



Insurance Council
of Australia

A stronger NSW

Policy recommendations for
the next NSW Government



Acknowledgement of country

The Insurance Council of Australia acknowledges the Traditional Owners of country throughout Australia and their continuing connection to land, culture, sea and community. We recognise the tens of thousands of years of continuous custodianship and placemaking by First Nations peoples and their proud role in our shared future. This report was produced on the lands of the Gadigal people of the Eora Nation. We pay our respects to Elders past, present and emerging.

CONTENTS

2 Introduction

Part I: Economy

5 State tax reform

8 Written-off vehicles

10 Tort reform and risk management

12 Government contracts

Part II: Climate

15 Land use planning

18 Resilience investment

20 Building standards

22 Electric vehicles

24 Better data

Introduction



I spent a good part of 2022 travelling to flood-impacted communities in New South Wales, joining insurers as they assisted customers whose homes and businesses had been left destroyed and working with state and local government to help communities build back better.

The stories we all heard of homeowners waking up to knee-high flood water in second storey bedrooms, wading through the muddy brown inundation to escape rising waters, and waiting on rooftops for help to arrive are terrible reminders of the impact of floods.

In 2022 alone, New South Wales suffered \$3.3 billion in insured losses from 150,100 claims relating to extreme weather events, the majority of which came as a result of the February–March floods which cost \$2.87 billion in insured damages across the State.

It is the personal stories and this compelling data that drives our work advocating for safer and more resilient communities, so they can get back on their feet sooner following extreme weather events like those we’ve been experiencing.

The reality is though, without investment in improving community and household resilience, changes to what we build and where we build it, and the abolition of punitive insurance taxes the trajectory gets worse, not better. Climate change is worsening extreme weather events, and no corner of our country and no corner of New South Wales is immune to the impact.

That is why insurance is so vital, not only to protect assets such as homes, businesses and livelihoods, but to help communities recover from disaster.

But insurance needs to be available and affordable to everyone, especially those most at risk. Over this period of extreme flooding we have rightly seen much focus on the cost and availability of insurance.

