



News release

Insurance Council
of Australia

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Greater investment required to lessen the impact of extreme weather

Australian homes, businesses, and communities can only be made more resilient to worsening extreme weather with a doubling of Federal funding to \$200 million a year matched by the states and territories, the Insurance Council of Australia (ICA) said today.

Released today, the ICA's policy platform for the coming federal election *Building a More Resilient Australia* calls for all Australian governments to collectively lift funding to \$2 billion over the next five years.

The platform outlines six measures to make at-risk communities and homes more resilient to flood, cyclone and bushfire that are estimated to save governments and households at least \$19 billion to 2050.

The proposed investment program has been developed in consultation with leading actuarial consultancy Finity and includes:

- \$522 million for local projects such as flood levees to defend regional towns
- \$413 million to better protect homes against flood, Australia's most expensive natural peril, by raising utilities and services above the expected floodline
- \$221 million to cyclone-proof more than 44,000 homes in northern Australia
- \$712 million to support the selective reduction of fuel in our forests
- \$37 million for an improved national flood early warning system, estimated to increase the lead time for flood warnings from 3-5 to 10-15 days
- \$10 million to establish a national coastal hazard information database

The call for greater investment in making homes and communities more resilient to the impacts of extreme weather is one of 12 policy areas the ICA has identified as requiring reform, modernisation or investment in *Building a More Resilient Australia*.

The ICA is calling for a review of land use planning arrangements to ensure no more homes are built in areas with a high risk of extreme weather impacts, and for national building codes to be strengthened.

Additionally, states and territories must finally abolish duties, levies and taxes on insurance products, which only increase the cost of premiums and discourage adequate levels of cover.

The ICA is today commencing a nationwide advertising campaign calling on Australian governments to lessen the impact of extreme weather by committing to this urgent increase in investment.

Quotes attributable to ICA CEO Andrew Hall:

Insurers are at the frontline when it comes to climate change and extreme weather, that's why as an industry we're so focused on improving community resilience.

In the face of worsening extreme weather the next Australian Government must boost investment in stronger homes and local infrastructure that makes communities safer and more resilient.

This means subsidies to improve the resilience of the nation's homes and businesses to cyclone, flood, and bushfire, as well as funding for projects that protect the community, like levees, floodways, and fuel reduction.

Without this increased funding, coupled with a change in approach to what we build and where we build it, the risk profile of communities exposed to extreme weather will not change.