



19th September 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 Members of the Joint Select Committee,

Recently, the Australian Consumers Insurance Lobby Inc released a comprehensive report on the Cyclone Reinsurance Pool, highlighting several critical issues.

It was a pleasure to present this report in person to Warren Entsch, Luke Gosling, Senator Dean Smith, Andrew Wilcox, along with the Assistant Treasurer Stephen Jones.

At your upcoming meeting, we kindly request that the committee takes the time to deliberate on the following key points:

- **Commissioning an Inquiry into the Cyclone Reinsurance Pool (March 2024):** We urge the committee to consider launching a second inquiry into the Cyclone Reinsurance Pool in March 2024.
- **Further Investigation into Marine Insurance Evidence:** We ask the committee to conduct a thorough examination of the marine insurance evidence presented by the Insurance Council of Australia during the March 2023 inquiry. We believe that gaining clarity on the situation affecting the marine industry is essential for a more comprehensive understanding of the broader insurance landscape.
- **Asking the Assistant Treasurer & ARPC to review the modelling:** We kindly request that the committee write to the Assistant Treasurer and the Australian Reinsurance Pool Corporation (ARPC) to initiate a review of the modelling. Of particular concern is the disparity in contributions, where Sydney benefits from free cyclone cover despite its history of cyclone events, leaving Northern Australia to foot the bill. Additionally, we are concerned that the current fails to account for changing weather patterns, posing potential risks to the insurance industry's sustainability.

We have enclosed a copy of our comprehensive report on the Cyclone Reinsurance Pool, which delves into these issues in greater detail. Alongside the report, you will find a "call to action" flyer.

We kindly ask that the committee prioritize these matters for discussion at your next meeting. Thank you for your attention to this critical issue.

Kind Regards.

Tyrone Shandiman
Chairperson