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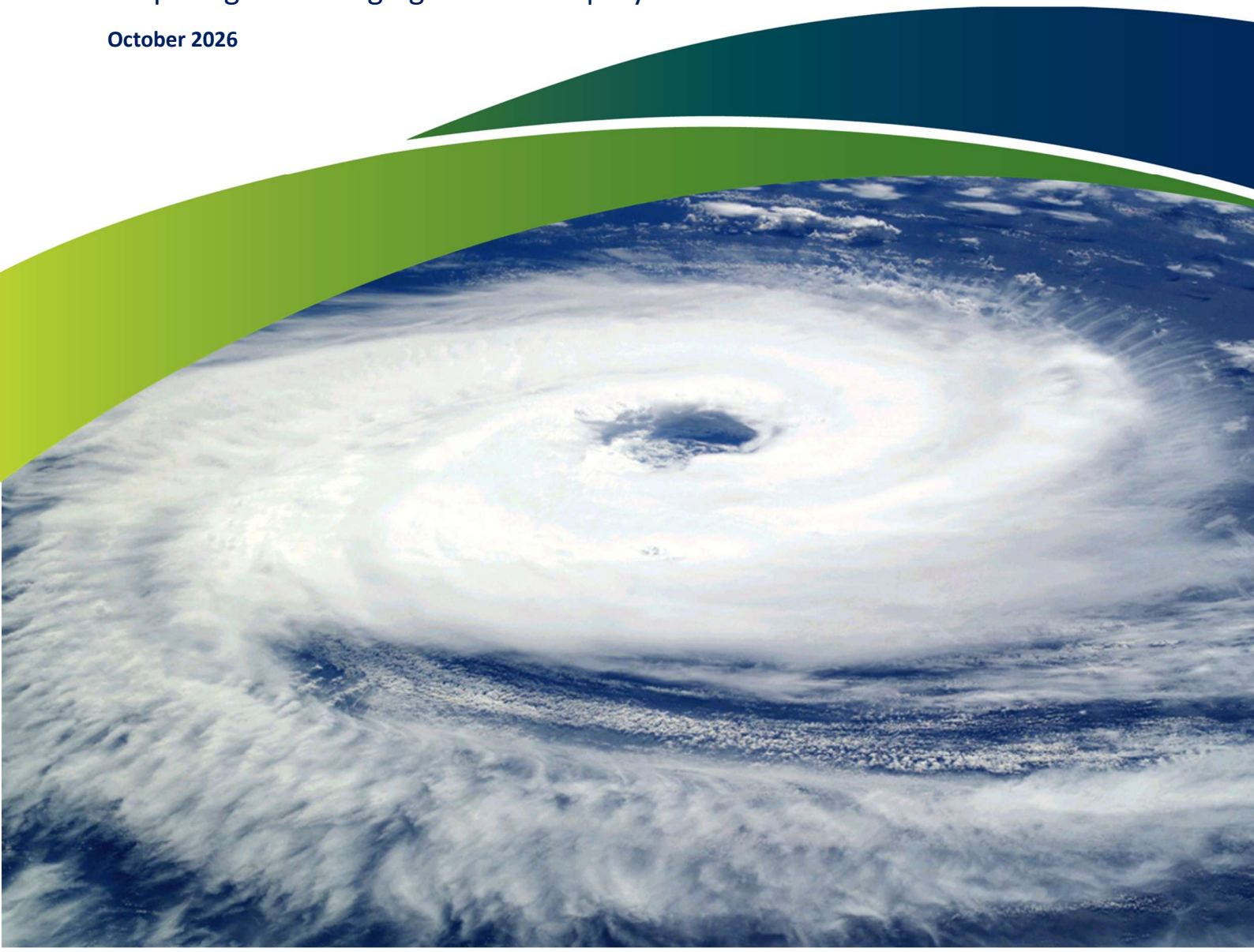
Preparing Tropical North Queensland for Emerging Industries

Submission to the Joint Standing Committee on Northern Australia – Preparing for emerging industries | Cyclone Reinsurance Scheme

October 2026



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Lainie Poon, Chief Executive Officer, RDA Tropical North

Email: ceo@rdatropicalnorth.org.au

Website: www.rdatropicalnorth.org.au

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Executive Summary

This supplementary submission builds on **Regional Development Australia Tropical North's (RDATN)** January 2026 submission to the inquiry into Preparing for emerging industries across Northern Australia. It responds to the Committee's 13 August 2026 invitation on the implementation and effectiveness of the Cyclone Reinsurance Pool. Its focus is insurance affordability and availability as conditions for business investment, infrastructure resilience under TOR (f), and workforce attraction and retention under TOR (h). It should be read alongside the broader January submission and supports the **Tropical North Queensland Economic Development Strategy (TEDS)** vision of a thriving, diverse and sustainable powerhouse of Northern Australia.[1]

RDATN's position is that insurance affordability is part of regional economic readiness. This submission brings together findings from the 2026 Tropical North Insurance Experience Survey and the live employer survey at Workforce Evolution in FNQ in June 2026. Business insurance affects the capacity to operate and invest. Residential and strata insurance also matter because housing costs and the availability of suitable homes influence whether workers can settle and remain in the region. Insurance costs borne by landlords may contribute to rental pressures, although increases are not automatically passed through to tenants.

These findings reinforce priorities already identified in TEDS: 2.3 – Economically Sustainable Emerging Industries; 2.4 – Better Performing Foundation Industries; and 4.1 – Affordable and Suitable Housing. TEDS includes specific commitments to gather regional insurance evidence and incorporate emerging-industry skills needs into regional workforce planning[2]. Addressing these priorities also supports the Regional Investment Framework (RIF)'s focus on people, places and local economies.

The **Tropical North Insurance Experience Survey** received 83 responses across its residential, strata and business streams. Twelve respondents answered the business-impact questions. Although this small sample cannot represent all regional businesses, it highlights consistent concerns among those who participated. All 12 reported that insurance was becoming unaffordable; eight reported sacrifices affecting operations, staffing or productivity; and six reported effects on expansion or investment. Ten perceived that fewer business insurers were available since the Cyclone Reinsurance Pool commenced. These findings echo the 2025 RDATN survey summary, in which 85 per cent of business respondents described insurance as becoming unaffordable. RDATN's 2025 evidence was subsequently featured in the ACCC's July 2025 report, Box 2.1.[3]

These experiences sit alongside the Australian Competition and Consumer Commission's finding that the Pool has moderated premiums in higher cyclone-risk areas, including a 24 per cent reduction in the average small-business premium per $100,000 insured after insurers entered the Pool. The ACCC also found that other extreme weather events and claims-cost inflation continue to place upward pressure on premiums.[4] RDATN's concern is that the Pool's savings may be cushioning broader cost increases without delivering an affordable final premium. The survey does not establish how much these pressures have offset the savings, but it highlights a persistent strain on business owners. Assessing the Pool's effectiveness therefore requires consideration of both its pricing benefits and whether businesses can afford suitable cover while maintaining operations and investment.

The Workforce Evolution in FNQ event, held on 10 June 2026, provides complementary evidence. Employers identified recruitment, retention and skills shortages as dominant challenges, and housing affordability and liveability as workforce priorities. The submission examines how insurance-related housing pressures may add to these difficulties for existing residents and prospective workers. The surveys do not measure an insurance-

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1 RDATN, Preparing for emerging industries across Northern Australia, January 2026, Sections 1, 7, 9 and 14, pp. 4, 9–11 and 16.

[2] Tropical North Queensland Economic Development Strategy, v2.1, October 2026

3 RDATN, Submission to ACCC Insurance Monitoring Report, 31 March 2025, pp. 1–2; EXTERNAL SOURCE: ACCC, Insurance monitoring report, July 2025, Box 2.1, p. 21.

[4] Australian Competition and Consumer Commission, *Insurance monitoring report*, June 2026; and accompanying media release, *Cyclone reinsurance pool reduces premiums in high-risk areas but affordability pressures persist*, 25 June 2026.

driven change in rents or workforce movements; they identify pressures that should be considered together when preparing for industry growth.

Drawing on these findings, RDATN recommends continued independent monitoring, clearer premium information, stronger recognition of mitigation and action on barriers to insurer participation. It also recommends that workforce and housing planning consider insurance costs for owners and rental providers, and that disaster recovery reforms be assessed for their effects on regional costs, infrastructure reliability and business continuity. The Commonwealth's October 2026 decision to retain existing recovery cost-sharing settings is acknowledged. The remaining reform design should protect resilience investment and avoid unintended pressures on northern communities.

Recommendations

RDATN recommends that the Committee consider the following actions in its inquiry report.

