Minimising flood risk to keep premiums down

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The Territory Government will commit $50 million to flood mitigation works in Rapid Creek, Katherine and Darwin’s Rural Area if a decision is made to change the ownership of TIO.

“The Government is determined to see that some of the proceeds from any change of TIO ownership go towards reducing the flood risk and premium hikes faced by Territorians,” Chief Minister Adam Giles said.

“The reality is that some customers in high-risk areas are already facing large premium price rises next year under the current TIO ownership.

“TIO is already moving to a system where they calculate risk for each individual property instead of averaging it across a whole community.

“Next year, this could mean large price hikes in high-risk areas such as Katherine and Rapid Creek and I know Territorians in these areas want us to do something about it.

“If the Government decides to proceed with changing the ownership of TIO, we would commit $50 million for flood mitigation works in these high-risk areas.

“This is expensive work that no Government has ever been willing to do before. A change of TIO ownership would make it possible.”

A pool of $25 million would be set aside for works in Rapid Creek and the Darwin Rural Area, while another $25 million would be allocated to Katherine.

The $25 million for Katherine includes $7.6 million to move Katherine’s Ambulance Centre out of the flood zone. Options are being considered to improve the flood resilience of other Katherine emergency services.

“This $50 million package is a practical, tangible way a change of TIO ownership could benefit Territorians who are already facing steep premium price hikes, but it also tackles flooding issues that otherwise would continue unaddressed,” Mr Giles said.
“There is strong evidence in other flood-prone parts of Australia that investing in flood mitigation work can have a huge impact on the willingness of insurance companies to offer cover at lower prices. Roma in Queensland is an excellent example.”

Two new Flood Mitigation Advisory Committees would guide this work – one in Rapid Creek and the Rural Area, and the other in Katherine.

“Each Advisory Committee would be made up of local residents, representatives of the insurance industry, relevant government departments and flood mitigation experts to ensure that we get the approach right,” Mr Giles said.

“The committees will be tasked with developing resilience solutions that will help mitigate flood issues. This could include new bridges, levees, drains, culverts or tree planting but ultimately it will be up to the Advisory Committees to consider how we can best reduce flood risk and keep local insurance as low as possible,” Mr Giles said.

“I will expect any successful bidder for TIO to commit to engaging with these Advisory Committees.”

The Rapid Creek Committee will also include Airport stakeholders. It will further ramp-up engagement with local land owners who have already been actively working with the Government on strategies to reduce their flood exposure.

“I am keen to build on the extensive work initiated by the Country Liberals Government since the 2012 election. This has included the development of a dedicated flood early warning system for residents and individual household audits for properties in the immediate Rapid Creek flood zone,” Mr Giles said.

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