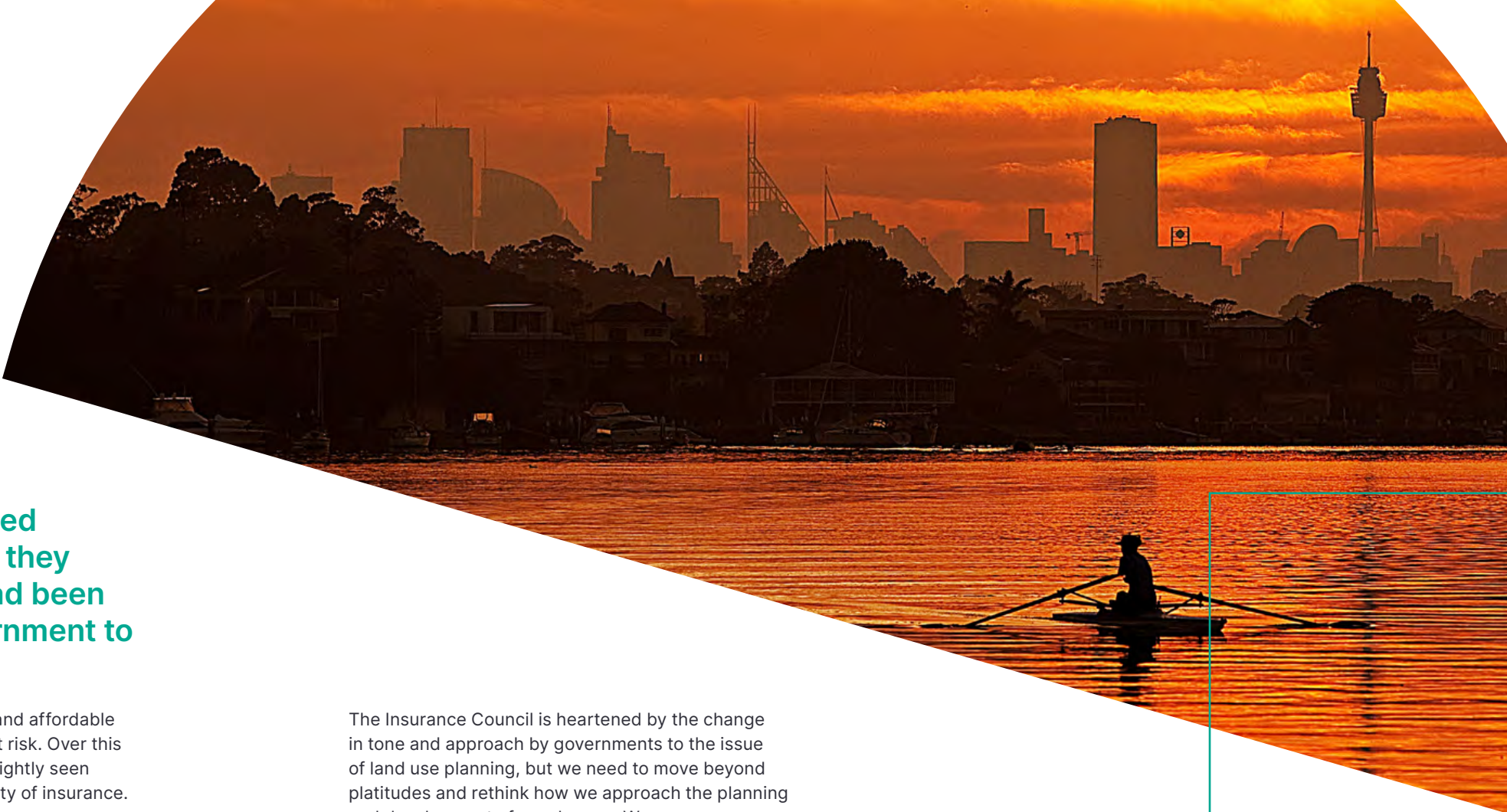
That is why ahead of the New South Wales election, the Insurance Council is setting out a suite of policies that will better protect lives, livelihoods and property, and over the longer term put downward pressure on the cost of insurance by reducing the risks present in the community.

Critically, we must see the removal of those State taxes that make New South Wales the most expensive state in which to insure a home or small business. New South Wales is the only mainland state to apply the Emergency Services Levy (ESL) to insurance premiums, adding approximately 18 per cent to home insurance premiums and up to 40 per cent to business cover. The ESL weakens our collective capacity to recover from natural disasters and increases the burden on governments for financial relief.

The Insurance Council is heartened by the change in tone and approach by governments to the issue of land use planning, but we need to move beyond platitudes and rethink how we approach the planning and development of new homes. We encourage whichever party wins the election on 25 March to urgently continue this important work.

Insurance is a vital part of the New South Wales economy and the policy measures contained in this document will ensure that it remains so. We look forward to working with the next New South Wales Government to see the measures outlined in this election platform fulfilled.

Andrew Hall
CEO and Executive Director



Part I Economy

State tax reform

Reform the Emergency Services Levy to improve insurance affordability

The Emergency Services Levy (ESL) on insurance is an inefficient tax that inflates premiums and penalises those who protect themselves. It discourages householders and small businesses from adequately insuring and makes insurance unaffordable for some. The ESL contributes to an estimated 13 per cent of New South Wales households being uninsured – double the rate in Victoria¹.

Lower levels of insurance weaken the state’s capacity to recover from natural disasters and increase the burden on emergency services and requirements for government relief².

Following Victoria’s abolition of its Fire Services Levy on insurance in 2013, New South Wales became the only mainland state to tax insurance to fund fire and emergency services. All other states (bar Tasmania, which is currently in the process of reforming its Fire Services Levy) have moved to a property tax where all contribute. These changes have led to improved insurance affordability when compared to New South Wales.

