

Submission to enquiry

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Hi

Below is a submission to the enquiry on building insurance – should you have any queries on it, please do not hesitate to contact me

I note the issue is only under consideration for north of the Tropic of Capricorn. It is very important to remember that the Category 5 Cyclone Marcia which hit Yeppoon in 2015. Yeppoon is only just north of the Tropic of Capricorn so the extent of the enquiry should extend well further south I believe.

In addition, I have heard the weather experts provide opinions that, with global warming, cyclones, which are also predicted to become more severe with global warming, may bypass the north and go further down the coast as they have in the past – e.g. a cyclone on 20 February 1954, which must have been quite severe as it took 26 lives, crossed the coast in northern NSW.

So why are the residents north of the Tropic of Capricorn being penalized by exorbitant insurance costs when the area south of the Tropic of Capricorn, and, indeed, into New South Wales, may well be subject to cyclones in the relatively near future. Cyclones have also crossed the coast in WA as far south as the South West area which is well below the Tropic of Capricorn.

Based on more than 45 years in the architectural design and drafting and historic building conservation industries, older buildings are destined to fail in high winds as they were not built to withstand them – for instance, older houses were only nailed together – as they age, the nails rust and the holes in which the nails are placed tend to shrink away from the nails.

Construction materials such as timber also deteriorate whether through splitting or cracking, termites, dry rot, etc.. So, in the end, the houses are standing purely through gravity and any strong winds creating uplift forces literally pull them apart.

From my work with old houses and buildings which have exposed studs, it is a pretty simple operation to check a structure for deterioration and to introduce cyclone rods, hold-down bolts, bracing, framing anchors and the like to strengthen a building to resist high winds. It is also important to make sure the roof battens are screwed down to the rafters and the roof sheeting is screwed to the battens, which is a simple operation when the roof is being replaced.

Houses and buildings without exposed studs are more problematic as it is difficult, but not impossible, to introduce cyclone rods and the like – however, each case needs to be assessed individually and, more importantly, there needs to be more investigation of how to make older buildings relatively resistant to cyclones.

I feel that the governments should be encouraged to offer grants, or low-interest or no-interest loans, to owners of all existing suspect buildings to enable assessments of requirements for upgrading and for some, or all, of the building work to undertake that upgrading. The extent of contribution by governments could be means tested so that those who have limited means could receive more favorable consideration.

Such work would create much employment and would be a good training ground for apprentices. It would also avoid the hastily effected reconstruction and repair work which occurs immediately after a cyclone. Much of this work must be suspect in a lot of cases as there is little or no professional

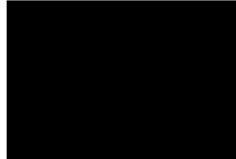
expertise involved. In addition, sadly, many of those who come to an affected area to get the work are not adequately trained as they are from the south or are, put simply, just fly-by-nighters, i.e. they are only in it for the money, with little care for their work, and then they leave the region. So the owners are left just as exposed to the dangers of a cyclonic event as they were before.

Insurance companies choose to insure properties as they are at the time of insuring without assessing, or even looking at, the properties or taking into consideration that most, if not all, buildings built prior to adequate cyclone construction requirements coming into existence and, indeed, into law, are most likely not to go through a major cyclone without destruction or major damage. Generally, all they ask is whether the building is in good repair or not – ‘good repair’ is quite a different matter to structurally sound.

However, insurers should realise that as these buildings are rebuilt or repaired after a major cyclone, they will be brought up to a standard, if they are rebuilt or repaired adequately and professionally, where they should be able to withstand high winds to a certain degree. This in turn should really allow a decrease in insurance costs.

Of course, this does not take into account the situation where a house which has undergone major cyclone upgrading is hit by Mr Jones’ roof from across the street or some other large foreign object which knocks the building around or breaches the exterior of the building introducing high wind forces into the interior of the building. But should an owner in such a case be penalized by an insurance hike when they have taken all reasonable steps to strengthen their home – I don’t think so.

Regards
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