



# News release

Insurance Council  
of Australia

Tuesday, 9 May 2023

## Budget funding for disaster resilience and early response welcomed

The Insurance Council of Australia (ICA) welcomes funding in the 2023-24 Budget to improve emergency early warning systems, a measure backed by analysis conducted by actuarial consultancy Finity in a 2022 report for the Insurance Council.

However, the ICA continues to call on the Government to lock in longer term funding to deliver on its intention for the DRF to be an enduring fund that delivers resilience and mitigation to Australians.

The ICA also welcomes the 10-year funding provided to remediate high priority flood warning infrastructure and address critical reliability risks.

The ICA looks forward to continuing its work with the Federal Government on the Hazards Insurance Partnership (HIP) which will inform future investments of the Disaster Ready Fund (DRF), and outline a natural hazard risk database for Australia, both initiatives that we strongly support.

The Insurance Council's [Budget submission](#) called for DRF funding to be extended to a 10-year rolling program, which would ensure that Australians receive the benefits of resilience and mitigation investment for years to come and allow governments and communities to plan for long-term projects that put downward pressure on insurance premiums.

This funding should also be indexed so it does not continue to fall in real terms. A 10-year, indexed program would cost the budget approximately \$2.5 billion over the medium term, \$1 billion less than the cost of disaster recovery payments and allowances in 2022 alone.

The ICA also welcomes the Government's commitment to introduce legislation to ensure tax law is aligned with accounting standards and minimise the regulatory burden on general insurers.

The Insurance Council looks forward to continuing to work with the Commonwealth to develop positive policies to improve the affordability and availability of insurance, and address disaster mitigation, land use planning, building codes, risk mitigation programs, data investment, cyber security, and regulatory reform.

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

With households grappling with cost-of-living pressures, reducing the physical risks to homes and communities is critical for taking pressure off insurance costs.

We know that communities across the east coast are still recovering from the floods in 2022, which were the costliest in history, so it is welcoming to see the Government continue its commitment to fund disaster resilience and measures to protect Australian communities from extreme weather.

However, with claims costs from last year now hitting nearly \$7 billion, much more will need to be done soon. We call on the states to also share the heavy lifting in resilience and mitigation funding.

Insurance is a critical safeguard against extreme weather events and the Insurance Council is steadfast in its advocacy to see significant and ongoing investment in measures to reduce risk,

protect communities and ultimately, reduce insurance premiums for households and businesses.

We look forward to working constructively with the Federal Government and other stakeholders, including regulators and the business community, to see a more resilient Australia.