

Submission Number: NND.001.00935

Submission Of: Paul Vallis

Your Details

Email address:

Phone:

Preferred means of contact: Email

What is your submission based on? I am making this submission based on my professional knowledge, qualifications or experience or on behalf of a group or organisation

What is your area of professional expertise? concerned citizen

If you are lodging your submission on behalf of a group or organisation, what is the name of the group or organisation? member of Australian Conservation Foundation and GreenPeace

Your Submission

In your experience, what areas of the bushfire emergency response worked well?

The front line volunteer fire fighters did a magnificent job in the face of the unprecedented fire storms often with inadequate resources. The Commissioner and staff kept the public well informed and ABC Radio did a sterling job too.

In your experience, what areas of the bushfire emergency response didn't work well?

I have a major criticism of Prime Minister Scott Morrison. In April 2019 a coalition of ex Fire Chiefs led by Greg Mullins wrote to the Prime Minister warning of the coming danger of an extended and dangerous fire season. Prime Minister Morrison refused to meet with them and ignored their warnings. The Prime Minister was not responsible for the fires but I believe he is responsible for the scale of the fires and he should be called out.

In your experience, what needs to change to improve arrangements for preparation, mitigation, response and recovery coordination for national natural disaster arrangements in Australia?

I do not think I am qualified to make recommendations here but I really do believe we should avail ourselves of the large air tankers that are sitting idle in the Northern Hemisphere winters and lease them to fight the fires in Australia. Together with more aerial surveying by drones may stop some of these fires from getting out of control.

Is there anything else you would like to tell the Royal Commission?

As an Insurance Broker it pains me that so many businesses and home owners did not have insurance. There are many reasons why people do not take out insurance. One of them is the cost and in this regard I believe the State Government must take a large responsibility with the layers of taxes applied to commercial and residential Fire and Other Perils Insurance. let me give you an example. For home insurance in NSW if the insurance company requires a base premium of \$1,000.00 then firstly they have to apply the State's Emergency Services Levy (ESL), currently 14.5%. So that is an extra \$145 that is added to the premium. Then 10% gst is applied (which the Federal Government pass back to the States) but the 10% is not added to the \$1,000 base premium but is added to the base premium PLUS the ESL, that is 10% of \$1,145. So that is an extra \$114.50 added to the premium. Next comes the Stamp Duty of 9% but not 9% of the base premium of \$1,000 but 9% on the base premium of \$1,000 PLUS the ESL PLUS the gst. That is an extra \$113.35 added to the premium. So what starts off as the insurer's required premium of \$1,000 is added to by three cascading taxes totalling an extra \$372.85 (nearly 40%) and in years where the ESL is increased it can be more than 40%. What is unconscionable is the State Government is applying taxes on taxes.

For commercial policies it is much worse because there is a fourth layer of tax before the ESL is added and that is the Terrorism Levy. This was brought in in 2003 and to my knowledge has only been called upon once in the Sydney Link Cafe tragedy. In commercial policies the ESL is invariably twice the rate as under a Home policy and the total cost of the taxes can add 60% or more to the commercial Fire and Other Perils base premium. I believe the State Government should be called out for being partly responsible for why some people do not take out insurance.

Do you agree to your submission being published? Yes I agree to my submission being published in my name