1. **Continue independent monitoring of regional insurance outcomes.** Following the conclusion of the ACCC's 2022–2026 monitoring direction, establish ongoing public reporting on affordability, insurer availability, competition, mitigation recognition and consumer outcomes. Include evidence on cover reductions and household and business decisions, rather than relying on premium movements alone.
2. **Assess the Pool against business and investment outcomes.** Include the effects of insurance on business continuity, underinsurance, asset acquisition, maintenance, staffing and expansion when evaluating the Pool's effectiveness for northern Australia. Incorporate early assessment of insurance requirements for project assets, local contractors and delivery partners into emerging-industry investment planning.
3. **Improve transparency for policyholders.** Require clearer information about how Pool-related reinsurance savings are reflected in retail premiums and how non-cyclone risks and other cost components affect the total price.
4. **Strengthen recognition of mitigation and resilience measures.** Encourage consistent insurer frameworks, accessible consumer guidance and transparent premium recognition for eligible property improvements.
5. **Address continuing barriers to insurer participation.** Examine the factors that continue to deter new entry and expansion in northern Australian insurance markets, including risks outside the present scope of the Pool. Examine non-cyclone flood, specialised commercial and marine risks, and business interruption gaps separately, without assuming that all should be transferred to the existing Pool.
6. **Review the post-cyclone reinsurance period.** Publish an assessment of the current 48-hour period and the modelled 168-hour alternative, including delayed cyclone-related flooding, additional liabilities and effects on retail premiums and commercial insurance availability.
7. **Review commercial eligibility.** Assess whether the $5 million commercial policy sum-insured threshold remains appropriate given northern replacement, construction and freight costs, and publish the coverage, cost and market implications of any adjustment.
8. **Integrate insurance and housing costs into place-based workforce planning.** Assess how the cost and availability of suitable housing affect recruitment, relocation and retention for established and emerging industries. Include owner-occupiers, renters and employer-provided accommodation, alongside skills forecasting, employer capability, succession planning and education-to-employment pathways.

9. **Invest in workforce-enabling conditions.** Recognise housing, childcare, transport, training access and regional liveability as essential to attracting and retaining workers. Examine insurance-related pressures on rental housing costs, maintenance and investment without assuming automatic pass-through to rents.
10. **Assess the combined regional effects of disaster recovery and insurance settings.** Building on the October 2026 commitment to retain existing Commonwealth cost-sharing arrangements, undertake a Northern Australia assessment of final recovery thresholds, co-contributions, cash flow and betterment funding. Examine potential effects on infrastructure reliability, business continuity, insurance availability and pricing, and any pressures on rates, charges or levies. Publish the findings and identify safeguards before implementation.

1. RDA Tropical North

Regional Development Australia Tropical North (RDATN) is part of a national network of 50 RDA Committees working with governments, business and communities to support economic development. RDATN's remit covers 21 local government areas from Cardwell in the south to the Torres Strait in the north and west to Croydon. The region includes urban, rural, remote and very remote communities with distinct economic opportunities and exposure to natural hazards.

RDATN developed the Tropical North Queensland Economic Development Strategy (TEDS) 2024–2029 with regional partners. TEDS v2.1 identifies insurance evidence, business capability, workforce development, housing and resilience as connected regional priorities. This supplementary submission adds insurance-focused evidence to RDATN's January 2026 submission, which addressed emerging industries, enabling infrastructure and workforce requirements more broadly. It draws on the Tropical North Insurance Experience Survey and Workforce Evolution in FNQ, and considers relevant issues raised in the Northern RDA Alliance's August 2026 submission on disaster recovery funding reform.

2. Tropical North Queensland and Emerging Industries

Tropical North Queensland has a population of approximately 303,000 people and more than 25,000 businesses, around 97 per cent of which are small businesses. TEDS identifies opportunities across renewable fuels, circular economy activity, aviation, marine industries, agriculture and value-adding, research and innovation, Indigenous-led development and stronger connections with Northern Australia and the Indo-Pacific.

Emerging industries will not operate separately from the existing regional economy. New projects require contractors, suppliers, professional services, transport, housing, education, health and community services. They also require an available workforce and confidence that businesses and households can recover from severe weather events. Conditions that constrain established businesses or make it harder for workers to live in the region can therefore reduce the pace, resilience and local benefit of future industry growth. Insurance constraints affecting these suppliers may also limit their ability to meet project contracts or participate in new supply chains, reducing opportunities to retain investment benefits locally.

The **Regional Investment Framework (RIF)** recognises that regional growth depends on investment in people, places, services and local economies. RDATN's findings reinforce the need to address these together: businesses need affordable insurance to operate and invest, while workforce growth requires skills development, suitable housing and access to essential services.

Part A: Insurance and Regional Business Capacity

3. The Cyclone Reinsurance Pool and the Regional Economy

Insurance is a core business input. It can be required to obtain finance, lease premises, enter contracts, protect productive assets and manage operational risk. Where suitable cover is unavailable or unaffordable, a business may reduce cover, defer investment, redirect funds from staffing or maintenance, or reassess whether it can continue operating in a location.

The Pool commenced on 1 July 2022 and provides reinsurance for cyclone and cyclone-related flood damage to eligible home, strata and small to medium enterprise policies. Its purpose includes reducing reinsurance costs and improving insurance affordability and availability in cyclone-prone areas. As at 30 June 2026, the Pool reinsured approximately 3.2 million buildings with aggregate building sums insured exceeding $2.5 trillion[5].

The Pool has delivered measurable reductions in reinsurance costs and premiums for policyholders in higher cyclone-risk areas. These are important achievements. However, they do not, on their own, establish whether the resulting insurance market meets northern Australia's needs. The more relevant question is whether suitable cover is affordable and available, whether premiums recognise investment in resilience, and whether households and businesses can maintain adequate protection while contributing to the region's future economic growth.

Commercial eligibility also warrants review. ARPC applies a $5 million maximum sum insured at policy level across the relevant insured risks and locations. RDATN supports assessing whether this threshold remains appropriate for northern enterprises facing high replacement and freight costs, without assuming that business size alone determines eligibility.[6]

4. RDATN Insurance Experience Survey

RDATN conducted the Insurance Experience Survey in 2026 to gather current evidence from residential property owners, business operators and strata or community title respondents. The survey recorded 83 responses. Table 1 provides a breakdown of respondents per LGA.

The survey followed RDATN's March 2025 survey, which gathered 224 responses and informed its submission to the ACCC dated 31 March 2025. The ACCC's July 2025 Insurance monitoring report featured that evidence in Box 2.1, noting RDATN's findings on financial stress, underinsurance, deferred maintenance and barriers to mitigation. The 2026 survey revisits those issues and provides a further account of local policyholder experiences.[7]

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[5] Australian Reinsurance Pool Corporation, Cyclone Reinsurance Pool statistics as at 30 June 2026, published 6 October 2026.

6 EXTERNAL SOURCE: ARPC, Cyclone Pool FAQs, sections on eligible classes and application of the $5 million commercial property limit, accessed 30 October 2026. https://arpc.gov.au/reinsurance-pools/cyclone/cyclone-pool-faqs/

7 RDATN, Submission to ACCC Insurance Monitoring Report, 31 March 2025, pp. 1–2; EXTERNAL SOURCE: ACCC, Insurance monitoring report, July 2025, Box 2.1, p. 21.

Table 1 – Number of respondents by LGA

Location	Responses	Percentage
Cairns	39	47.0%
Mareeba	16	19.3%
Cassowary Coast	14	16.9%
Tablelands	9	10.8%
Douglas	3	3.6%
Croydon	1	1.2%
Weipa	1	1.2%

The survey was voluntary and self-selecting. It provides place-based evidence of respondent experiences and should not be interpreted as a statistically representative estimate for all households or businesses in the region. Participation was concentrated in Cairns, Mareeba, Cassowary Coast and Tablelands. Multi-select questions describe the proportion of respondents selecting each option and may total more than 100 per cent. Comparisons with 2025 describe separate self-selected response groups, rather than a matched panel or a measure of change across the region. The 2025 briefing provides rounded percentages and stream totals, but not question-level denominators. Differences in question wording and recall periods also limit direct comparison.

5. Insurance Impacts on Business Operations and Investments

Fourteen respondents answered the initial business-insurance question and 12 answered most subsequent business-impact questions. The small base requires caution, but the pattern within the group is consistent: insurance was affecting cover, operating decisions and investment capacity.

The 2026 business answers echo the earlier pattern. In the 2025 RDATN submission, 85 per cent described insurance as becoming unaffordable, 64 per cent reported sacrificing operational spending and 71 per cent reported fewer than four insurer choices. The corresponding 2026 answers were 12 of 12, eight of 12 and 10 of 12 respectively (see Table 2). Both groups reported pressure on operating budgets and limited choice; the small, different samples do not establish that conditions worsened across regional businesses.[8]

Table 2 – Reported Business Impacts

Reported business impact	2025	2026
Insurance becoming unaffordable	85%	100% (12/12)
Limited insurer choice*	71%	83.3% (10/12)
Operational spending / sacrifices affecting operations, staffing or productivity*	64%	66.7% (8/12)
Reduced level or type of insurance	*Not reported*	66.7% (8/12)
Chose to underinsure the business	*Not reported*	50.0% (6/12)
Expansion or investment plans affected	*Not reported*	50.0% (6/12)
Delayed purchasing property, equipment or other assets	*Not reported*	50.0% (6/12)
Considered closing, selling or relocating the business	*Not reported*	33.3% (4/12)

*Sources: RDATN submission to the ACCC, 31 March 2025, p. 2; 2026 RDATN survey, Q31–Q32 and Q37. *Insurer-choice questions differ: 2025 reports fewer than four insurer choices; 2026 records a perception that fewer insurers were available since the Pool commenced. Operational-impact wording also differs. Not reported means no comparable result was provided in the 2025 summary.*

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8 RDATN, Submission to ACCC Insurance Monitoring Report, 31 March 2025, p. 2; 2026 RDATN survey, Q31–Q32 and Q37.

Eight respondents reported making sacrifices elsewhere in their operations, staffing or productivity, while only two selected that insurance had not materially affected their business decisions. Six reported effects on plans to expand or invest and six had delayed property, equipment or other asset purchases. These results do not establish regional prevalence, but they demonstrate concrete pathways through which insurance can affect the capacity of existing businesses to support future industry growth.

