclone Reinsurance Pool Taskforce
Treasury
Langton Cres
Parkes ACT 2600
e> reinsurancepool@treasury.gov.au

cc. Mr George Christensen MP

To Whom it May Concern,

RE: Exposure draft legislation: cyclone and related flood damage reinsurance pool

On behalf of the Mackay Isaac Whitsunday (Greater Whitsunday) region, we would like to provide comment on the *Exposure draft legislation: cyclone and related flood damage reinsurance pool*.

Greater Whitsunday Alliance (GW3) is the peak independent, economic development organisation for the Mackay, Isaac, Whitsunday region. The organisation is strategic and coordinated, focusing on local, national and international networks, and advocates for projects and opportunities from both government and the private sector. GW3 also delivers a range of economic development focused projects to help support and promote prosperity across the broader region.

The Greater Whitsunday region is one of Australia's powerhouse economies and is driven by the mining, METS, agriculture and tourism sectors. As a region of just over 170,000 people, Greater Whitsunday generates some \$44B in gross revenue for the Australian economy.

GW3 has made three previous submissions stemming from the ACCC Inquiry into Insurance Affordability in Northern Australia and made a separate submission to the *Reinsurance pool for cyclones and related flood damage Consultation paper*. Our region is engaged and committed to seeing improvements to insurance affordability.

After review of the draft legislation, we would like to make the following comments and observations:

Policy Coverage

Section 1.49

GW3 welcomes the inclusion of the residential component of farming operations insurance contracts into the pool, however we like to challenge the exclusion of farming operations. The majority of farming operations in the Greater Whitsunday region would be regarded as small businesses in terms of both size and turnover. Excluding these enterprises from the reinsurance pool will impact the attraction and retention of agriculture investment in this region – a sector worth approximately \$1.6B in GRP.

Whilst jointly funded Commonwealth-State Disaster Recovery Funding Arrangements are in place to offer assistance to agriculture producers, these mechanisms are not enough to reduce insurance premiums.

ACCC Northern Australia Insurance Inquiry – Final Report

Whilst we applaud and welcome the exposure draft legislation in to the cyclone and related flood damage reinsurance pool, GW3 also endorses the progression of the recommendations from the *ACCC Northern Australia Insurance Inquiry – Final Report* to ensure sustainable and long term solutions to the insurance issues experienced across Northern Australia continues.

GW3 are committed to advocating for the insurance affordability and access in the Greater Whitsunday region. If you have any further questions, please do not hesitate to contact me.

Yours faithfully,

GREATER WHITSUNDAY ALLIANCE



Kylie M. Porter
Chief Executive Officer