

26 November 2021

Mark Edwards
Director of the Vulnerability, Mitigation and Resilience Section Place,
Space and Communities Division
Geoscience Australia

Email: Mark.Edwards@ga.gov.au

Dear Mr Edwards,

The Actuaries Institute (the Institute) understands Geoscience Australia is seeking to establish the factors that affect vulnerability of communities to severe wind events. One of the lenses into understanding that vulnerability is insurance uptake and affordability among the communities. At the request of Geoscience Australia, the Institute has analysed the following six local government areas (LGAs): Noosa Shire, Sunshine Coast, Moreton Bay, Redland City, Brisbane City and the City of Gold Coast.

The Institute is not able to provide data on insurance uptake (the Insurance Council of Australia is developing this dataset). The following information refers to affordability pressure and total sum insured data underpinning the Institute's Research Paper on [Property Insurance Affordability: Challenges and Potential Solutions](#), November 2020¹.

In that Paper affordability pressure is measured as the average retail home insurance premium relative to the average available income in that postcode. Understanding affordability pressure offers a way for policymakers to prioritise areas most impacted by natural perils and economic factors, which subsequently impact the level of protection provided by insurance.

It is important to note that the analysis uses postcode averages which are likely to underestimate the peril premium at high risk addresses within the postcode, especially those impacted by flood where some homes in the postcode may be closer to rivers and other watercourses. We also note the data is current at November 2020.

The Institute analysed 154 postcodes across the six LGAs, representing an estimated 12.8% of sum insured nationally. Just one postcode is under medium or high affordability pressure (4008, Pinkenba, Brisbane City).

¹ 'Affordability pressure' is measured by the number of weeks of available income to pay an average retail premium. 'Available income' is measured as the ABS Equivalised Household Disposable Income less ABS Housing Costs. 'Average retail premium' is annual average retail premiums at the point of sale.



Two postcodes in the City of Gold Coast appear in both the top-25 postcodes by replacement value and top-25 postcodes by affordability pressure. These postcodes are 4212 (Helensvale/Sanctuary Cove) and 4216 (Biggera Waters, South Stradbroke).

Relatively low affordability pressure is primarily due to high average available incomes relative to the national average, noting there will again be significant variability in affordability pressure at a household level depending on that specific household's circumstances.

Of the 154 postcodes, the top-25 postcodes by sum insured and top-25 postcodes by affordability pressure are listed in Appendix 1. Totals for each LGA are also listed in Appendix 1.

The Institute would welcome the opportunity to collaborate with Geoscience Australia and others to support development of public policy which improves the resilience of the built environment to natural perils and reduces insurance affordability pressure. Please contact Vanessa Beenders, Executive General Manager Public Policy and Professionalism at the Institute, on vanessa.beenders@actuaries.asn.au if you wish to clarify aspects of this letter.

Yours sincerely

Elayne Grace
Chief Executive Officer



Appendix 1 – Data Tables

Legend:	High affordability pressure: 6+ weeks to pay	Medium affordability pressure: 4-6 weeks to pay	Low affordability pressure: 2-4 weeks to pay	No affordability pressure: 0-2 weeks to pay
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Postcode summary – ranked by total sum insured

LGA	Postcode	Location	Total sum insured (Building) \$m	Address count (G-NAF)	Avg retail insurance premium per \$500k sum insured	Avg # weeks to pay average retail premium	Rank: Subset replacement value	Rank: Subset affordability pressure
Gold Coast	4209	Coomera	\$12,547	23,189	\$1,092	1.9	1	109
Gold Coast	4207	Beenleigh, Yatala	\$12,141	22,438	\$1,399	2.7	2	32
Sunshine Coast	4551	Caloundra, Pelican Waters	\$10,866	20,965	\$1,331	2.6	3	38
Gold Coast	4211	Carrara, Nerang	\$10,525	19,451	\$1,157	2.1	4	88
Brisbane	4152	Camp Hill, Carindale	\$10,297	17,095	\$1,237	1.8	5	124
Moreton Bay	4510	Caboolture	\$10,178	20,254	\$1,348	2.3	6	49
Brisbane	4053	Mitchelton, Stafford	\$9,376	18,173	\$1,353	1.8	7	132
Brisbane	4034	Aspley, Boondall	\$8,753	16,966	\$1,506	1.9	8	115
Brisbane	4017	Brighton, Sandgate	\$8,299	16,086	\$1,914	2.4	9	41
Brisbane	4122	Mount Gravatt,	\$8,221	15,934	\$1,313	1.7	10	146
Redland	4184	Karragarra Island, Peel Island	\$8,151	16,263	\$1,235	1.9	11	112
Sunshine Coast	4556	Buderim	\$8,067	15,565	\$1,100	2.1	12	71
Moreton Bay	4503	Murrumba Downs, Whiteside	\$7,766	15,455	\$1,164	2.0	13	98
Moreton Bay	4500	Cashmere, Strathpine	\$7,417	14,761	\$1,158	2.0	14	100
Redland	4165	Redland Bay, Victoria Point	\$7,341	14,648	\$1,200	1.9	15	120
Brisbane	4109	Robertson, Sunnybank	\$6,970	13,510	\$1,312	1.7	16	147
Gold Coast	4214	Ashmore, Molendinar	\$6,674	12,335	\$1,054	1.9	17	119
Brisbane	4121	Holland Park, Tarragindi	\$6,671	11,075	\$1,171	1.7	18	139
Brisbane	4051	Alderley, Enoggera, Wilston	\$6,666	11,067	\$1,415	2.1	19	84
Brisbane	4069	Brookfield, Chapel Hill, Kenmore	\$6,524	12,646	\$1,511	1.9	20	114
Gold Coast	4212**	Helensvale, Sanctuary Cove	\$6,436	11,895	\$1,829	3.2	21	13
Sunshine Coast	4560	Montville, Nambour	\$6,204	11,970	\$1,142	2.2	22	57
Brisbane	4075	Corinda, Graceville, Oxley	\$6,117	10,155	\$1,503	2.2	23	61
Sunshine Coast	4573	Coolum Beach, Peregian Beach	\$6,021	11,618	\$1,178	2.3	24	51
Gold Coast	4216**	Biggera Waters, South Stradbroke	\$5,996	11,081	\$2,098	3.7	25	6