The results also show a risk-management response to affordability pressure. Eight respondents had reduced the level or type of insurance held and six reported underinsurance. Four had considered closing, selling or relocating. Underinsurance can leave individual businesses and their wider supply chains more exposed to disruption following a disaster, particularly where recovery depends on the timely repair or replacement of productive assets.

6. Affordability, Availability and Mitigation

The ACCC's June 2026 report provides important context. It found that the Pool had moderated premium rises in areas of higher cyclone risk. After insurers entered the Pool, the average premium per $100,000 insured was 11 per cent lower for home and contents insurance and 24 per cent lower for combined small-business building and contents insurance in medium to high cyclone-risk areas. For Cairns home and contents policies, the average premium per $100,000 insured was 12 per cent lower than the pre-Pool level.[9]

These findings can coexist with respondents reporting premium increases. The ACCC measured the Pool's effect relative to pre-Pool pricing and sums insured. Total premiums can still rise because of claims costs, rebuilding inflation, flood and other natural-peril risks, policy changes and broader market conditions. In 2024–25, the ACCC recorded an average home and contents premium of $3,117 in north Queensland, up four per cent from the previous year. It also noted that some small-business premium reductions may reflect reduced cover or higher excesses and that affordability remained a concern for Queensland small businesses.[10]

The ACCC also found that, for combined small-business building and contents policies in medium-to-high cyclone-risk areas, average premiums per $100,000 insured in the second year after Pool entry were 31 per cent below pre-Pool levels. This supports a balanced conclusion: the Pool's pricing benefits were sustained within the period examined, while an affordable final premium remains a separate question. RDATN does not contend that inflation has demonstrably eliminated the Pool's benefits.[11]

Availability remains a material issue. Ten of 12 RDATN business respondents perceived that fewer insurers were available since the Pool commenced, and none selected that more were available. The ACCC similarly found that, despite limited improvements for some consumers, no new insurers had entered northern Australia and existing insurers displayed limited appetite to expand their overall exposure. The ACCC identified barriers beyond cyclone risk, including exposure to other natural perils.[12]

Mitigation is another area where official and regional evidence can be read together. ARPC reported $9.7 million in mitigation discounts applied to in-force home reinsurance premiums at 30 June 2026. The ACCC found that more insurers were recognising private mitigation, while some still lacked a mitigation framework and consumer information varied. In RDATN's residential stream, 42 of 57 respondents reported taking steps to protect their property without noticing a premium change, while only three reported a positive change.

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[9] ACCC, Insurance monitoring report, June 2026, pp. 5–6, 60 and 97–98.

[10] ACCC, Insurance monitoring report, June 2026, pp. 63 and 95–97.

11 EXTERNAL SOURCE: ACCC, Insurance monitoring report, June 2026, pp. 90 and 94–95.

[12] ACCC, Insurance monitoring report, June 2026, pp. 8, 12 and 134.

This does not measure insurer compliance or causation, but it indicates a continuing gap between mitigation activity and respondents' perception of recognition.[13]

The 2025 RDATN summary also identified a perceived gap between protective action and premium recognition: 59 per cent reported being proactive in residential property protection, yet most saw no premium reduction. In 2026, 42 of 57 (73.7 per cent) reported protective action without noticing a premium change. Although the measures are not identical, the recurring theme supports clearer guidance on eligible works and how mitigation is reflected in pricing.[14]

6.1 Cyclone-related Flooding and Commercial Coverage

The timing of cyclone-related flooding is relevant to the Pool's effectiveness in Tropical North Queensland. The present reinsurance period ends 48 hours after a declared cyclone ends. ARPC has published modelling of a 168-hour alternative, estimating additional average annual Pool losses of $20–35 million and a need for additional reinsurance premiums. RDATN supports publication of an assessment of whether an extended period would improve commercial insurance outcomes, including how delayed flood losses would be attributed and the implications for final premiums. This is a reinsurance boundary; it does not by itself determine a policyholder's entitlement under their insurance contract.[15]

Risks outside the Pool require separate attention. Consistent with the NRDAA submission, RDATN supports investigation of gaps affecting specialised commercial and marine activities, non-cyclone flood and business interruption, with responses tailored to demonstrated market needs. Expanding cyclone reinsurance should not be treated as a comprehensive solution to these distinct risks.[16]

6.2 Disaster Recovery Funding Resilience and Regional Costs

This discussion relates to TOR (f), supporting infrastructure, as context for the insurance-focused supplementary invitation. Insurance protects policyholders subject to policy terms; public recovery arrangements support eligible recovery activity and infrastructure. Changes to government funding shares do not automatically change private insurance premiums. However, the resilience and recovery of shared roads, crossings and essential services affect business access, workforce mobility and post-disaster disruption. The relevant connection is how these conditions interact with business risk, insurability and continuity.

The Northern RDA Alliance's submission of 18 August 2026 raised concerns about the then-proposed 50:50 funding model, activation thresholds and the adequacy of betterment funding for councils with limited revenue bases. It sought a Northern Australia impact assessment. Those concerns should be read in the context of subsequent changes, rather than treated as a forecast under settled policy.[17]

On 9 October 2026, the Commonwealth announced that current cost-sharing arrangements would be retained, including contributions of up to 75 per cent where criteria are met. NEMA also states that existing arrangements remain in place for the upcoming higher-risk weather season and that further work will precede

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[13] ARPC, Cyclone Reinsurance Pool statistics as at 30 June 2026; ACCC, Insurance monitoring report, June 2026, pp. 12 and 134.

14 RDATN, Submission to ACCC Insurance Monitoring Report, 31 March 2025, p. 2; 2026 RDATN survey, Q18, p. 21.

15 EXTERNAL SOURCE: ARPC, Modelling of Cyclone Pool coverage period, 6 September 2024, and Cyclone Pool Consumers. https://arpc.gov.au/resources/arpc-publishes-modelling-of-cyclone-pool-coverage-period/ ; https://arpc.gov.au/consumers/cyclone-pool-consumers/

16 NRDAA, submission on Preparing for emerging industries across Northern Australia and the implementation and effectiveness of the cyclone reinsurance scheme, final v1.0, 30 October 2026, recommendations 4 and 6 Practical implications for emerging industries.

17 NRDAA, submission to NEMA on proposed changes to the Disaster Recovery Funding Arrangements, 18 August 2026, pp. 1–5 and 7–10.

implementation. The earlier 50:50 proposal should therefore not be presented as the current reform position.[18]

The underlying resilience issue remains relevant. The Alliance's Mareeba Shire case study records upgrades to 59 crossings across 29 roads, with improved performance during subsequent rainfall-related disasters. Reliable public infrastructure can support continuity for businesses and workers. Whether particular improvements change insured losses, cover availability or premiums requires separate assessment; a reduction in premiums should not be assumed.[19]

RDATN proposes examining the combined effects of final recovery funding settings, infrastructure resilience and insurance conditions. The assessment should test whether unmet recovery costs could lead to deferred works, service changes or pressure on rates, charges or levies, and how those outcomes could affect households and businesses. It should also examine whether delayed restoration or repeated infrastructure damage affects business disruption and underwriting decisions. These are possible pathways to investigate, not demonstrated effects of the revised framework. Such analysis would connect public recovery policy with the conditions needed for regional investment and workforce stability.

Part B: Insurance, Housing Costs and Workforce Readiness

7. Workforce Requirements of Emerging Industries

TOR (h) addresses training, attracting and retaining a skilled workforce. RDATN's January submission identified housing and liveability as core retention levers; this supplementary submission develops their insurance dimension. Emerging industries depend on people who can afford to live near their jobs and on the businesses and services that support them. Insurance pressures on individuals can therefore become an industry issue through housing affordability, recruitment and retention, even where an employer's own insurance cover is unaffected.[20]

At Workforce Evolution in FNQ, the Department of Trade, Employment and Training presentation reported that Far North Queensland's workforce was projected to grow by approximately 8.5 per cent over the following decade, equating to around 12,900 additional jobs. It also reported substantial replacement demand across retail, accommodation and food services, construction and education. These projections reinforce the need to prepare both the skills pipeline and the broader conditions that influence whether workers can build careers and lives in the region.[21]

The same projections allocate 37 per cent of FNQ's additional jobs to the care economy and 25 per cent to the knowledge economy by 2034. Health Care and Social Assistance is projected to grow by 17.5 per cent. These forecasts indicate continuing demand from established sectors alongside emerging-industry requirements.[22]

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18 EXTERNAL SOURCE: Treasury Ministers, Changes to disaster recovery funding arrangement reforms to support Australian communities, 9 October 2026; NEMA, Disaster Recovery Funding Framework, accessed 22 October 2026.

19 NRDAA, 18 August 2026 submission, Appendix 2, pp. 12–14, Mareeba Shire Council Gully Betterment Program.

20 RDATN, January 2026 emerging industries submission, Section 9, p. 11.

21 Kieran Benfield, Department of Trade, Employment and Training, State of the Workforce in Far North Queensland, presentation to Workforce Evolution in FNQ, 10 June 2026

22 Kieran Benfield, Department of Trade, Employment and Training, State of the Workforce in Far North Queensland, presentation to Workforce Evolution in FNQ, 10 June 2026

The same projections allocate 37 per cent of FNQ's additional jobs to the care economy and 25 per cent to the knowledge economy by 2034. Health Care and Social Assistance is projected to grow by 17.5 per cent. These forecasts indicate continuing demand from established sectors alongside emerging-industry requirements.[23]

8. Workforce Evolution in FNQ

Workforce Evolution in FNQ was held in Cairns on 10 June 2026 and was delivered by RDATN in partnership with the Regional Jobs Committee, Local Jobs Program and Cairns Chamber of Commerce. The event connected 120 employers and workforce stakeholders. They represented a broad range of industries spanning education and training, community services, health and care, tourism and hospitality, government, construction and agriculture.

