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The Cairns Weekend Post

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Taipans, it's time to eat the Crocs



Photo: MARC MCCORMACK

No crocs were hurt in the taking of this picture – that's being left for The Swamp in Townsville tomorrow. Key Taipans player Ron Dorsey was in a hungry mood ahead of the crunch basketball showdown where a Cairns victory would secure a historic first appearance in a grand final series. **REPORTS P14-15, SPORT**

THE BIG \$TING

Insurance pain hits Far North

PROPERTY owners and investors in the Far North are facing insurance cost rises of thousands of dollars as the full impact of cyclone Yasi and natural disasters hits home. High vacancies, insurance premium increases of up to 300 per cent, and a lack of competition in the body corporate insurance market could make

Kelly Burns and Nick Dalton
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investing in the city undesirable, one property manager warns. Homeowners also were bracing for insurance price rises of 10 per cent and more as worldwide natural disasters shake up the industry.

Property Ladder Realty director Linda Tuck gave the example of one Cairns apartment block of 39 units where body corporate insurance premiums were \$12,882 last year. This year, the renewal with Zurich was \$48,730 and two cheaper options of \$24,792 with CGU or \$25,784 with AMP. **▶ Continued Page 8**

Hit hard by insurance sting

» From Page 1

"This will make investing in Cairns undesirable and could lead to a further drop in property values. We have already seen drops of between 10 to 40 per cent on some properties," Ms Tuck said.

REIQ chairman Cairns Rick Szepuk said steep rises were likely to put pressure on rental prices on the thousands of units and apartments in the Far North.

"I think hikes in body corporate fees and insurance will mean landlords will try to get the money back from somewhere and it will have to be from the rental pool," Mr Szepuk said.

Springfield body corporate chairman Don Cunningham said the insurance on their 12 units at Springfield Crescent, Manoora, went from \$3500 last year to \$15,000.

"The same insurance company put it up astronomically and we hadn't even put in a claim," he said.

"We managed to find another insurance company who is charging us \$5500 this year."

Mr Cunningham, a retired insurance broker, said there were not many insurance companies covering strata titles.

Natural disasters blamed for rises

He said it should not be a concern in the Far North because most, if not all, of the body corporate buildings since about 1981 were built to cyclone rating standards.

"The re-insurance companies overseas are charging more in a cyclone area and because of the losses they have incurred (from natural disasters overseas) they've put the rates up."

Mr Cunningham said Suncorp was a popular body corporate insurer because its rates were very competitive.

"But they suffered losses because their rates were too cheap," he said.

KIB director Janet Koch said the body corporate price rises were in line with reality.

"They've had a good run but now they've got to pay like everyone else who has a property or house," she said.

Body corporate rates were previously less than household insurance but premiums

had gone up between 85 and 300 per cent since a major insurer withdrew from the market.

Before, rates were too low to be profitable but now it also reflected rises by re-insurance companies reeling from disasters in Japan, Christchurch, Queensland's floods and cyclone Yasi.

Mrs Koch said prices would be higher in Cairns.

"Insurance is for the unexpected, if you live in an area that expects cyclones then you have to pay. It's reality," she said.

Industry analysts predicted household insurance would rise in the wake of Queensland's disasters and last month Suncorp confirmed premiums were set to rise by 10 per cent.

Insurance Council Australia general manager Paul Giles said price rises were a matter for insurers.

"Insurers base their premiums on risk," he said.



Going up, up and up: Body corporate insurance premiums have gone up by 300 per cent in some cases. Experts say homeowners would also pay more for insurance after worldwide natural disasters.

ADVERTISEMENT



Research tells us that around three months after a natural disaster the emotional effects can start to hit home, for all members of the family. If you or someone you know hasn't bounced back, there are people who can help. Talk to your friends, family, your GP or call 13HEALTH.

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get up again



We get up again

13HEALTH
(13 432 584)



Queensland
Government

our say

Saturday, April 16, 2011



Insurance hike to put brake on investors

A MASSIVE 300 per cent rise in insurance premiums for body corporate buildings couldn't come at a worse time for the Far North.

At a time when investment in Cairns is an absolute necessity, it appears the insurance giants are doing everything in their power to prevent the city from putting its economic crisis in the past.

The premium for an apartment block of 39 units was \$12,882 last year, while this year, the renewal is a whopping \$48,740.

This comes at a time when the Cairns Regional Council has decided to discount costly infrastructure charges for shovel-ready projects in an effort to revive the languishing construction industry.

Adding to this, of course, is the enormous financial drain the summer of disasters has left the region, which has gone far beyond the wind and flood damage normally associated with a typical wet season.

It was only yesterday Deputy Prime Minister Wayne Swan estimated cyclone Yasi and state-wide flooding would cost Australia \$7 billion, hitting the economy much harder than originally anticipated.

This cost could well continue to rise, as the full extent of the damage is yet to be determined.

It is depressing to think the hikes in body corporate fees and insurance are, as the REIQ has forewarned, likely to be reflected in rents.

This will, of course, keep investors well away from Cairns.

The Far North's unemployment rate still places 15,300 people across the region without jobs.

The rising cost of living will do nothing to keep those without jobs here - an effect that will be felt immediately and could have long-lasting, devastating consequences.

And another thing...

THE Cairns Taipans, for the first time in their 12-year history, have the NBL grand final within their grasp. The hopes and dreams of an entire region are riding on the sky-high shoulders of their local basketballers. Win or lose, the Taipans will return to Cairns as heroes and it is important they be recognised for the remarkable work they have done just to get this far. Go, Taipans, go!

