

28th August 2023

Joint Select Committee on Northern Australia

By email: northernaustralia.joint@aph.gov.au

Re: Assistance Needed to Protect Tourism Industry from Escalating Marine Insurance Costs

Dear Joint Select Committee Members,

We wrote to you in July to express our concerns about soaring insurance premiums impacting marinas and marine businesses in Northern Australia. It has been brought to our attention by the Marina Industries Association that this issue not only threatens marine businesses but also poses a direct threat to the tourism industry that is so integral to north Australia communities.

As we mentioned in last month's letter, marinas are grappling with unmanageable premium increases, with some reporting premiums doubling during recent renewals. These skyrocketing costs are further compounded by excessive excesses of up to \$500,000, placing an immense burden on these businesses and requiring significant budget allocations for potential excess payments.

We align ourselves with the concerns raised by the Marina Industries Association and share their sentiment about the broader impact of this issue. The concern of boat owners seeking refuge in southern waters due to unaffordable coverage and cyclone-related insurance limitations poses a threat to the marine industry's sustainability. However, what's even more concerning is the ripple effect this trend has on the wider network of tourism-related businesses that depend on these marinas for their operations.

Marine tourism stands as a cornerstone of Northern communities, supporting a multitude of jobs in a range of activities, such as snorkelling, scuba diving, boat tours, whale watching, and fishing charters and various ancillary services. Yet, the escalating insurance costs jeopardise the very foundation of this industry. Elevated operating expenses for marine businesses could lead to increased prices for tourism activities and services, making Northern Australia a less attractive destination for potential visitors. The resulting decline in tourism numbers would have dire consequences for our local economy and employment opportunities.

We have a number of meetings scheduled with various committee members including Marion Scrymgeour, Warren Entsch, Luke Gosling, Senator Dean Smith, and Andrew Wilcox. We are eagerly anticipating the opportunity to discuss our concerns further and to collaborate on finding effective solutions to the urgent challenges facing our marine and tourism industries.

Kind Regards.

Tyrone Shandiman
Chairperson