During the live employer survey, recruitment, retention and skills shortages emerged as the dominant themes. Workplace culture, training and development, leadership capability and employee engagement came close second. This indicates that workforce readiness involves both labour supply and the capacity of employers to develop and retain their people.

Table 3 – Factors employers identified as important for attracting and retaining staff

Factor	Respondents	Percentage
Flexibility and work-life balance	55 of 84	65.5%
Salary or attractive remuneration	55 of 84	65.5%
Career progression and training	25 of 84	29.8%
Culture, values and purpose	25 of 84	29.8%

NB: Respondents were allowed to select multiple answers. Totals exceed 100%

Employers also expected substantial change. Skills gaps were the most frequently selected influence over the next five to ten years, followed by technology and artificial intelligence and changing workforce expectations. These pressures are relevant across established and emerging sectors: businesses will need new technical capabilities while retaining experience and supporting knowledge transfer from an ageing workforce.

Table 4 - Factors expected to affect industries over the next 5-10 years

Factor	Respondents	Percentage
Skills gaps	52 of 81	64.2%
Technology and artificial intelligence	47 of 81	58.0%
Changing workforce expectations	47 of 81	58.0%
Ageing workforce	26 of 81	32.1%
New industry practices	24 of 81	29.6%

NB: Respondents were allowed to select multiple answers. Totals exceed 100%

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[23] Kieran Benfield, Department of Trade, Employment and Training, State of the Workforce in Far North Queensland, presentation to Workforce Evolution in FNQ, 10 June 2026

9. Insurance and Workforce Attraction and Retention

Participants identified housing availability and affordability, regional liveability and infrastructure, childcare, transport and youth retention as priorities for preparing the future workforce. These themes show that workforce development cannot be separated from the conditions that enable people to live and build careers in the region. This aligns with TEDS, which treats housing, social infrastructure, services and connectivity as economic enablers, and with the Regional Investment Framework's focus on investing in people and places.

The residential insurance findings identify one pressure on the cost of living in the region. Of 58 respondents, 52 selected that insurance was becoming unaffordable. Of 57 respondents, 29 reported spending less elsewhere, 15 limited or delayed property expenditure and 31 held only minimum cover. Two had considered relocating because of insurance costs or availability. These are property-owner experiences; they do not measure renters' costs or confirm that respondents moved. They nevertheless show why insurance needs to be considered alongside housing and other essential expenses in workforce planning.

The 2026 household findings echo the affordability and stress reported in 2025. The earlier RDATN submission recorded 88 per cent describing insurance as becoming unaffordable and 71 per cent reporting cost stress; in 2026 the figures were 52 of 58 (89.7 per cent) and 39 of 57 (68.4 per cent). The 2025 summary reported 48 per cent choosing to underinsure, compared with 19 of 57 (33.3 per cent) in 2026. The results indicate continuing pressure in both response groups, with variation between measures rather than a uniform deterioration. See Table 5.

Table 5 – Residential insurance experiences in 2025 and 2026

Reported experience	2025	2026
Insurance becoming unaffordable	88%	89.7% (52/58)
Cost-related stress	71%	68.4% (39/57)
Choosing to underinsure	48%	33.3% (19/57)
Reduced spending elsewhere	19%	50.9% (29/57)
Only bare-minimum cover	*Not reported*	54.4% (31/57)
Delayed or limited property expenditure	*Not reported*	26.3% (15/57)

Sources: RDATN submission to the ACCC, 31 March 2025, p. 1; 2026 RDATN survey, Q13–Q14. The samples are separate and self-selected. The 2025 summary gives rounded percentages without question-level denominators; 2026 bases vary by question. Not reported means no comparable result was provided in the 2025 summary.

Strata premium experiences were mixed in both rounds. The 2025 submission reported increases for 76 per cent and decreases for 24 per cent. In 2026, four of six reported an increase, one a decrease and one no change in the insurance component of Body Corporate fees. The very small 2026 group does not establish a regional improvement or deterioration, but illustrates why household and workforce planning should consider different housing types. See Table 6.

Table 6 – Strata premium experiences in 2025 and 2026

Reported experience	2025	2026
Premium increase	76%	66.7% (4/6)
Premium decrease	24%	16.7% (1/6)
No change	*Not reported*	16.7% (1/6)

For owner-occupiers, insurance is a direct household expense. For renters, the potential link is through the costs and decisions of rental providers. Higher building, landlord or strata insurance costs may contribute to pressure to increase rents or defer maintenance, and may affect the viability of retaining or adding rental housing. The degree of any effect depends on local demand and supply, tenancy settings and the property owner's circumstances. The survey does not establish the extent to which these costs reach tenants.

For employers, the workforce implication is practical: a job offer must be considered alongside the cost and availability of a suitable home. If housing costs are difficult to sustain, existing workers may find it harder to remain locally and prospective workers may be less able or willing to relocate. Employers may then face recruitment delays or pressure to provide accommodation or additional remuneration. These are potential consequences of housing pressure, not quantified effects attributable to insurance in RDATN's surveys.

The employer evidence and household evidence should therefore be read together. Workforce Evolution participants identified housing affordability and liveability as priorities, while the insurance survey records pressure on household budgets and property expenditure. RDATN recommends that regional workforce planning assess insurance as one component of housing costs for owners, renters and employer-provided accommodation, and gather evidence on actual rental outcomes and recruitment and retention decisions. This would test the link without treating household sentiment as proof of workforce loss.

10. Preparing the Future Workforce

The January submission addresses broader training and workforce priorities under TOR (h). The following event findings provide context for the housing and insurance pressures relevant to attraction and retention:

- improving housing availability, affordability and regional liveability;
- addressing enabling conditions such as childcare and transport;
- expanding education, training, apprenticeship and vocational pathways;
- providing more entry-level employment and work-experience opportunities;
- creating clearer early-career pathways for young people;
- strengthening employer workforce and succession planning; and
- continuing collaboration between industry, education, government and workforce organisations.

The evidence also shows that attraction and retention depend on the employment offer. Employers will need support to adapt jobs, leadership practices and development pathways as workforce expectations and technology change.

Broader research presented by McCrindle at the event also linked professional development with employee engagement. Among employees with high engagement, 77 per cent agreed that their organisation adequately funded professional development, compared with 27 per cent among those with low engagement. Agreement that leaders focused on coaching and development was 76 per cent and 27 per cent respectively. These findings describe an association and are not FNQ-specific survey results.[24]

For emerging industries, place-based workforce planning should begin before projects reach full operation. Governments and proponents should work with regional employers, training providers and communities to identify occupation demand, transferable skills, local procurement opportunities and realistic pathways for young people and existing workers. Planning should also consider whether workers can access suitable housing at a sustainable total cost, including insurance-related pressures where relevant. This develops the workforce priorities in RDATN's January submission and aligns with TEDS and the Regional Investment Framework priority of investing in people.

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[24] Sophie Renton, McCrindle, Leading thriving intergenerational teams, presentation to Workforce Evolution in FNQ, 10 June 2026, slide 56, citing McCrindle, Shaping Thriving Culture Report (2023).

DTET's projections also show a shift towards higher qualifications: by 2034, higher education is expected to account for 42 per cent of the FNQ workforce and vocational education and training for 34 per cent. Projected net workforce increases include 7,800 people at bachelor degree level and 5,400 at postgraduate degree level. The presentation reports an existing training investment of almost $50 million in FNQ in 2024–25, with more than 15,000 students participating in qualifications.[25]

11 Implications for Emerging Industry Development

This supplementary evidence reinforces the enabling conditions identified in RDATN's January submission. Insurance affects the capacity of regional businesses to operate, manage risk and invest; it can also contribute to the housing cost environment in which workers decide whether to settle and remain. Public recovery and resilience investment influences the reliability of the infrastructure on which both businesses and households depend. These connections warrant joint assessment, while preserving the distinction between measured survey findings and possible wider effects.

Table 7 – Regional evidence relevant to emerging industry readiness

Requirement for growth	Relevant regional evidence
Viable local suppliers and contractors	Eight of 12 business respondents reported sacrifices affecting operations, staffing or productivity.
Business investment and productive assets	Six of 12 reported affected expansion or investment plans; six had delayed asset purchases.
Adequate insurance and risk management	Eight of 12 had reduced cover and six reported underinsurance.
Skilled workers	Recruitment, retention and skills shortages were the dominant challenges identified by Workforce Evolution participants.
Capacity to respond to change	Of 81 respondents, 52 identified skills gaps and 47 identified technology and AI.
Housing and liveability	Workforce participants identified housing affordability and liveability as priorities; 52 of 58 residential insurance answers described insurance as becoming unaffordable. Effects on rents and workforce movements were not measured.
Future skills pathways	Participants called for training, apprenticeships, early-career pathways and succession planning.

The Pool should continue to be assessed for its effect on affordability and competition, and for whether insurance conditions allow regional businesses to maintain assets and invest. Workforce planning should link skills initiatives with housing, services and employer capability. Disaster recovery reform should be assessed for its regional economic effects, including infrastructure reliability and any indirect cost pressures, using the revised October 2026 policy position.

This integrated position reflects the TEDS vision of a thriving, diverse and sustainable powerhouse of Northern Australia and its focus on productivity, resilience, liveability and collaboration. It also reflects the Regional Investment Framework's recognition that successful regional development requires coordinated investment in people, places, services and local economies.