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Today's Bible thought:

Can a woman forget her own baby and not love the child she bore? Even if a mother should forget her child, I will never forget you.

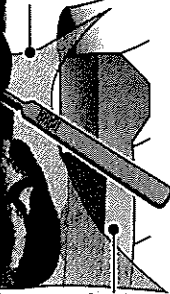
Isalah 49:15

ve kier

G TABLE

be put on a
bypass machine,
for his breathing
of blood
will be cut

Pericardium



Sternum clamp

POSSIBLE VALVE REPLACEMENTS



Mechanical valve
(most likely)



Tissue valve

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fessor Smith said.

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rst heart valve had
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e would be tired, short
and have pains in his
aid.

ld take Mr Rudd about
ks to recover from the

Victoria Police are investigat-
ing fresh allegations that the
guard molested other former stu-

police investigate new ac-
cusations that have come to light
since police called for alleged vic-

leaders against attempts to inti-
date and punish alleged victi-
and their families. Several ort

SUBMISSION NO. 329b

Disaster zones face 400pc hike in cover

MITCHELL BINGEMANN

APARTMENT owners in far
north Queensland face premium
rises of up to 400 per cent as in-
surers move to offset the costs of
natural disasters.

Residents have complained to
a government inquiry into natu-
ral disaster insurance that strata
title owners are being unfairly
targeted with "explosive" in-
creases in insurance costs as in-
surers increasingly exit the un-
profitable area.

"The current market-driven
insurance model is not working
in north Queensland because in-
surance companies are not inter-
ested in providing affordable in-
surance to strata title owners
who require it by law," said An-
drew Hayes, who owns a three-
bedroom unit in a complex of
18 apartments in Cairns North.

Over the past five years, in-
surance costs for the complex Mr
Hayes lives in have steadily risen
by a total 275 per cent, from
\$5434 in 2006 to \$14,948 this
year. But that total increase pales
in comparison with next year's
insurance quote, which has been
pegged by Zurich insurance at
\$58,374, a year-on-year increase
of more than 350 per cent.

That translates to an annual
payment of \$2906 by each unit
owner, which is up from this
year's cost of \$830 per unit.

Cardwell resident Jo Anne
Cracknell said her 18-unit apart-
ment block, which is insured by
IAG subsidiary CGU, was facing
premium increases of nearly 400

per cent, from \$12,470 per
annum last year to \$43,776 for
the year ahead.

"It's a huge cost impost on our
living. This lack of insurance
competition has turned into
price gouging with spiralling in-
creases in premiums for this class
of insurance," Mr Hayes said.

Insurers including IAG,
Suncorp and Allianz denied they
were price-gouging customers,
but conceded premium in-
creases were inevitable as the
costs of natural disasters were
realised.

"This lack of competition has turned into price gouging"

ANDREW HAYES
CAIRNS UNIT OWNER

"In general, the rates for strata
cover in north Queensland have
been historically underpriced
and hence unsustainable. As a
result, the market has been cor-
recting itself over a number of
years, particularly since Cyclone
Larry," said Allianz's Nicholas
Scofield.

Mark Lever, chief executive of
Strata Community Australia,
said the rising premiums in the
tropical north were an "in-
surance crisis". The peak body
has proposed areas at high risk of
flood or cyclone be supported by
a government-backed fund.

PRIMESPACE P29

Social me to find w

Aide quits ove

How The Australian broke the st

JOHN FERGUSON
VICTORIAN POLITICAL EDITOR

THE Victorian Liberal Party
auditing social media used i
some MPs and political sta
amid evidence the party failed
root out the so-called "cance
ous" cell that emerged during
previous blogging scandal.

A connection has been esta-
lished between the senior a
viser forced to quit this week
ter tweeting anti-Coalition
vulgarity and members of
group caught up in a 2008 blo
gging campaign to undermin
Victorian party leader Ted Ba
lieu. Mr Baillieu has vowed
include new guidelines on soc
media when he releases h
government's code of conduct

Five people have been forc
to quit the party and senior jo
in the past three years for acti
against Liberal interests whi
using social media and the inte
net. The Australian uncover
evidence this week of bac
biting, sexist and apparent
racist messages in a Twitt
account used by Daniel Beva
one of the party's senior offi
bearers and an adviser to Sen
tor Scott Ryan. This forced B
Bevan to resign and he was al
sacked from the party's admin
trative committee.

The Australian understand

Bail for second man accused over w

AUSTRALIAN PAGE 5 21 JULY 2011

SALLIE DON

THE second man who allegedly
whipped a Muslim convert with
an electrical cord as part of a
religious punishment for
drinking alcohol was yesterday
granted bail.

Wassim Fayad, 43, from Au-
burn in Sydney's west, faces a
number of charges, including ag-

tent to commit an indictable of-
fence and two counts of stealing
from a dwelling.

Mr Fayad turned himself in to
police on Tuesday morning, the
same day as the court hearing of
Tolga Cifci, 20, who was granted
bail over his alleged involvement
in the incident.

A group of four men allegedly
forced their way on Sunday into
the Silverwater home of Christian

restrained on his bed by three
men while a fourth lashed him 4
times with an electric cable.

Mr Fayad was granted bail a
Burwood Local Court yesterda
under what magistrate Tir
Keddy called "strict conditions".

Mr Keddy told the court th
accused offences were seriou
and the "violence he inflict
cannot be ignored".

The conditions included