** Denotes postcodes which appear in the top-25 for both replacement value and affordability pressure.



Postcode summary – ranked by affordability pressure

LGA	Postcode	Location	Total sum insured (Building) \$m	Address count (G-NAF)	Avg retail insurance premium per \$500k sum insured	Avg # weeks to pay average retail premium	Rank: Subset replacement value	Rank: Subset affordability pressure
Brisbane	4008	Pinkenba	\$94	183	\$5,697	7.2	150	1
Sunshine Coast	4564	Pacific Paradise, Twin Waters	\$2,122	4,095	\$1,980	3.8	94	2
Gold Coast	4217	Bundall, Main Beach	\$4,784	8,841	\$2,149	3.8	39	3
Sunshine Coast	4558	Maroochydore, Sunshine Plaza	\$2,830	5,460	\$1,956	3.8	79	4
Sunshine Coast	4557	Mooloolaba, Mountain Creek	\$3,215	6,203	\$1,937	3.8	69	5
Gold Coast	4216**	Biggera Waters, South Stradbroke	\$5,996	11,081	\$2,098	3.7	25	6
Gold Coast	4218	Broadbeach, Mermaid Beach	\$5,029	9,294	\$2,076	3.7	35	7
Sunshine Coast	4575	Minyama, Warana	\$4,551	8,782	\$1,815	3.5	41	8
Sunshine Coast	4554	Eudlo, Ilkley	\$39	75	\$1,789	3.5	153	9
Brisbane	4025	Cape Moreton, Koorinal	\$203	393	\$2,729	3.4	147	10
Brisbane	4106	Rocklea	\$519	1,006	\$2,650	3.3	140	11
Sunshine Coast	4550	Landsborough	\$801	1,545	\$1,713	3.3	134	12
Gold Coast	4212**	Helensvale, Sanctuary Cove	\$6,436	11,895	\$1,829	3.2	21	13
Noosa	4566	Noosaville	\$1,764	3,403	\$1,553	3.2	100	14
Brisbane	4104	Yeronga	\$1,390	2,308	\$2,087	3.1	113	15
Brisbane	4031	Gordon Park, Kedron	\$3,365	5,587	\$2,072	3.0	65	16
Noosa	4565	Noosa North Shore, Tewantin	\$2,945	5,683	\$1,440	3.0	76	17
Sunshine Coast	4553	Diamond Valley, Mooloolah	\$985	1,900	\$1,535	3.0	123	18
Sunshine Coast	4574	Kenilworth, Moy Pocket	\$64	124	\$1,531	3.0	151	19
Sunshine Coast	4519	Beerwah, Peachester	\$1,472	2,840	\$1,528	3.0	109	20
Gold Coast	4221	Elanora, Palm Beach	\$4,926	9,103	\$1,658	2.9	37	21
Brisbane	4171	Balmoral, Bulimba, Hawthorne	\$3,689	6,124	\$1,968	2.9	55	22
Noosa	4563	Cooroy, Lake Macdonald	\$1,517	2,927	\$1,344	2.9	107	23
Noosa	4568	Federal, Pomona	\$684	1,319	\$1,355	2.8	137	24
Brisbane	4174	Hemmant	\$643	1,246	\$2,230	2.8	138	25

** Denotes postcodes which appear in the top-25 for both replacement value and affordability pressure.



LGA summary – ranked by Total Sum Insured

LGA	# postcodes	Total sum insured (Building) \$m	Address count (G-NAF)	Avg retail insurance premium per \$500k sum insured	Avg # weeks to pay retail premium	Population	% Indigenous	# postcodes med/high affordability pressure	# postcodes in top-25 by affordability pressure	# postcodes in top-25 by sum insured	% of all sum insured nationally
Brisbane	70	\$227,302	412,875	\$1,583	2.1	1,184,752	2%	1	7	10	5.6%
Gold Coast	21	\$108,435	200,400	\$1,407	2.5	575,303	2%	0	5	6	2.7%
Moreton Bay	25	\$85,035	169,075	\$1,234	2.1	439,292	3%	0	-	3	2.1%
Sunshine Coast	21	\$54,629	105,406	\$1,427	2.8	302,841	2%	0	9	4	1.3%
Redland	10	\$35,377	70,586	\$1,261	2.0	152,216	3%	0	-	2	0.9%
Noosa	7	\$9,849	19,003	\$1,373	2.9	53,922	2%	0	4	-	0.2%