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[25] Kieran Benfield, Department of Trade, Employment and Training, State of the Workforce in Far North Queensland, presentation to Workforce Evolution in FNQ, 10 June 2026

13. Conclusion

The Cyclone Reinsurance Pool is delivering measurable premium benefits for some policies in higher-risk areas. The regional evidence nevertheless shows continuing concerns about affordability, insurer choice, mitigation recognition and the effect of insurance on business decisions. For the RDATN business respondents, these effects included reduced cover, operational sacrifices, delayed assets and affected investment plans.

Housing affordability and liveability influence whether regional employers can attract and retain the people needed for future growth. Insurance is relevant to this environment through direct costs for homeowners and potential pressures on rental providers and tenants. RDATN's evidence supports investigating these connections; it does not establish a measured effect on rents or workforce movements.

RDATN asks the Committee to read this insurance-focused supplementary submission alongside its January 2026 submission. Continued monitoring, clearer pricing information, mitigation recognition and insurer participation should be connected with workforce housing and regional resilience planning. The final disaster recovery framework should also be tested for regional impacts following the October commitment to retain current cost-sharing arrangements. These measures would help ensure that insurance and recovery settings support the businesses, workers and infrastructure required by established and emerging industries.

Appendix A – RDATN Submission to the Joint Standing Committee on Northern Australia – Inquiry into Preparing for Emerging Industries across Northern Australia (January 2026)

An Australian Government Initiative

Regional Development Australia
TROPICAL NORTH



TROPICAL NORTH

Submission

Preparing for emerging industries across Northern Australia

January 2026

Local people creating local opportunities **rdatropicalnorth.org.au**

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Lainie Poon, Chief Executive Officer, RDA Tropical North

Email: *ceo@rdatropicalnorth.org.au*

Website: www.rdatropicalnorth.org.au

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Submission to the Joint Standing Committee on Northern Australia

Inquiry into Preparing for Emerging Industries across Northern Australia

1. Introduction and Strategic Context

Regional Development Australia Tropical North (RDATN) welcomes the opportunity to provide this submission to the Joint Standing Committee on Northern Australia.

This submission is grounded in the **Tropical North Queensland Economic Development Strategy 2024–2029 (TEDS)**, authored by RDATN in collaboration with the Far North Queensland Regional Organisation of Councils (FNQROC) and with support of the Torres Cape Indigenous Councils Alliance (TCICA). TEDS provides the agreed, evidence-based regional economic direction for Tropical North Queensland and forms a key input into Australian Government place-based investment and policy decisions.

TEDS articulates a vision for Tropical North Queensland to be **a thriving, smart, green economic gateway to Asia and the Pacific**, underpinned by six transformational goals:

1. A dynamic economy adapting and transitioning in the face of climate change
2. Northern Australia's most productive region
3. A resilient community with an abundant and healthy natural environment
4. The north's most liveable tropical region
5. A safe, effective and connected region
6. A strong, collaborative and integrated region

The preparation for emerging industries across Northern Australia must be understood through this place-based lens. Emerging industries will only succeed where infrastructure, workforce, community confidence, First Nations participation and environmental stewardship are addressed together.

2. The Global Transition to Net Zero, Renewable Energy, Decarbonisation and Carbon Abatement

Regional Readiness and Existing Decarbonisation Effort

TEDS identifies climate transition and decarbonisation as defining macro trends shaping Tropical North Queensland's future (Goal 1). Importantly, the region is not starting from zero. Significant elements of the local economy—particularly agriculture, energy and land management—are already engaged in decarbonisation activities.

Existing Decarbonisation Effort and Readiness

Agriculture in Tropical North Queensland has operated for more than a decade under stringent environmental expectations linked to the protection of the **Great Barrier Reef**. Through Reef Protection Regulations, industry-led best practice programs, water quality improvement plans, precision agriculture, fertiliser optimisation, and land management reforms, producers have already invested heavily in emissions reduction and carbon abatement.

These efforts place the region's agricultural sector **ahead of many other jurisdictions** in adapting to decarbonisation requirements. However, much of this transition has been self-funded by producers and now requires coordinated policy support to:

- Scale carbon-smart and regenerative practices
- Integrate on-farm renewable energy and storage
- Monetise abatement through credible carbon and biodiversity markets

Community Confidence and Social Licence

RDATN's regional research and industry engagement indicate that communities are broadly ready for transition, particularly where benefits are tangible and locally delivered. Acceptance is highest for solar (residential and commercial) and community-scale solutions, and lower where projects are perceived to lack transparency, local benefit or meaningful engagement.

Trust in **local leadership, councils, industry bodies and respected intermediaries** is a decisive factor in securing social licence. Past failures have largely reflected process and consultation shortcomings rather than opposition to transition itself.

2A. Renewable Energy as a Standalone Emerging Industry

Renewable energy is not only a decarbonisation mechanism but a **standalone emerging industry** for Northern Australia, with significant implications for investment, employment, energy security and regional resilience.

Regional Leadership and Demonstrated Capability

Tropical North Queensland already hosts a diverse portfolio of renewable and clean energy initiatives, including:

- The **Kidston Pumped Storage Hydro Scheme**, demonstrating large-scale, dispatchable renewable energy
- **Wind farms on the Atherton Tablelands**, with strong local appetite for further development
- The **MSF Green Power bioenergy facility** on the Atherton Tablelands, converting waste to renewable energy
- The **Daintree Microgrid** and the **Wujal Wujal microgrid**, delivering community-scale, renewable-led energy solutions
- First Nations-led renewable projects through organisations such as **Jabalbina Yalanji Aboriginal Corporation**, demonstrating how renewables can align with land stewardship, self-determination and community benefit

At a local government level, the **Cairns Regional Council Smart Green Economy** agenda provides a strong policy platform linking renewable energy, innovation, liveability and economic development.

The Remote Energy Challenge

Despite these successes, securing reliable, affordable and low-emissions energy remains a critical challenge for regional and remote communities.

In regional and remote Queensland:

- **Ergon Energy is the sole electricity distributor and retailer**
- Many communities rely on **diesel-powered microgrids** that are not connected to the National Electricity Market
- Fuel transport costs, maintenance complexity and emissions remain high

This structure constrains the pace at which diesel can be replaced with renewable and firmed energy solutions, despite strong community and industry appetite.

Preparing for Scale and Replication

The challenge is no longer proving that renewable and microgrid solutions work—it is enabling them to be **replicated and scaled** more quickly.

Key barriers include:

- Lengthy approvals and procurement processes
- Limited coordination between energy, infrastructure, housing and regional development programs
- Capital funding gaps for community-scale and hybrid systems
- Workforce and technical capability constraints in remote locations

Recommendations

1. Treat renewable energy as a **core emerging industry** for Northern Australia, not solely a climate policy instrument
2. Establish streamlined pathways for the approval, funding and delivery of community-scale and remote renewable energy projects
3. Accelerate the transition from diesel through investment in firmed renewables, storage and hybrid microgrid systems
4. Enable greater flexibility and innovation in regulated energy markets servicing remote communities
5. Align renewable energy investment with local government strategies, including smart and green economy agendas
6. Prioritise First Nations-led renewable projects that deliver energy security, economic participation and land stewardship outcomes

3. Developing the Critical Minerals Industry

TEDS identifies mining and resources as a foundation industry, with strong potential to evolve toward **critical minerals and industrial inputs essential to the global net zero economy**.

In addition to battery minerals, **high-purity silica** represents a significant and emerging opportunity for Tropical North Queensland and Cape York. Silica is a critical input into solar panels, advanced manufacturing, glass, semiconductors and defence-related supply chains.

Silica projects in Far North Queensland and Cape York demonstrate how critical minerals development can:

- Support regional and remote employment
- Enable First Nations participation and economic empowerment

- Leverage existing port and transport infrastructure, including Weipa Deep Water Port

However, without enabling infrastructure, clear approvals pathways, and access to capital, these opportunities risk being delayed or lost to competing jurisdictions.

Recommendations

1. Recognise silica as a strategic critical mineral within Northern Australia policy settings
2. Support local producers across Far North Queensland and Cape York through concessional finance, approvals facilitation and enabling infrastructure
3. Align critical minerals development with First Nations-led economic development and long-term employment pathways
4. Invest in shared infrastructure that enables multiple resource projects and downstream processing opportunities

4. Supporting the Development of Export Industries

TEDS positions Tropical North Queensland as a critical export gateway to the Indo-Pacific, with strengths across agriculture, resources, marine services, aviation, education, health, defence-related services and emerging industries.

Enabling Infrastructure for Export Growth (Primary Constraint)

A key constraint on export development remains **incomplete transport connectivity across Cape York**, particularly the remaining unsealed sections of the Peninsula Developmental Road (PDR). Without a fully sealed corridor, freight reliability, food security, investor confidence and access to export infrastructure remain vulnerable to seasonal disruption.

Completion of the **Cape York Region Package (CYRP) – including Stage 3** is essential to:

- Remove freight bottlenecks affecting food, fuel and essential supplies
- Support reliable access to **Weipa Deep Water Port** for future export markets
- Enable growth in agriculture, critical minerals, defence logistics, space-related industries and circular economy activities
- Reduce transport costs and improve supply chain resilience for remote communities

The full sealing of the PDR is therefore not only a regional road project, but **nationally significant enabling infrastructure** for export industries across Northern Australia.

Proximity to and Engagement with the Indo-Pacific (Secondary Opportunity)

Beyond physical connectivity, Tropical North Queensland's proximity to Papua New Guinea and the Pacific positions the region as **Australia's natural northern gateway to the Indo-Pacific**. This geographic advantage is reinforced by long-standing people-to-people, business, education, health and cultural connections.