Analysis by council area shows that home insurance in of all but one Victorian LGA averages \$1000 to \$1500 per annum, whereas the average cost in only four New South Wales LGAs is at this level, with most policies in New South Wales averaging \$1500 to \$2000 by LGA, and some averaging \$2000 to \$3000 per annum³. Because of the ESL state taxes on insurance in New South Wales are nearly three times higher than in Victoria.

In 2022–23 the ESL will raise \$1.2 billion from insurance policy holders to fund fire and emergency services⁴. The ESL increases home premiums by approximately 18 per cent⁵ and, according to a 2015 study (undertaken when the ESL raised half what it does now) reduces state consumption by more than \$1 billion per annum⁶.



	Premium	ESL (@18%)	Premium + ESL	GST	Premium + ESL + GST	Stamp Duty	Total Cost	Total State Taxes	Total Taxes
NSW	\$1000	\$180	\$1180	\$118	\$1298	\$117	\$1415	\$297	\$415
VIC	\$1000	\$0	\$1000	\$100	\$1100	\$110	\$1210	\$110	\$210

¹ ABS Household Expenditure Survey 2015–16.
² The NSW Budget 2022–23 allocates an additional \$2 billion for flood recovery over the next two years. Budget Paper 1, pp 5–6.
³ Home insurance affordability and socioeconomic equity in a changing climate, Actuaries Institute, August 2022.
⁴ NSW Budget Paper 1, Budget Statement 2022–23, Table 4.4 page 4.2.
⁵ The Emergency Services Levy on insurers varies from year to year depending on the funding requirements of emergency services agencies and individual insurers’ market share. The cost to home insurance customers is typically 15–20% and the ICA has used 18% for illustrative purposes.
⁶ Access Economics.

The ESL has historically been justified based on an apparent link between fire and emergency risk, insurance premiums, and the likely need for fire and emergency services. However, uninsured properties benefit without contributing, insurance premiums reflect numerous non-fire and emergency risks, and the value of the property being protected bears little relation to the likelihood of requiring fire and emergency services.

There is an overwhelming case for the next New South Wales Government to reconsider ESL funding reform. The urgency of this task is magnified by the growing impact of climate change which is seeing the frequency and/or severity of natural disasters increase.

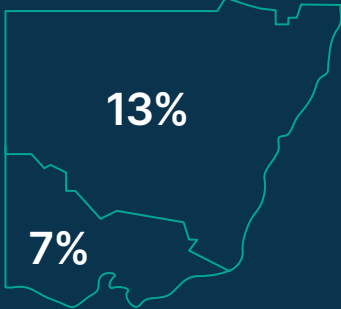
Climate change and worsening extreme weather risk has already caused insurance premiums to increase significantly for some households and businesses and this trend is expected to accelerate. Insurance affordability and availability is a growing concern in areas of New South Wales that are particularly exposed to extreme weather risk, an issue highlighted in 2022 in the Northern Rivers and Central West regions of the State.

In this context, a key policy aim of the next New South Wales Government should be ensuring that all efforts are being made to put downward pressure on insurance costs for households and businesses. Abolition of the current insurance-based ESL would see the cost of home insurance in New South Wales some 15 per cent lower on average, while for businesses the figure would be around 23 per cent. The availability of more affordable insurance will also relieve the pressure on Commonwealth and State budgets to provide disaster relief and other forms of assistance related to a lack of insurance cover.

There are a range of options available to the Government to replace the revenue foregone by the abolition of the ESL. These include a property levy based on the unimproved value of the land (as was proposed in 2017), a levy based on the improved value of the land (as occurs in Victoria), taxing some other activity such as gambling, or making expenditure adjustments in other areas to allow emergency services to be funded from consolidated revenue.

As part of this reform a range of safeguards should be put in place, including the establishment of hardship arrangements and price monitoring.

Estimated homes uninsured



“Insurance taxes are inefficient: they drive up premiums and discourage consumers from adequately insuring.”

Review of Federal Financial Relations, New South Wales Government, 2020

“All specific taxes on insurance products, including the fire services levy, should be abolished.”

