

December 20, 2013

## Productivity Commission inquiry into national disaster funding arrangements

The Insurance Council of Australia (ICA) supports the announcement of a Productivity Commission inquiry into national disaster funding arrangements.

The inquiry is a positive step towards improving community resilience. The ICA and its members look forward to providing assistance to the Productivity Commission inquiry if asked to do so.

The general insurance industry is a strong advocate for government investment in permanent mitigation to lower the impact of extreme weather on vulnerable communities where it is feasible and practical.

Though disaster response and recovery are an essential component of government relief efforts, the insurance industry believes mitigation infrastructure has long-term benefits for exposed communities and the taxpayer.

In its 10-Point Plan to tackle natural disasters (released in January 2011), the ICA said recovery funds should be dedicated to preventative infrastructure projects including levees, barrages, flood gates and improved drainage.

It also called for the effectiveness of state and federal government disaster relief payments to be measured through annual reporting by the Productivity Commission.