Evidence from the **Far North Queensland Export Capability Profile – Servicing the Pacific Region** report prepared by **Tradelinked**, demonstrates that export success from the region is fundamentally **relationship-based rather than transactional**. Businesses that succeed in Pacific markets do so through trust, cultural understanding, continuity of engagement and long-term presence, rather than one-off transactions or short-term trade missions.

The report confirms that Pacific partners traditionally favour relationship-led engagement before formal commercial arrangements are established, and that Cairns is already perceived as a trusted hub for trade, services, education, health and family connections. This relational capital is a strategic asset that requires deliberate, long-term investment.

These findings align with RDATN's **Pacific Engagement (PAC) Three-Year Strategy**, which advocates moving from neighbourly interaction to **enduring partnership models** across trade, workforce, education, health, climate resilience and cultural exchange.

Recommendations

1. Commit to full delivery of the **Cape York Region Package, including Stage 3**, to complete sealing of the Peninsula Developmental Road as enabling export infrastructure
2. Recognise Tropical North Queensland as a strategic Indo-Pacific trade and services hub within Northern Australia policy settings
3. Support regional communities and economic development bodies to build **long-term, relationship-based engagement** with Indo-Pacific partners, rather than short-term transactional programs
4. Provide sustained funding for regional trade facilitation, cultural capability and partnership brokerage
5. Align Commonwealth Indo-Pacific initiatives with place-based regional strategies, including TEDS and the RDATN Pacific Engagement Strategy

5. Supporting the Decommissioning Industry

TEDS recognises the transition of legacy assets as both a risk and an opportunity. Decommissioning in energy, resources and marine sectors represents an emerging industry with strong alignment to Northern Australia's skill base.

Recommendations

1. Develop regional decommissioning hubs linked to ports and marine precincts
2. Invest in workforce transition and reskilling programs aligned to decommissioning demand
3. Establish clear national policy and regulatory frameworks to attract private investment

6. Supporting the Defence Industry

Northern Australia's strategic defence role is explicitly recognised in TEDS and the Northern Australia White Paper.

Emerging industries must align with defence priorities through:

- Dual-use infrastructure
- Local supply chain participation
- Civilian workforce availability

Recommendations

1. Align defence infrastructure investment with regional development strategies
2. Strengthen local SME participation in defence supply chains
3. Develop targeted skills pathways linking defence, aviation, marine and advanced manufacturing

7. Supporting Infrastructure (Physical and Digital)

Infrastructure is the primary enabler of all emerging industries in Northern Australia. TEDS explicitly recognises that **physical infrastructure and digital connectivity are inseparable** foundations for productivity, resilience and liveability (Goals 1, 2 and 5).

Transport and Enabling Infrastructure

As outlined earlier in this submission and reinforced through RDATN's FY26 Federal Pre-Budget Submission, the **completion of strategic road corridors** remains a nation-building priority. In particular, full sealing of the Peninsula Developmental Road through completion of the Cape York Region Package is essential to support freight efficiency, food security, defence logistics, export access via Weipa Deep Water Port, and emerging industries including space and critical minerals.

Digital Connectivity as Core Economic Infrastructure

TEDS identifies digital connectivity as a critical enabler across all sectors, including agriculture, resources, renewable energy, defence, biosecurity, health, education and disaster resilience. Evidence gathered through RDATN-led Digital Connectivity Forums and Regional Drought Resilience Planning demonstrates that digital infrastructure deficits are now a **binding constraint on regional economic development**, not a secondary service issue.

Key challenges identified across Tropical North Queensland, the Gulf, Cape York and Torres Strait include:

- Inconsistent mobile and broadband coverage, particularly outside population centres
- Backhaul constraints limiting reliability, redundancy and capacity
- Misalignment between coverage maps and actual service performance
- Affordability barriers and lack of access to devices and installation support
- Low digital capability and connectivity literacy, particularly in remote and First Nations communities

Stakeholder evidence indicates that while satellite services have improved access in some locations, they **cannot substitute for resilient terrestrial infrastructure**, particularly for defence, biosecurity, emergency management, energy systems, AgTech, and industry-scale data use.

Economic and Social Impacts

Digital connectivity constraints directly affect:

- Export competitiveness and global market access
- Uptake of AgTech, energy tech and advanced manufacturing
- Workforce attraction, retention and remote work opportunities
- Service delivery in health, education and community services

- Disaster preparedness, response and recovery

Without coordinated investment, regions risk falling further behind as data-intensive technologies, automation and AI become standard across emerging industries.

Recommendations

1. Recognise digital connectivity as **essential economic and national security infrastructure** for Northern Australia
2. Commit to place-based digital infrastructure solutions that address backhaul, redundancy and last-mile access
3. Align digital connectivity investment with transport, energy and water infrastructure planning
4. Support regional digital capability and connectivity literacy programs alongside infrastructure investment
5. Establish consistent regional performance metrics to measure real-world service quality, not just coverage

8. Managing Biosecurity Risks

Northern Australia's proximity to international borders heightens biosecurity risk for agriculture, environment, trade and community wellbeing. TEDS highlights resilience, data and early-warning systems as critical regional priorities.

Emerging **sensor-based monitoring and data platforms** offer significant potential to improve biosecurity surveillance, environmental monitoring and disaster preparedness across remote and regional landscapes.

However, uptake and scaling are constrained by:

- Fragmented regulatory and procurement frameworks
- Limited interoperability between agencies and jurisdictions
- Short-term funding cycles that undermine long-term deployment

Recommendations

1. Streamline approvals and procurement pathways for proven biosecurity and environmental monitoring technologies
2. Invest in interoperable data systems that support cross-agency information sharing
3. Support local and First Nations employment in biosecurity, monitoring and environmental management roles

9. Training, Attracting and Retaining a Skilled Workforce (Including Migration)

TEDS identifies workforce availability as a foundational constraint across all emerging industries.

RDATN's skilled migration research confirms that **migration is essential** to Northern Australia's workforce sustainability, particularly in:

- Energy and infrastructure delivery
- Resources and decommissioning
- Care, community and essential services

Recommendations

1. Adopt place-based workforce strategies aligned with emerging industry demand
2. Integrate skilled migration pathways into Northern Australia workforce planning
3. Address housing and liveability as core workforce retention levers
4. Improve recognition of overseas qualifications and support long-term settlement

10. Empowering and Upskilling Local First Nations People

First Nations people are central to Northern Australia's future economy. In Tropical North Queensland, RDATN's remit includes **eight First Nations local government areas**, plus **two in the Torres Strait**, where communities are often remote, culturally distinct, and face structural barriers to participating in the mainstream economy.

While policy intent to increase First Nations economic participation is strong, delivery is constrained by foundational issues that must be addressed if emerging industries are to deliver genuine, scalable benefit.

Structural Barriers to Participation

1. **Land tenure and bankability**
   In many communities, land tenure arrangements limit the ability of households and enterprises to leverage land assets as security, constraining access to finance, insurance and commercial partnerships. This reduces opportunities for local ownership in housing, commercial enterprises, renewable energy, agribusiness, waste and recycling infrastructure, and other emerging industries.
2. **Limited pathways to home ownership and asset formation**
   Home ownership is near impossible in many remote communities due to tenure settings, financing constraints, high construction costs and limited housing supply. Without pathways to asset formation, participation in the regular economy and intergenerational wealth-building is constrained.
3. **Uneven access to royalties and benefit streams**
   Royalties or negotiated benefits may exist in some locations or projects, but they are not universally available and are often tied to specific tenures or agreements. They do not substitute for broad-based economic participation and can be volatile over time.
4. **Distance, service delivery and workforce barriers**
   Participation in emerging industries is constrained by thin labour markets, high training delivery costs,

limited local trainers, and restricted access to reliable digital connectivity. These challenges are compounded by housing overcrowding, health and transport constraints.

Circular Economy as an Emerging First Nations Opportunity

The **circular economy** represents a significant and underutilised emerging industry for Northern Australia, with strong alignment to First Nations participation, local employment, environmental stewardship and community benefit.

Waste management and resource recovery infrastructure—particularly in remote and regional locations—offers practical pathways for First Nations communities to participate in the regular economy through:

- Local collection, sorting, recycling and reuse enterprises
- Community-based processing of materials such as plastics, metals, organics and construction waste
- Integration with land management, biosecurity and environmental services
- Reduced freight costs through localised processing and circular supply chains

Circular economy activities can be scaled incrementally, are less capital intensive than many extractive industries, and lend themselves to **community-owned or social enterprise models**, making them well suited to diverse tenure arrangements.

What "Empowerment" Should Mean in Emerging Industries

For emerging industries—including renewables, critical minerals, space, and the circular economy—to deliver sustained First Nations benefit, empowerment must extend beyond employment targets to include:

- Legitimate pathways to **enterprise formation**, procurement participation and equity investment
- Secure, bankable tenure pathways that enable **commercial use and partnerships**
- Local governance and benefit-sharing models that align with community priorities
- Long-term, industry-aligned training and mentoring

Recommendations

1. **Tenure and finance reform for economic participation**
   Develop fit-for-place tenure and financing mechanisms that enable First Nations households and enterprises to participate in the regular economy, including community-owned models where appropriate.

2. **Enable First Nations ownership and equity in emerging industries**
   Require major Northern Australia projects—including renewables, critical minerals, ports, space and circular economy infrastructure—to include clear pathways for First Nations equity participation, contracting and supply chain development.

