

THINKSTOCK



OFF THE AIR: Local content requirements relaxed

local content requirement from the community radio sector.

The Community Broadcasting Association of Australia (CBAA) said the government should require regional commercial broadcasters to produce more local content, not less.

“Greater flexibility for regional radio broadcasters is hardly the pressing need to be addressed,” the CBAA said in its submission to the review.

“The opportunities for coverage of local weekend issues and events in regional and remote Australia are too obvious and numerous to mention.”

But Senator Ludwig said the amendments strike the right balance between local content and flexibility for the industry.

“This bill eases the regulatory burden on regional commercial radio broadcasters which has arisen as a result of the operation of provisions introduced in the former government’s 2006 media reforms,” Senator Ludwig said.

“It provides greater flexibility to the regional radio industry while maintaining the government’s commitment to local content for regional audiences.” •

INSURANCE

Defining moment for flood insurance

Measures to reduce consumer confusion.

In a bid to reduce the number of disputes over flood insurance, the federal government has moved a step closer to introducing a standard definition of flood with the Insurance Contracts Amendment Bill 2011 passing parliament.

The bill is an attempt to address the problem faced by many flood victims who think they are covered but are not. The House Economics Committee described this as a devastating discovery.

The committee said the tragedy of lives lost and property destroyed in the 2010-11 summer of floods was only made worse when many people found they were underinsured or their insurance policies did not provide cover.

In many cases, people thought they were insured only to be advised that their policies did not provide for the types of floods that occurred. The discovery that homes were not adequately insured against the floods was devastating for families.

While the actual definition of flood is not included in this bill — it will be in the regulations to follow — the insurance industry and consumer groups have welcomed the legislation as a step in the right direction towards clearing up the ongoing confusion over what is and what is not covered.

The bill also introduces a requirement that insurers provide consumers with a key facts sheet to highlight the important points of their home building and home contents insurance policies. It is hoped this will help consumers understand their policy better, will make it easier to compare policies, and will lead to more effective and informed decision making.

Speaking in the House of Representatives, then Assistant Treasurer and Minister for Financial Services and Superannuation, Bill

Shorten said confusion over flood cover has lingered long enough.

“A standard definition of flood will reduce consumer confusion regarding what is and is not included in insurance contracts. It will also avoid situations where neighbouring properties in the same street, affected by the same flood event, receive different claims assessments because the policies covering them use different definitions of flood,” Mr Shorten said.

At an insurance industry roundtable organised by the House Economics Committee as part of its inquiry into the bill, participants welcomed the measures, although several MPs expressed frustration that without the regulations the bill provides no clarification for thousands of consumers.

“My understanding based on the evidence that we have heard from the Insurance Council and others is that this framework is absolutely nothing other than skeletal in the sense that it provides the coat hanger upon which all meaningful and substantive aspects and impacts of this are yet to be rolled out, yet to be consulted on and yet to be informative in any way, shape or form to the general public as well as to the industry,” House Economics Committee Deputy Chair, Steven Ciobo (Moncrieff, Qld) said.

Treasury told the public hearing draft regulations on the standard definition of flood are currently out for public consultation, and a discussion paper relating to the key facts sheet will be released shortly.

In the committee’s report on the bill, Mr Ciobo and two other committee members expressed concern that these regulations could in fact make matters worse rather than better, and therefore their support for the bill was on a principles only basis. •