Henry Tax Review, Commonwealth, 2008

Stamp duty on insurance will raise a further \$1.4 billion in 2022–23 from insurance policy holders in New South Wales⁷ and adds nine per cent to the cost of insurance, further undermining the affordability and contributing to underinsurance. The Insurance Council believes the abolition of stamp duty on insurance requires a coordinated national response under the auspices of National Cabinet’s December 2022 referral of insurance affordability to state and territory Treasurers.

⁷ The NSW Budget 2022–23.



The next NSW Government must:

- **Bring the cost of insurance in New South Wales in line with that in other states by immediately commencing reform of the Emergency Services Levy.**

Written-off vehicles

Reform written-off vehicle rules for sustainable car insurance, to promote supply of affordable second-hand vehicles, and support the growth of electric vehicles

In most Australian jurisdictions, insurer total loss⁸ vehicles that have repairable damage are permitted to be repaired and re-registered subject to relevant safety and identity checks. This is not the case in New South Wales, where written-off vehicle rules (WOVR) predominately ban the registration of repairable cars. This is contrary to the New South Wales Circular Economy Policy Statement which aims to increase the accessibility of goods, maximise the value of resources, and reduce waste.

Insurers offset the costs of a motor vehicle claim by on-selling total loss salvages. The WOVR restrictions in New South Wales mean these salvages can lose up to 50 per cent of their value compared to other jurisdictions, leading to higher claims costs which is borne by motor insurers and their customers.

The WOVR settings reduce the number of vehicles that can be resold in the second-hand market. Despite only sustaining cosmetic damage, hail-damaged cars are typically uneconomical to repair and therefore declared total losses by insurers, meaning in New South Wales they are not permitted to be repaired and re-registered by a third party. A repeat of the 2018 New South Wales hailstorm could see tens of thousands of hail damaged vehicles⁹ being scrapped as a result of current WOVR laws.

Reforming WOVR would also support the growth of the second-hand electric vehicle (EV) market in Australia. The current higher parts and repair costs for EVs means that they are more likely to be declared total loss by insurers and therefore prevented from being repaired and re-registered under WOVR, especially if the battery is damaged.

The next NSW Government must:

- **Amend the Road Transport (Vehicle Registration) Regulation 2017 to permit the repair and registration of total loss vehicles subject to relevant safety and identification checks.**
- **Adopt stringent safety checks and identification for the registration of total loss vehicles.**
- **Require vehicle sellers to disclose to the purchaser whether the vehicle has been subject to an insurance total loss decision.**

⁸ Total loss vehicles are vehicles that have been assessed by insurers as being uneconomical to repair as the cost of repairs exceeds the vehicle market value minus salvage costs.

⁹ ICA CAT185 claims data 2018.

Tort reform and risk management

Review current tort law and civil liability settings to ensure they remain fit-for-purpose and promote insurance affordability and availability for SMEs, and fund programs to improve risk management amongst SMEs and not-for-profits

The Australian public liability insurance market continues to harden, creating insurance affordability and availability problems for SMEs, particularly those in the hospitality, live entertainment, caravan park, amusement park, leisure, and tourism sectors. Many operators in these sectors are struggling to maintain appropriate public liability insurance cover, threatening their ongoing viability.

In response to this issue, in 2021 the Insurance Council released a report into the availability and affordability of commercial lines of insurance and subsequently established a Business Advisory Council bringing together key business groups to explore possible solutions.

Insurers have struggled to maintain profitability of public liability insurance over the past three years, often experiencing combined loss ratios of more than 100 per cent (meaning payouts were higher than premiums received). The hard insurance market, characterised by scarce capital, difficulty obtaining reinsurance, high regulatory activity, claims inflation and rising costs of litigation and settlements, means that insurers are increasing premiums or reducing their exposure to some sectors because of the inherent nature of the activity, poor risk management, or both.

Tort reform has not been undertaken since 2001–02. Given the development of case law, the emergence of new industries, and the current difficulties some businesses face in obtaining public liability insurance, a further examination of civil liability settings and whether they remain fit-for-purpose and support the availability and affordability of insurance should be undertaken.