3. **Establish a Northern Australia First Nations Circular Economy Program**
   Support First Nations-led waste management and resource recovery enterprises through investment in enabling infrastructure, training, business development and long-term operational funding.

4. **Support housing and asset formation as economic enablers**
   Treat housing supply, workforce housing and pathways to home ownership (where desired) as foundational economic participation infrastructure.

5. **Invest in digital access as a participation lever**
   Expand digital connectivity, affordability and connectivity literacy programs in remote and First

Nations LGAs to enable e-commerce, remote work, training access and participation in modern supply chains.

11. Barge Landings and Marine Access for Remote Communities

Marine access underpins liveability, food security and economic participation for remote Northern Australian communities.

Recent disruptions to freight supply chains have highlighted the vulnerability of existing infrastructure and the reality that marine operations must work with environmental conditions, not against them.

Recommendations

1. Establish a coordinated national program to upgrade barge landings and marine access
2. Design infrastructure for climate resilience and future demand
3. Embed local employment and skills development in marine infrastructure delivery

12. Research and Development

TEDS emphasises applied, regionally grounded research as critical to productivity, resilience and innovation across Northern Australia.

Emerging industries in the north require:

- Place-based research linked directly to industry and community need
- Strong collaboration between universities, industry, governments and First Nations organisations
- Data-driven decision-making to inform infrastructure, workforce and investment priorities

Recommendations

1. Increase Commonwealth investment in applied R&D aligned to Northern Australian priorities
2. Support long-term research partnerships that embed researchers within regions
3. Invest in data, monitoring and digital platforms to support evidence-based policy and delivery

13. Case Studies (Applied, Place-Based Delivery)

Case Study 1: Cape York Region Package – Peninsula Developmental Road (PDR)

Challenge:
Cape York communities experience high freight costs, unreliable access to essential goods, seasonal isolation and constrained economic participation due to remaining unsealed sections of the Peninsula Developmental Road.

Response:
The Cape York Region Package (CYRP) has progressively sealed the PDR. Stage 3 is required to complete the corridor and deliver year-round reliability.

Outcomes:

Freight cost reductions of up to 35 per cent

Improved food security and access to health and social services

Reliable access to Weipa Deep Water Port, supporting export industries and national supply chains

Indigenous employment and training outcomes embedded in delivery

Why this matters for emerging industries:
A fully sealed PDR is enabling infrastructure for agriculture, critical minerals, defence logistics, space-related industries and disaster response.

Case Study 2: Weipa and the Emerging Space Industry

Challenge:
Australia's space sector requires secure, northern launch and tracking capability aligned with Indo-Pacific geography, defence needs and commercial markets.

Opportunity:
Weipa's location, air and sea access, existing industrial capability and proximity to Defence assets position it as a viable site for space-related activity under the right regulatory, infrastructure and workforce conditions.

Preparation requirements:

Planning and regulatory certainty

Reliable transport and port access

Skilled local and migrant workforce pathways

Strong First Nations engagement and benefit-sharing

Why this matters for Northern Australia:
Space represents a high-value, low-footprint emerging industry that complements defence, aviation, data and advanced manufacturing sectors.

Case Study 3: Freight Resilience – Remote Communities and Marine Access

Challenge:
Remote communities in Far North Queensland rely on marine freight for food, fuel and essential supplies. Weather events and tidal constraints regularly disrupt supply chains.

Response:
Recent freight disruptions highlighted the reality that marine logistics must work with environmental conditions, not against them. Community-led coordination between operators, councils and suppliers ensured continuity of supply.

Lessons for emerging industries:

Marine access is economic infrastructure, not a discretionary service

Investment in resilient barge landings and marine facilities support liveability, food security and workforce retention

Mapping Recommendations to Commonwealth Levers

Table 1: Mapping Recommendations to Commonwealth Levers.

Priority Area	Key Recommendations	Commonwealth Lever
Decarbonisation	Support agriculture-led carbon abatement	Climate & Energy Programs, Agriculture
Renewable Energy	Transmission and enabling infrastructure	NAIF, Infrastructure Australia
Critical Minerals	Support silica and regional projects	NAIF, Critical Minerals Facility
Export Industries	Complete CYRP Stage 3 (PDR)	Infrastructure
Defence Industry	Dual-use infrastructure	Defence Estate, NAIF
Biosecurity	Sensor-based monitoring systems	DRF, Biosecurity Programs
Workforce	Skilled migration and training pathways	Skills Australia, Home Affairs
First Nations	Indigenous-led enterprise development	Closing the Gap, Indigenous Business
Marine Access	Barge landing upgrades	Disaster Ready Fund

Priority Area	Key Recommendations	Commonwealth Lever
R&D	Applied regional research	ARC, Cooperative Research Centres

Alignment with Northern Australia White Paper Refresh

This submission directly supports anticipated priorities of the Northern Australia White Paper refresh by:

- Prioritising enabling infrastructure over isolated projects
- Integrating defence, trade, workforce, and economic resilience objectives
- Embedding First Nations leadership and economic participation
- Recognising climate adaptation and decarbonisation as economic opportunities
- Strengthening Northern Australia's role in the Indo-Pacific

14. Conclusion

Preparing for emerging industries across Northern Australia requires coordinated, place-based investment that integrates infrastructure, workforce, community confidence, First Nations leadership and innovation.

The Tropical North Queensland Economic Development Strategy (TEDS), supported by RDATN's FY26 Federal Pre-Budget Submission, provides a mature, regionally endorsed framework to guide this approach. Completion of nationally significant infrastructure such as the Peninsula Developmental Road, recognition of agriculture's existing decarbonisation efforts, and support for emerging sectors including space, critical minerals and advanced manufacturing are essential to realising Northern Australia's potential.

RDATN encourages the Committee to recognise regional economic strategies as foundational instruments for effective policy and investment. RDATN welcomes the opportunity to provide further evidence or guidance if required.

Lainie Poon

Chief Executive Officer

Regional Development Australia Tropical North

Appendix B – RDATN Submission to the ACCC Insurance Monitoring (2025)

An Australian Government Initiative

Regional Development Australia
TROPICAL NORTH

RDATN Submission to ACCC Insurance Monitoring Report

31 March 2025

Introduction The RDATN appreciates the opportunity to present insights from our region on insurance challenges. This submission outlines key findings from a survey conducted over a 14-day period, gathering input from **224 respondent**s across our region, encompassing **21 local government areas**, with most respondents based in **Cairns and surrounding areas**. These insights support our ongoing advocacy at all levels of government to address insurance affordability, availability, and access for residential, business, and strata property owners. Findings suggest that rising insurance costs remain a major concern, with minimal evidence of premium reductions since the Cyclone Reinsurance Pool's introduction. Below is a summary of key results aligned with identified areas of concern.

Summary of Results by ACCC Question Areas

Residential (169 respondents):

Insurance Affordability

- **90%** reported an **increase** in premiums since the Cyclone Reinsurance Pool commenced.

  Of those, **40%** reported an increase of **15% or more**.
- **5%** reported a **decrease** in premiums of up to 10%
- **88%** reported that insurance is becoming unaffordable and **71%** are feeling **stressed** about rising costs, with some reducing spending on property maintenance to cope.

Underinsurance and Non-Insurance

- **48%** reported choosing to **underinsure** their property to manage costs, while 23% are happy with current level.
- **19%** reported cutting spending elsewhere to cover rising insurance costs.

Insurance Availability

- **47%** reported **having less than 4 companies to choose from**, while 46% feel its about the same since the Cyclone Reinsurance Pool started (2023).

Risk Mitigation

- **59%** reported being **proactive** in property protection, yet most saw **no reduction** in premiums. Government incentives such as the **Household Resilience Program** (with only **2%** of respondents being eligible and a further **20%** indicating they were not motivated because they were ineligible) did not appear to motivate consumers to invest in mitigation measures.
- Common barriers included:
    - **High costs** of upgrades.
    - **Limited financial incentive** or unclear links between mitigation and premium reductions.

Business (51 respondents):

Insurance Affordability

- **86%** reported an **increase** in premiums, with **47%** experiencing a rise of **15% or more**.
- Only **2.7%** reported a **decrease**.
- **56%** noted they were unsure if their excess had changed with **38%** confirming they have an increased excess by **more than 50%**
- **64%** of businesses reported sacrificing spending on operations and a further **78%** stated they feel stressed over the cost
- **85%** of business owners reported insurance is becoming unaffordable

Underinsurance and Non-Insurance

- **36%** reported **o**nly taking out public liability.
- **42%** are happy with their level of cover but the excess is unaffordable.

Insurance Availability

- **71%** reported **less than 4 companies** to choose from, with **14%** stating it's about the same.
- **64%** stated they shop around yearly

Risk Mitigation

- **71%** reported being **proactive** in protecting their premises where possible.

Strata (30 respondents):

Insurance Affordability

- **76%** reported an **increase** in Body Corporate insurance fees.
- 24% noticed a decrease of more than **15%**

Insurance Availability

- **77%** reported **less than 4 companies** to choose from, with additional **11%** stating it's about the same

Risk Mitigation

- **68%** reported their body corporates being proactive with mitigation

Survey Extracts

Comment

"We pay over $12,000 for business insurance and it excludes cyclone cover and storm damage is limited to $200,000! With public liability and our own personal home and contents and car insurance, we pay over $20,000 a year in insurance! We are unwilling for this sort of impost and for a small business makes our venture in the Daintree unviable."

"This issue increases rents to tenants, affects affordability."

"There needs to be more exposure for the reinsurance pool and the Household Resilience Program and how it can assist in lowering premiums."

