



News release

Insurance Council
of Australia

Wednesday, 14 June 2023

Insurance Council welcomes northern NSW home buybacks

The Insurance Council of Australia (ICA) said the decision by the Northern Rivers Reconstruction Corporation to offer 1,100 home buybacks is a once-in-a-generation opportunity to move people out of harm's way.

Announced as part of the \$800 million Resilience Homes Program, an additional 340 homes will either be raised above the flood-line or retrofitted to withstand extreme weather.

The Insurance Council commends the decision to prioritise home buybacks in areas which pose the greatest risk of life – a decision that will help to reduce the impact of floods in Ballina, Byron, Clarence Valley, Kyogle, Lismore, Richmond Valley and the Tweed local government areas.

Last year's flooding in South-East Queensland and Northern NSW was the biggest insurance event in Australia's history – resulting in 241,000 claims at a cost of nearly \$6 billion.

Since the February / March event, almost \$920 million has been paid to communities in the Northern Rivers from 14,660 insurance claims.

The average claim cost for effected homes in the region was around \$73,000, which is three times higher than the average claim cost for the event as a whole (\$22,800), demonstrating the particular impact on the Northern Rivers.

The Insurance Council is urging all governments to re-think land use planning for communities impacted by extreme weather risk.

As a result of historically poor planning decisions, moving people permanently out of harm's way will remain an important tool for governments.

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

This announcement is a historic step for the Northern Rivers in seeing community resilience improved and will make a real difference in protecting those homeowners exposed to flood risk.

Managing and reducing risk in communities most exposed to flood risk is critical, and we must continue to make tough and bold decisions to move people permanently out of harm's way and see greater investment in strengthening resilience across communities.

The scale and impact of last year's flood will never be forgotten, so we must use this as a lesson and set a new precedent for how quickly governments can respond in making decisions to benefit communities.