

Travel agents take aim at banks' 'Mickey Mouse' insurance deals

EXCLUSIVE

NICK TABAKOFF
ASSOCIATE EDITOR

The Australian Federation of Travel Agents has slammed banks and financial institutions over free travel insurance policies that offer no terrorism cover, accusing them of issuing "Mickey Mouse" policies that expose their best credit-card customers to huge financial risk.

The tough words from AFTA boss Jayson Westbury came as four more financial institutions — international financial giants American Express and HSBC, as well as the Bendigo and Heritage banks — caved in to pressure in the wake of this week's investigation by *The Australian*, and started reviews of the terror cover for their free insurance schemes.

The latest reviews mean 13 financial institutions that had previously offered little or no terror cover with their premium cards — including Westpac, and the Westpac-owned St George, Bank of Melbourne and Bank SA, as well as CBA-owned Bankwest, Citi, Suncorp, Bank of Queensland and Virgin Money — are now either reversing or reviewing their stances on terror cover.

However, Macquarie Group, which offers free travel insurance through its platinum and black credit-card products, had no comment.

Mr Westbury said that in general terms he regarded free travel insurance provided with banks' premium credit cards as "a lowball Mickey Mouse product".

Insurance Council of Australia spokesman Campbell Fuller conceded credit card travel insurance was "a fairly basic product".

Mr Westbury called on bank executives to launch a full review of their free credit card insurance, both for terrorism and beyond.

He said he had learnt of the shortcomings of the credit card policies through personal experience of Australian terror victims who had relied on them. "I have become aware of Australians who

Jihadi wannabes stopped at airports by security officials

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quietly retooling their systems to detect Australian extremists travelling to the region.

It is understood counter-terrorism units at major airports are being briefed on high-level intelligence that might help them identify Marawi-bound jihadis.

The teams are scanning for telltale signs of jihadi tourism, such as broken travel itineraries, last-minute bookings, scrubbed phones or cash tickets. The measures are a clear sign Australian authorities are anxious to learn the lessons of the past, in particular their slowness in reacting to, and stemming, the flow of Australians to Syria.

Since the Syrian civil war began, more than 200 Australian jihadis have travelled to Syria and Iraq; about 100 remain there.

By contrast, the Islamic State insurgency in the southern Filipino city of Marawi has attracted a relatively small number of foreign fighters to its cause, mostly Indonesians.

have been caught up without appropriate cover," he said.

"Now that this has been highlighted by recent tragic events, it is time for the bank executives to rethink the sorts of insurance they're including with these credit cards. They also need to be more transparent with consumers."

NSW Counter-Terrorism Minister David Elliott said on Monday that he was aware of people who had found themselves in "a vulnerable situation" because of inadequate credit card travel insurance.

Mr Westbury reserved some criticism for insurers. "It seems inconceivable that insurance companies, who make so much money

No Australians are believed to be fighting there yet.

In May, Islamic State-aligned militants captured Marawi, triggering a three-month counter offensive by the Philippines military that has yet to fully retake the city.

The success of the insurgency prompted the Australian government to massively increase the level of assistance it provides to The Philippines government.

In May, it was revealed that Australian P3 Orions were conducting surveillance missions over the southern Philippines and in August ASIS boss Nick Warner was photographed meeting with The Philippines President Rodrigo Duterte.

The meeting with Australia's spy chief was described by The Philippines government as a "courtesy call" but it is unusual for the head of ASIS to be received at such a high level.

The Philippines government says a force of about 40 fighters remains in the city, but there is concern the Filipinos might be downplaying the numbers.

In a mark of ISIS's growing reach in the region, Attorney-General George Brandis listed Islamic State in East Asia, ISIS's Philippines affiliate, as a terrorist group.

out of travel insurance, peddle inferior products through bank credit cards," he said. "They should be called to account. History has shown the number of terrorism events in the world are insignificant compared to the number of claims that go on for travel insurance. It should be standard cover."

An Amex spokesman said it was working with its insurer Chubb: "We have to see how we can make any changes (to terror cover), and that can't be done overnight." Spokesmen for HSBC, Bendigo and Heritage revealed similar reviews. But a Macquarie spokeswoman said: "We don't have anything to add."

Deal hatches rock lobster industry



Deputy vice-chancellor Brigid Heywood, PFG CEO Michael Sylvester and associate professor Greg Smith in Hobart

EXCLUSIVE

MATTHEW DENHOLM
TASMANIA CORRESPONDENT

The world's first commercial rock lobster hatchery will be built in Tasmania, with huge export potential and a promise of year-round supply.

Under a deal to commercialise breakthrough research, Hobart-based PFG Group is committed to converting a University of Tasmania breakthrough in rearing tropical lobsters from eggs to maturity.

While more work is needed to achieve commercial quantities, both parties believe it is the dawn of a new industry that — as well as the Tasmanian hatchery — could

see lobster "grow-out" plants built in northern Australia.

