



News release

Insurance Council
of Australia

Sunday, 24 July 2022

NSW Labor's Western Sydney flood package welcomed

The announcement today that, if elected, a future New South Wales Labor Government would invest \$225 million to make Western Sydney more resilient to flooding is a welcome first step, the Insurance Council of Australia (ICA) said today.

The \$225 million Western Sydney Floods Resilience Plan announced by New South Wales Opposition Leader Chris Minns today includes a plan to invest \$24 million to protect communities from large scale flooding by building new levees at Peachtree Creek, McGraths Hill and Pitt Town.

Some residents of Western Sydney have experienced flooding four times in the past two years, and the region is one of the most flood-prone in Australia.

The February-March 2022 floods were Australia's most costly flood ever causing \$4.8 billion in insured losses, approximately half of which was in New South Wales. The floods that impacted parts of New South Wales earlier this month have seen \$145 million in damages in impacted parts of the State, including Western Sydney.

Earlier this year the Insurance Council released its *Building a More Resilient Australia* report, which called for \$232 million to be jointly invested by the New South Wales and Federal Governments over five years to improve property resilience to flood, storm and bushfire.

Leading actuarial consultancy Finity estimated that this investment would save governments and communities \$5.6 billion to 2050, 24 times a return on investment.

Building a More Resilient Australia also included a recommendation for a \$532 million local infrastructure fund to support investment across the country in projects such as levees, seawalls and floodways.

New South Wales is the only mainland state – and will soon be the only state – to levy insurance customers to fund emergency services, adding 30 to 40 per cent to the cost a premium and driving down levels of insurance coverage.

Changes are also required to land use planning and building codes to make sustained improvements to community resilience.

Quote attributable to ICA CEO Andrew Hall:

Today's announcement by New South Wales Labor is a welcome first step and shows that political stakeholders are heeding the resilience message insurers have been giving over a long period.

New South Wales is the highest-taxing state in the country when it comes to insurance, which drives down adequate coverage at a time and in a state where we need it most.

In the lead-up to next March's state election the Insurance Council and insurers are calling on all parties to commit to abolishing this retrograde impost.

We look forward to the New South Wales Government's response to the O'Kane / Fuller inquiry into the February-March floods, which must include significant investment in resilience measures and changes to land use planning.