The use of statutorily defined benefit frameworks for personal injury claims (like those used in CTP and workers compensation schemes) should be considered. This could provide greater underwriting certainty, reduce claims costs and durations, improve health outcomes for injured people, and increase the affordability and availability of public liability insurance for businesses.

Insurance affordability and availability is also driven by appropriate risk mitigation and management. The implementation of appropriate risk mitigation standards play an important role in helping businesses and organisations implement necessary risk reduction measures that will reduce risk of injury to people and put downward pressure on premiums.

The next NSW Government must:

- Review tort law and civil liability arrangements to examine the impact legislation is having on SMEs, in particular their ability to access appropriate insurance.
- Invest in training and education programs to improve risk management and national standards across industry sectors experiencing higher frequency of personal injury liability claims.

Government contracts

Remove unfair insurance requirements from government contracts and cease the practice of contracting out of proportionate liability

The professional indemnity insurance market has been experiencing hard market conditions since 2017. Sustained high loss ratios and increased reinsurance costs driven by increasing claims costs and class actions have led to significant increases in professional indemnity insurance premiums, reduced insurance capacity, more restricted coverage terms, and higher excesses.

While the market shows some signs of improving, engineers and other building professionals remain particularly vulnerable as new regulatory reforms come into force in New South Wales and continue to have trouble sourcing professional indemnity insurance.

For the engineering and construction sector, these challenges are being exacerbated by onerous, unnecessary and unfair professional indemnity insurance requirements contained within government contracts. These require businesses to obtain levels of professional indemnity insurance that are often not available in the market and/or are above what is necessary for the work being undertaken.

Further, the New South Wales Government and its agencies continue to contract out of proportionate liability, requiring small business professionals to assume liability for other parties' negligence. This practice undermines the proportionate liability regime and urgently needs to cease.

The next NSW Government must:

- Remove unfair insurance requirements from government contracts and cease the practice of contracting out of proportionate liability.



Part II Climate



Land use planning

Prevent the development of new homes in high-risk areas by reviewing land use planning arrangements based on water catchments, considering both the likelihood and consequence of flooding now and into the future

New South Wales is endowed with an enviable natural environment. It is no surprise that people want to live near bushland, waterways and oceans, but living in these environments comes with both rewards and risks; risks that are growing as a consequence of worsening extreme weather events driven by climate change.

The floods and bushfires experienced in New South Wales in recent years have highlighted the need for policy settings that more precisely, consistently, and deliberately consider the relationship between land use planning and extreme weather risk. From planning to development through to ongoing occupation of buildings, greater precision, transparency and consistency is needed to ensure extreme weather risk is assessed and addressed in planning across the State.

As the climate continues to change, existing flood zones are likely to expand and expose more properties and assets, as well as increasing the depth of floodwater in currently exposed properties. As populations increase, the pressure for new houses to be built in higher risk areas will grow. The threshold of acceptable risk needs to be reconsidered and the consequence of flooding, not just the probability, taken into consideration.

Current land use planning settings for flood in New South Wales are governed by the Flood-Prone Land Package which commenced in July 2021. While the Government provides guidance on these matters, in practice this approach is fragmented across the State's 128 councils.

The Flood Planning policy amendment requires new housing not to be located where there is a 1 per cent annual exceedance probability (AEP) flood level¹⁰. Reliance on the 1 per cent AEP standard has assumed that the risk from larger events will be infrequent and minor enough to be generally acceptable.

However, analysis of flood claims data suggests that contemporary homes built above the 1 per cent AEP level are still sustaining an unacceptable level of damage¹¹.

In December 2022 following a discussion on disaster responses and insurance affordability, National Cabinet announced that planning ministers would develop a national standard for considering disaster and climate risk, stating that "the days of developing on floodplains need to end".

The Insurance Council welcomes this renewed focus, however moving from general agreement to specific and unambiguous direction will require strong leadership and significant effort. The next New South Wales Government should take the opportunity to lead in this policy space. This will require the urgent adoption of a risk-based approach to land use planning for flood and other extreme weather events to protect lives and properties.