"We'll be building the world's first commercial rock-lobster hatchery for juveniles within three years," said PFG chief executive Michael Sylvester.

"I definitely think it could be a multi-million-dollar industry in Australia — land-based lobster production to the tens if not hundreds of millions of dollars. There is a huge export opportunity, multiple additional jobs in Australia, and high-value science."

As revealed by *The Australian* last year, 17 years of research at Hobart's Institute for Marine and Antarctic Studies has cracked the "holy grail" of global aquaculture — a way of rearing batches of tropical rock lobsters from eggs to maturity in special tanks.

The deal, to be announced today, will see PFG, which has 40 years' experience in design, manufacture and construction of aquaculture equipment and facilities in Australia and Asia, secure the Australian licence rights to the intellectual property. In exchange, it will provide capital to commercialise the research and build the hatchery.

As well as tropical rock lobsters, the deal covers Moreton Bay bugs, which IMAS researchers only this week successfully hatched at their research facility in Taroom, near Hobart.

UTAS deputy vice-chancellor Brigid Heywood said the deal promised ongoing financial returns to the university — with global licence deals likely to follow, and a share in the spin-out

company — but also showed how research could create new industries and jobs.

Mr Sylvester said research would now focus on rearing commercial quantities without impacting on lobster behaviour and welfare, and how best to transport juveniles from the hatchery to grow-out plants in the tropics.

Several sites had been scoped for the hatchery, with construction likely to start in 18 months, while grow-out could occur at up-graded existing facilities in Vietnam and Malaysia or at new plants in northern Australia.

The IMAS research facility has form in creating new industries. About 30 years ago, it made breakthroughs that gave rise to Atlantic salmon farming, now the nation's highest-value fishery.

"Trying to fix the books while this level of subsidy goes on is akin to be asked to do so while standing on your head with one hand tied behind your back," he told *The Australian*.

The amounts are measured by the difference between commonwealth revenues generated in a state, including GST, and commonwealth spending for the benefit of that state.

The biggest net subsidy was received by SA (\$9.3bn), followed by Queensland (\$8.1bn),

'Western Australia's net contribution was more than 14 times greater than NSW'

WA TREASURY

Tasmania (\$5.6bn) and the NT (\$4.6bn). The NT has long received higher levels of GST payments and federal spending due to its high indigenous population and cost of service delivery.

In the budget papers, Treasury said WA this year would effectively contribute about \$4.4bn of GST to other states through the Commonwealth Grants Commission's equalisation process, compared with if the revenue was distributed on a per capita basis.

WA's GST share has deteriorated since the end of the resources boom, during which it was able to generate record levels of mining royalties and other revenues. Overall, Treasury estimates that the commonwealth derived \$53.3bn in revenue from WA in 2015-16, while expenditure for the state's benefit totalled just \$31.6bn.

"On a per capita basis, Western Australia's net contribution was more than 14 times greater than NSW and nearly 40 times greater than Victoria," it said.

Mr Wyatt said the figures highlighted the urgent need for GST reform. "It also shows how disappointing it is that there has been so little action taken to remedy the situation in the last few years, especially as WA's finances have deteriorated so severely," he said. "The analysis shows that the GST revenue is only a small fraction of WA's total subsidy to other states and why we expect that commonwealth funding to WA should not be linked to GST payments."

A TAXING PROBLEM
Net contribution of each state



Deal to bring on reform of the media

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for the media law changes to pass the Senate this week. Senator Griff, the NXT's communications spokesman, said the government's bill was a "sound

Jobs surge report 'hushed up'

SARAH ELKS
QUEENSLAND POLITICAL
REPORTER

A taxpayer-funded KPMG report into Queensland's burgeoning bureaucracy may not be released until after the state election next year.

"I have said once cabinet considers it, it will be released," Ms Palaszczuk said.

Asked whether the KPMG report would be on the cabinet agenda before voters went to the polls, Ms Palaszczuk would only say: "The election's not due until next year."

power in 2015. Mr Nicholls, who was the treasurer in the one-term Newman Liberal National Party government, oversaw cuts of more than 14,000 full-time-equivalent workers from the public service. Labor has insisted its hiring spree is necessary to restore frontline services slashed by LNP.

PARLIAMENTARY INSPECTOR
CORRUPTION AND CRIME COMMISSION WESTERN AUSTRALIA
CALL FOR EXPRESSIONS OF INTEREST

Pursuant to section 189 of the *Corruption, Crime and Misconduct Act 2003* (WA) a nominating committee comprising the Chief Justice, the Chief Judge of the District Court and a community representative has been requested to submit to the Premier a list of 3 persons eligible for appointment as Parliamentary Inspector of the Corruption and Crime Commission. Expressions of interest are therefore invited from persons interested in appointment to this position.