



News release

Insurance Council
of Australia

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Queensland Budget a missed opportunity to invest in mitigation, cut insurance taxes

The Insurance Council of Australia (ICA) today said the Queensland Government's Budget announcement of just \$10 million for household resilience and mitigation measures was a missed opportunity to better protect Queenslanders from extreme weather events.

With just \$3 million to be spent on new household resilience funding in 2021-22, the Queensland State Budget has failed to confront the enormity of the challenge to make Queensland homes and businesses more resilient to natural disasters.

Queensland led the way with its Household Resilience Program to help eligible homeowners in coastal parts of Queensland improve the resilience of their homes against cyclones, but this successful program has not been renewed, leaving many Queensland homeowners without support for much-needed home building mitigation.

The new Queensland Betterment Fund of \$20 million, jointly funded with the Federal Government, is intended to reduce the cost of future reconstruction of public assets damaged by natural disasters.

Other natural disaster resilience and mitigation funding in the Budget comes from the Queensland Resilience and Risk Reduction Fund, jointly funded with the Federal Government, which is expected to expend \$14.4 million in 2021-22.

In addition to the disappointing investment in resilience and mitigation, the ongoing failure to address stamp duty on insurance means underinsurance will continue to be an issue in the state with the greatest exposure to the impacts of natural disasters.

Quote attributable to ICA CEO Andrew Hall:

Insurers have been calling for some time for greater investment in resilience and mitigation measures, so it's disappointing the Queensland State Budget fails to meet this challenge.

The Federal Government's recent allocation of \$600 million over five years for new disaster preparation and mitigation programs and \$40 million to make strata buildings in northern Australia more resilient to extreme weather potentially unlocks significant partnership investments with the states.

Queensland should be looking to maximise these opportunities.

More resilient communities, businesses, and households mean less disruption to life and faster recovery after a major natural disaster.

On the revenue side, stamp duty on insurance remains a retrograde measure that numerous inquiries and reviews have found leads to household underinsurance or non-insurance.

The ICA urges all state and territory governments to advance tax reform and remove stamp duty on insurance products to increase insurance affordability for all Australians.