



News release

Insurance Council
of Australia

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Insurance Council welcomes NSW flood inquiry findings

The Insurance Council of Australia (ICA) has today welcomed the release of the O’Kane-Fuller Flood Inquiry and the New South Wales Government’s response to its recommendations, particularly on land use planning and the relocation of homes in the most flood-prone areas.

The report recommends significant changes directly supported by the ICA, including:

- Changes to land use planning to move homes out of harm’s way and ban residential development in some areas
- Better community data provision and education on extreme weather risks
- More research into the impacts of worsening extreme weather, including to community mental health
- More streamlined recovery grants processes
- Clear lead agency responsibility for disaster recovery
- Examining the impact of stamp duty

In a report released earlier this year, *Building a More Resilient Australia*, the ICA called on state governments to amend land use planning legislation to include a mandatory requirement for planning approvals to consider property and community resilience to extreme weather.

Insurers see this as crucial to strengthening resilience across communities, particularly those most at risk from flood.

In line with the O’Kane-Fuller Inquiry, the ICA’s report found too many homes are in the direct line of flood because at the time of planning and approval not enough account was given to worsening extreme weather as a result of climate change.

Building a More Resilient Australia also called for a substantial increase in investment in community and household resilience measures, which have been shown to have significant benefits for protecting property as well reduce the cost of insurance.

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

The O’Kane-Fuller Inquiry sets out the risks posed by extreme weather at a regional and local level, and if its recommendations are properly implemented will significantly enhance the State’s capability to prepare for future events.

We commend the NSW Government on its willingness to listen to the experts, make the significant investments needed, and we look forward to working with the new Reconstruction Authority.

The scale of the impact of this year’s floods, the number of previous floods in locations such as Lismore, and the increasing likelihood of further events make it imperative that the rebuild and reconstruction significantly improves the resilience of at-risk communities to future extreme weather events, including adapting some areas away from residential property if that is what is required.

We are heartened to see that the NSW Government will look at a restructure and reduction of stamp duty, which when applied to insurance has been shown to reduce adequate levels of cover.