



# News release

Insurance Council  
of Australia

Wednesday, 17 November 2021

## New report finds \$30B needed to protect coastal communities

A new report released today by the Insurance Council of Australia (ICA) estimates that Australian Governments will need to invest \$30 billion in large scale coastal protection and adaptation projects over the next 50 years, as climate change makes coastal communities, property, and infrastructure increasingly vulnerable.

Climate change is driving rising sea levels and exacerbating coastal hazards known as 'actions of the sea' such as tidal inundation, coastal and estuarine inundation, coastal erosion, and shoreline movement.

The report, prepared for the ICA by Baird Australia, has found that as these events increase in frequency and intensity, a growing number of exposed properties in Australia will become uninhabitable.

The June 2016 storm that eroded the beach and private land on Sydney's Northern Beaches is a stark example of this phenomena, with the almost completed mitigating infrastructure costing the local government and homeowners an estimated \$25 million.

Insurance cover for actions of the sea is generally not available because of the inherent risks and is further constrained because of the growing risks from climate change impacts.

With insurance largely unavailable, the report recommends building greater protections for communities exposed to actions of the sea through three areas of activity and investment:

- **Investment in coastal protection infrastructure** where these can be shown to be economically and environmentally feasible
- **Improved and coordinated data collection** by local, state and federal governments to build a comprehensive picture of the scale of the problem
- **Land use planning** that considers actions of the sea, including in some cases making difficult decisions about the long-term viability of existing communities or property

The estimated \$30 billion investment in large scale coastal protection and adaptation projects over the next 50 years represents just 1.2 per cent of the average yearly infrastructure spending by all local, state and federal governments.

The report finds that with this modest investment significant returns can be realised through avoided damage and financial loss for individuals and avoided community economic loss due to disruption.

However, the Baird report finds there are limits to mitigation and in some cases adaptive management and planned retreat from coastal hazard zones may be the best long-term community option.

The report recommends urgent action by federal and state governments to build a coastal hazard information database to measure and monitor actions of the sea as sea levels rise.

Quote attributable to ICA CEO Andrew Hall:

Legacy planning decisions by Australian governments have left some coastal communities, homes and infrastructure highly vulnerable to actions of the sea like tidal inundation and coastal erosion.

It's estimated that over the next 50 years governments will need to invest at least \$30 billion in large scale coastal protection and adaptation projects as climate change makes actions of the sea worse.

Insurers are generally not able to cover 'actions of the sea' because of the nature of the risk, but we can improve protections for communities and property owners by raising awareness of the risks, improving data and understanding, and advocating for investment in mitigation and adaptation projects.

The insurance industry stands ready to collaborate with governments to share our risk intelligence to help mitigate these growing challenges, for example working together to set robust land planning and building codes which play a critical role in reducing risk to property holders and enabling affordable insurance.

The Actions of the Sea summary report is available at [Climate Change Impact Series: Actions of the Sea and Future Risks \(insurancecouncil.com.au\)](https://www.insurancecouncil.com.au/Climate-Change-Impact-Series-Actions-of-the-Sea-and-Future-Risks)