



News release

Insurance Council
of Australia

Saturday, 19 March 2022

Insurance Council welcomes Queensland funding boost

The Insurance Council of Australia (ICA) today welcomed the Queensland Government's announcement of a \$741 million Resilient Residential Recovery package to better protect Queenslanders from the impacts of extreme weather events such as flood and cyclone.

The ICA has long been calling for the Queensland Government to lift its investment in this area, and just last month released its *Building a More Resilient Australia* report which called for \$726 million to be invested jointly by the Queensland and Federal Governments over the next five years.

The ICA supports the call by the Queensland Government for the Resilient Residential Recovery Package to be jointly funded by the Federal Government.

Building a More Resilient Australia calls for Federal Government investment in measures to better protect homes and communities from the impacts of extreme weather to be doubled nationally to \$200 million a year, and for this to be matched by the states and territories.

The report outlines a five-year, \$2 billion funding program which includes:

- \$522 million for local projects such as flood levees to defend regional towns, including Mackay, Innisfail, Dalby and Rockhampton
- \$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
- \$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

As at midday Friday 18 March more than 85,000 claims had been lodged in Queensland in relation to this month's flooding with an estimated claims cost of \$1.285 billion.

Comment attributable to Andrew Hall, CEO Insurance Council of Australia:

This announcement highlights that governments are shifting in their thinking, to learn from the lessons of the current disaster and invest in mitigation ahead of the inevitable next event.

Three weeks ago the ICA released actuarial modelling that called for these kinds of funding commitments to be made and we are pleased governments are heeding this important call.

We look forward to further announcements by the Federal Government, not just for Queensland and New South Wales, but across the country where communities remain vulnerable to extreme weather.

Insurers hold significant data and research that can assist in resilience and mitigation efforts and we stand ready to assist the Queensland Government following its announcement.

We note that the funding will be across a range of mitigation measures, including, at the extreme, the buyback of properties that are highly vulnerable and whose owners struggle to find insurance cover.