"Need to remove stamp duty on premiums & provide more insurance options including a government scheme."

"The cyclone pool needs to be better explained - it won't help for 10 years and that's if we don't have any cyclones or major damage."

"My insurance company told me that this scheme does not help us at all with premiums and only helps them, they keep putting my annual premium up each year. Never seen any kind of dent from this scheme."

"I switched from Suncorp to Sure for a better premium only to find after 12 months my premium with Sure increased 20% making it more expensive by far than Suncorp, despite replacing my roof!!"

"I'd rather spend time and money lowering my risk of needing insurance, than trying to earn money to pay an insurance company. A risky business but it makes one more self reliant, a quality that will be needed in the climate change future we'll face."

"obtaining full coverage is impossible."

"I am concerned about broader under-insurance across the region along with the potential impacts that has post a disaster on housing availability and liveability in the region."

"We constantly seek ways to save on our insurance by cutting benefits or features of our policy"

"I have never claimed but I feel I'm paying for the impacts we've had recently in our region. Flooding etc and increase in thefts."

"I have to literally fight the last 2 years with my insurance company: paying more but less cover or higher excess."

"I always phone every year to see what can be done to decrease the premium they send out. I always change the house value to the lowest they will insure for."

"It is becoming more difficult to insure depending on your location. This is becoming a very widespread issue within our region and more and more properties are becoming uninsured as the premiums are unaffordable.

We are very grossly disadvantaged because of our location. The scope of the insurance pool needs to be more broad."

"We have had to add an insurance fee to admin and sinking fees. General maintenance has to be pared down also. My investment property insurance has gone from $14,644 in 2021, to $41,122 in 2025 - an increase of 180%. This increase has required an ongoing special levy to pay off a strata loan. A similar situation has happened at my residence."

"The cyclone reinsurance pool has drastically reduced our Strata insurance premium. That said it increased 132% in the 3 years prior to last year's introduction of the pool. Our building has never suffered structural damage from a weather event."

"Our experience in TC Jasper, we had over $100k worth of damage to our property. We did not fall in any category where we could obtain any funding assistance to help with repairs/reinstatement. We contacted our insurer who did not cover any of our damage as we are a rural property and our driveway is dirt. We fall through the cracks as we are a primary producer but do not earn over the income threshold that was required. So whilst the Govt was suggesting there was alot of money out there for assistance the reality is for us there was not. Hence we have not repaired any of the damage we sustained in TC Jasper."

"I believe the Insurance companies need to draw councils into ownership for many of the flooding problems we experience. Our council will not remove trees that are blocking drains and will not culvert creeks that flood out homes. The ICA should consider the development of a criteria for councils to undertake to share in flood prevention. We need to start making councils accountable and in doing so, will enable better flood management and therefore, lower premiums. Time to lean on these green councils."

"This is a huge issue that needs to be addressed before there is another event"

Conclusion

Feedback from our region clearly shows that insurance premiums have continued to rise across residential, business, and strata categories, with few respondents experiencing any meaningful reductions since the introduction of the Cyclone Reinsurance Pool.

High excess levels are also a concern, with many noting excesses above **$2,500** and some exceeding **$5,000.** These rising costs are contributing to increased financial stress, underinsurance, and deferred property maintenance across our region.

To support better outcomes for the north, we advocate for:
- Stronger measures to boost insurer participation and market competition.
- A clear investigation into the drivers of rising premiums post-reinsurance pool.
- Improved public education on risk mitigation and potential insurance savings.

RDATN remains committed to advocating for improved insurance affordability and access at all levels of government and thanks all stakeholders who contributed to this work.

Appendix C – Tropical North Insurance Experience Survey: Summary of Findings (2026)

An Australian Government Initiative

Regional Development Australia
TROPICAL NORTH

RDATN Submission to ACCC Insurance Monitoring Report

22 October 2026

Introduction

RDA Tropical North (RDATN) conducted the **2026 Tropical North Insurance Experience Survey** to gather current experiences of insurance affordability, availability and cover across residential, business and strata property owners. The survey followed the 2025 round and recorded 83 entries. It supports RDATN's regional advocacy and discussions about the practical outcomes of insurance arrangements for households and businesses.

Responses were recorded in Cairns (39), Mareeba (16), Cassowary Coast (14), Tablelands (9), Douglas (3), Croydon (1) and Weipa (1), within RDATN's broader 21-local-government-area remit.

Participation was voluntary and self-selecting. The figures describe those who answered each question, rather than all regional property owners or businesses. Question-specific counts are used throughout; respondents could participate in more than one stream.

Summary of Results by ACCC Question Areas

Residential Stream

70 entries answered the household-insurance status question; most subsequent questions received 57–64 answers.

Insurance Affordability

- **96.9%** reported a **premium increase**; two reported no change and none reported a decrease. Of 59 answering the increase-size question, 27 (**45.8%**) selected the "**15%+**" category.
- **89.7%** described insurance as **becoming unaffordable**. Of 57 answering the household-impact question, 39 (68.4%) reported cost stress, 29 (50.9%) reduced spending elsewhere and 15 (26.3%) limited or delayed property expenditure.

Underinsurance and Non-Insurance

- 65 of 70 (92.9%) held household insurance and **five did not**. Among the five answering why they lacked cover, two selected unaffordable premiums and one reported being unable to find an insurer.
- **33.3%** reported choosing to **underinsure**. In a separate coverage question, 31 of 57 (**54.4%**) held only **bare-minimum cover**, 14 (24.6%) considered their excess very unaffordable and 12 (21.1%) were happy with both cover and excess.

Insurance Availability

- **59.6%** perceived fewer insurers and **fewer than four choices**
- **None selected more insurers.**
- **73.7%** reported **shopping around annually**.

Risk Mitigation

- **73.7% reported taking protective action without noticing a premium change**, while 5.3% noticed a positive change.

Business Stream

14 entries answered the business-insurance status question; 13 answered premium-change questions and 12 answered most impact questions.

Insurance Affordability

- 12 of 13 reported premium increases and one reported a decrease. Of 12 answering the increase-size question, five selected “16%+”, two selected “11–15%” and five selected “5–10%”.
- All 12 answering the affordability question described **insurance** as **becoming unaffordable**. 7 of 12 reported **feeling stressed about insurance costs**.
- 8 of 12 reported sacrifices affecting operations, staffing or productivity. Six reported affected expansion or investment plans, and six delayed purchasing property, equipment or other assets. Four had considered closing, selling or relocating the business.

Underinsurance and Non-Insurance

- 12 of 14 held business insurance and **two did not**. Of the two without cover, **one reported being unable to find an insurer willing to provide cover** and one said the business did not require insurance.
- 8 of 12 had reduced the level or type of insurance held and six had chosen to underinsure.
- 3 of 12 held only bare-minimum cover (public liability), four could not obtain all the types of cover required and five considered their excess very unaffordable. None selected satisfaction with both cover and excess.

Insurance Availability

- 10 of 12 perceived fewer insurers and fewer than four choices; two were unsure or relied on a broker. **None selected more insurers** or about the same number.
- 8 of 12 reported shopping around annually. Three were willing to switch but could not find another insurer offering suitable cover; one said there were insufficient options.

Risk Mitigation

- 5 of 12 reported **protective action without a premium change** and one reported positive premium changes. Four said insurance costs left little for maintenance or upgrades.

Strata Stream

Seven entries answered the strata/contents insurance status question; six answered the premium-change and affordability questions, and five answered the impact, mitigation and insurer-choice questions.

Insurance Affordability

- Four of six reported an **increase in the insurance component of Body Corporate fees**, one reported a decrease and one no change.
- Three of six described insurance as **becoming unaffordable**. Of five answering the impact question, four reported cost stress, three reduced essential or discretionary spending and three reported **buildings becoming run down through lack of maintenance**.

Insurance Availability & Risk Mitigation

- Four of five perceived fewer insurers and fewer than four choices. Four of five reported that their Body Corporate shopped around annually.
- Four of five reported a proactive Body Corporate taking steps to prevent damage.

Survey Extracts

Household budgets: “I rely on pay increases to cover these costs.”

Payment arrangements: “Have changed from annual premium payments to monthly”

Location decisions: “I'm considering moving to a more affordable region”

Insurance and property purchases: “My partner and I are currently in the processing of downsizing our property from 1 acre and when we see a property to purchase we automatically look at the insurance cost of that home to see if we can afford to purchase.”

Reduced business cover: “We are now not covered as well but for a similar premium to last year. Only one company would even consider insuring us for cyclone. It’s near impossible and the premiums are phenomenal.”

Rebuilding costs: “Its is difficult to estimate what the cost of rebuilding as prices escalates when there is a major weather event such as cyclones and floods”

Strata administration: “Managing other owners expectations on the cost of BC fees is becoming an unpaid full time job”

Conclusion

The 2026 RDATN findings show persistent **affordability pressure** among participating households and businesses. Respondents reported reduced cover, financial stress, lower spending elsewhere and delayed property or business investment. Strata answers were more mixed on premium direction but also included cost stress and maintenance pressures within a very small group.

Insurer choice and recognition of protective measures remain practical issues for respondents. Most residential and business answers indicated actively shopping around, while many reported limited choice. Protective action often did not produce a noticeable premium change in respondents' experience.

The findings support RDATN's advocacy for:

- continued independent monitoring of regional affordability, access to suitable cover and insurance outcomes;
- clearer information about premium drivers, greater transparency and recognition of eligible mitigation measures; and
- further examination of barriers to insurer participation and the effects of insurance pressures on household and business decisions.