Adopting a risk-based approach must trigger a re-set on land use planning in New South Wales. Any housing development in areas prone to extreme flood risk should not be permitted, and in areas subject to high risk stronger building codes and standards need to be employed and/or adequate resilience infrastructure built. This principle should also apply to other extreme weather events influenced by the changing climate.

¹⁰ This is commonly referred to as a '1-in-100-year flood' but this does not mean that a property floods once every 100 years, it means there is a 1 per cent chance of flooding occurring each year. Notwithstanding that flood risk is growing because of climate change and growing populations, a person who lives on a 1 per cent AEP property for 70 years has a 50 per cent chance of experiencing a significant flood at least once.

¹¹ ICA (2022) Climate Change Impact Series: Flooding and Future Risks.

Area of extreme flood risk



- Housing not planned to be built

Area of high flood risk



- Housing can only be built if adequate resilience infrastructure is programmed and funded and/or buildings are constructed to stronger standards that consider current and future climate projections
- Further work to be undertaken to consider where and how much housing can occur within LGA

Area of low flood risk



- Housing can be built without additional mitigation measures
- Further work to be undertaken to consider where and how much housing can occur within LGA

Current arrangements and responsibilities are not appropriate to deliver the clarity that is needed in where homes can be safely built. Local governments have limited resources and in many instances information is incomplete, potentially inaccurate, and out of date. Floods do not respect local government boundaries and hazards are usually managed over multiple council areas, with actions in one Council potentially impacting another.

The Government needs to take a new state-led, catchment-based approach to planning that incorporates flood risk, utilising existing water catchment boundaries rather than local government boundaries. This approach must consider the likelihood and consequence of the full range of possible flood events, including larger and rarer floods beyond the 1 per cent AEP, as well as future climate projections expected over the full lifecycle of development. This state-led approach will provide planning settings that better consider the local context, rather than the current one-size-fits-all approach which only considers the 1 per cent AEP in any area.

The capacity to accommodate new dwellings should be understood before the setting of housing targets for local governments. Councils should provide input into the strategic planning at the catchment level and receive direction from the State on where housing should not be permitted as part of the development of regional plans.

We acknowledge that governments and developers have invested large amounts of time and money into developments that could be potentially paused while risk is being mitigated, and that there is pressure to deliver more housing across the State. However, the protection of life and property needs to be the number one focus.

The next NSW Government must:

- Review land use planning to establish a catchment-based approach to land use planning and hazard management, based on existing NSW Water catchment boundaries and taking into account current and projected extreme weather events and input from relevant councils.
- Prioritise areas of zero-risk and low-risk to extreme weather for new dwellings, noting the probability of a hazard occurring and the potential impact of that hazard on property and life as part of the development of regional plans.
- Identify and resource areas that require further flood studies to better understand and manage the risks of flooding.
- Where appropriate, commit to mitigation infrastructure before housing targets are given to councils.
- Refine Government messaging and community understanding around 'one in one-hundred-year floods' and make hazard information a standard feature of contracts for property buyers and renters.

Resilience investment

Protect homes and communities by investing in measures such as community infrastructure, improved early warning systems and home retrofit programs

Without increased funding to make New South Wales homes, businesses, and communities more resilient and durable to extreme weather events the damage bill will become unaffordable.

Analysis conducted in 2022 by actuarial consultancy Finity for the Insurance Council identified a range of resilience measures that would provide significant returns on investment by better protecting communities from and lowering our risk exposure to extreme weather. These measures include wet flood proofing existing homes, early warning systems for bushfires and floods, better fuel reduction, and a mitigation fund for local projects like levees and seawalls.

This analysis found that a \$232 million investment in New South Wales over five years would deliver more than \$5.6 billion in returns, an ROI of 24. If all state governments sign up to this \$2 billion program it is projected to reduce financial, health and social costs to governments and households by at least \$19 billion by 2050.

The benefits of targeted resilience programs can be seen in other states. The \$20 million Queensland Household Resilience Program involved 3100 grants for targeted retrofitting of existing properties to better withstand extreme weather risk. Participants saw an average saving of 7.5 per cent on their insurance premiums, with some savings as high as 25 per cent.

