

Tuesday June 14, 2016

## Insurance Council seeks election commitments to boost disaster mitigation funding

The Insurance Council of Australia (ICA) has called on both main political parties to commit to substantially boosting federal funding for natural disaster mitigation and community resilience measures.

The ICA's call followed comments by Prime Minister Malcolm Turnbull and Opposition Leader Bill Shorten in Tasmania last week that recognised the need for a greater focus on preventing damage, rather than post-disaster recovery efforts.

ICA CEO Rob Whelan said both leaders had seen first-hand how mitigation protected the Launceston community from significant financial loss and personal heartache.

"Launceston's \$58 million flood levee was only completed last December, and it's already proven its worth by shielding the city from severe flooding," Mr Whelan said.

"Though the last major flood to strike Launceston was in 1929, local authorities had the foresight to recognise the city's location at the junction of three rivers meant a repeat event was inevitable. However, old levees needed upgrading.

"A federal contribution of almost \$20 million, along with state and local government funding, ensured this project was completed in time to protect low-lying areas of the city from a potentially more costly recovery and clean-up effort.

"With less than four weeks of the election campaign remaining, the ICA now urges both leaders to take the next step and commit to funding projects that will protect additional at-risk communities from natural disasters."

Funding for the National Partnership on Natural Disaster Resilience (\$52.2 million in the 2016-17 Budget) remains far below the \$400 million-a-year joint federal and state commitment recommended by the Productivity Commission Inquiry into Natural Disaster Funding Arrangements.

The Productivity Commission's report was handed to the Federal Government in December 2014, and has yet to receive a formal response.

"Permanent, well-maintained infrastructure is an investment that will be repaid many times over by lowering the risk to communities, helping ensure economic stability, and reducing the need to spend tens of millions of dollars on natural disaster recovery," Mr Whelan said.

"Mitigation infrastructure is one of the keys to enhancing community resilience, alongside more stringent building standards, better land use planning and greater access to insurance through removing inefficient and unfair taxes on insurance.

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“Lowering the risk can also help to reduce the cost of insurance to households and businesses.

“The Australian Business Roundtable for Disaster Resilience and Safer Communities predicted this year that natural disasters could cost Australia \$33 billion a year by 2050. It’s also joined the campaign for greater government investment in resilient infrastructure and community resilience programs.

“Now is the time for both main parties to match their words with tangible commitments.”

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