The Federal Government has committed to outlaying \$1 billion over five years on resilience measures, with the goal of state-matched funding. The New South Wales Government should take advantage of this program to significantly uplift investment in community and household protections.

The recently announced Resilient Homes Fund and the Resilient Homes Program, delivered in partnership with the Commonwealth, are welcome initiatives for the Northern Rivers region. Delivery of these programs will provide valuable lessons that should inform application of similar programs to other high-risk areas of New South Wales.



The next NSW Government must:

- Extend the Resilient Homes Program beyond the Northern Rivers to other high-risk areas of the State.
- Work with the Commonwealth to co-fund resilience programs across the State.
- Work with the Commonwealth to identify projects of merit.



Building standards

Design and construct stronger new homes by including the principle of resilience in building standards, lifting building practitioner skills, and strengthening supervision of building and construction

The increased severity and frequency of extreme weather events requires more resilient and durable homes. To enable this, the principle of resilience must be embedded in the National Construction Code. The New South Wales Government must ensure practitioners are sufficiently skilled to apply the Code, provide for effective inspection and certification of building work, and take firm compliance and enforcement action against illegal activity.

The New South Wales Government, via its representation at the Building Ministers' Meeting and on the Australian Building Codes Board (ABCB), should support amendments to the National Construction Code (NCC) and relevant Australian Standards that prioritise building resilience and considers current and future climate projections. These changes are essential to better protect new Australian homes and communities in the face of worsening extreme weather events.

The NCC is developed by the ABCB with consideration of issues of building design, construction, performance and liveability that are the minimum necessary to achieve health and safety, amenity and accessibility, and sustainability. It is of significant concern that the NCC is not required to consider the resilience of buildings in the context of a changing climate.

Ensuring that building codes and standards are amended to improve resilience in the face of worsening extreme weather risk must also be complemented by lifting practitioner competencies, with a more robust and transparent system of inspection and certification throughout the building approval process, underpinned by improved compliance and enforcement. This is essential to ensuring buildings are constructed to the minimum requirements set out in the NCC.

While there have been commendable efforts to change industry practice in recent times, failure to comply with the technical requirements of the NCC remains a major problem in New South Wales, with the Building Commissioner recently finding 39 per cent of strata buildings had experienced serious defects in the common property.

A 2021 report by the Centre for International Economics, commissioned by the ABCB, highlighted that up to 72 per cent of residential properties in Australia have defects with an estimated cost of \$2.5 billion per annum. The report also highlighted that the full economic impact could be much worse, citing the example of the Opal Towers building in Western Sydney, where the cost of defects was assessed at \$1 million, however, the full remediation cost exceeded \$27 million.

To remedy these challenges, the NSW Government must continue to action the recommendations of the *Building Confidence Report* including nationally consistent requirements for the registration of building practitioners, their enhanced education and training, greater rigour in the certification of design and construction, and improved enforcement.

The next NSW Government must:

- Support NCC amendments that include minimum technical requirements for building resilience that take account of current and future extreme weather events and projections, and relevant Australian Standards.
- Continue to swiftly implement all the findings of the *Building Confidence Report*.

Electric vehicles

Accelerate the transition to electric vehicles by ensuring homes are EV ready, incentivising the replacement of commercial vehicle fleets with EVs, and addressing skill shortages in EV repair

New South Wales is already a leader in EV policy, with the state’s Electric Vehicle Strategy aiming to increase EV sales to 52 per cent market share by 2030–31. Australian EV sales almost tripled in 2021, from 0.8 per cent to 2 per cent market share, and 56 per cent of Australians will consider going electric with their next purchase.

The New South Wales Government should consult with insurers and other relevant industries regarding the potential risks and new opportunities created by charging infrastructure upgrades, including a greater focus on compliance with existing standards on EV charging installation to ensure the safe installation and operation of EV chargers.

The availability of commercial EVs is more limited than passenger and sports utility vehicles. Nonetheless, the sector has seen rapid growth in the last couple of years and according to the EV Council there are now 21 different models suitable for commercial use. The Grattan Institute has forecast that the purchase price of a battery electric truck will fall by 26 per cent on 2020 prices by 2025 and 50 per cent by 2030.

Light commercial vehicles and trucks produce 17 per cent and 20 per cent of Australia’s transport emissions respectively. The Insurance Council welcomed the New South Wales Government’s recently announced \$15 million rebate scheme to reduce emissions from truck operators. The Government should build upon this scheme with increased funding and a greater focus on fully electric options. This would help to overcome the currently high purchase price of these vehicles, which is a significant barrier to greater uptake particularly for small businesses.

Skill shortages in EV repair can contribute to delays in repairs, increasing costs and inconvenience for consumers. To address this skills gap, the New South Wales Government should prioritise and fund micro-credentials in EV repair to assist in upskilling existing mechanics, add EV repair to state-based training programs for school leavers, and subsidising this training. The Government should work to improve access to technical information on EVs to enable them to be safely repaired and commit at least \$1 million to establish a pilot program to train EV technicians, which could be supported by the Commonwealth’s New Energy Skills Program.

The next NSW Government must:

- Collaborate with insurers and relevant industries to develop a path for insuring and encouraging the uptake of EV home charging infrastructure.
- Introduce a \$120 million rebate scheme over four years for heavy commercial EVs to reduce upfront costs and transport emissions.
- Commit at least \$1 million to establish a pilot EV repair training program, supported by the Commonwealth Government’s New Energy Skills Program.

Better data

Enable households, communities, government, and agencies to better prepare, protect and respond to disasters through improved and consistent data standards

Worsening extreme weather is having a direct impact on the affordability and availability of insurance and the wellbeing of Australian communities, homes and infrastructure. The development of a robust, national hazard database that streamlines existing national, state and territory datasets and that is accessible to all levels of government, industry and the Australian public can play a critical role in improving and standardising our understanding of climate risk and how we prepare for it.

The Commonwealth and state and territory governments, including the New South Wales Government, should work to update, standardise and make publicly available climate hazard data, considering long-term time horizons and prioritising the high impact perils of flood, bushfire, cyclone and coastal erosion. This data should consider all possible perils to help establish a national public baseline that can better inform land use planning, building codes and standards and understanding of current and future risk.

The lack of a data standard, combined with incomplete or inconsistent approaches to publishing risk information, contributes to different outcomes across the State and can lead to uncertainty for insurers.

Insurance companies are swift to respond to catastrophic events, however incomplete and inaccurate information can reduce the effectiveness of the industry's response. More detailed warnings, updated information regarding active events, and open communication channels enable insurers to move resources to the most impacted areas faster, offering the maximum benefit to affected communities. Government should improve the accuracy, availability, and timeliness of catastrophic event information.

Data investment will unlock



Better land use planning



More resilient homes and communities



Improved disaster response and recovery

The next NSW Government must:

- Collaborate with the Commonwealth to develop a nationally consistent asset register of buildings containing important risk and resilience characteristics, prioritising high hazard zones.
- Collaborate with the Commonwealth to develop an impact register which includes a footprint of recent and historical event hazard data, prioritising high hazard zones.
- Work in collaboration with the Commonwealth to develop a Coastal Defence Register which includes a database of coastal defence works.
- Improve event monitoring through periodic and post-event high-resolution surveys by Light Detection and Ranging (LiDAR), SAR and UAVs (drones).
- Provide accurate, consistent, and timely emergency management data to insurers as events unfold.



Insurance Council
of Australia

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The Insurance Council of Australia is the representative body for the general insurance industry of Australia. Our members represent approximately 85 per cent of total premium income written by private sector general insurers, spanning both insurers and reinsurers.

General insurance has a critical role in the economy, insulating individuals and businesses from the financial impact of loss or damage to their insured assets.

Our work with our members, consumer groups and all levels of government serves to support consumers and communities when they need it most.

We believe an insurable Australia is a resilient Australia – and it's our purpose to be the voice for a resilient Australia.

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