



News release

Insurance Council
of Australia

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ICA calls for resilience budget boost to better protect Australians

The Insurance Council of Australia (ICA) has called on the Albanese Government to ensure the next Federal Budget includes an ongoing fund of \$250 million a year to buy back and raise homes exposed to extreme flood risk.

Contained in its [Pre-Budget submission](#), the Insurance Council says the fund should be matched by the states and territories, ensuring that \$500 million is available each year to move approximately 750 families out of flood danger zones every year.

The fund would build on the schemes that were put in place in New South Wales and Queensland in the wake of the record-breaking 2022 floods.

Around \$1.6 billion in joint funding has been set aside to buy back at-risk properties, with around 1,300 buy backs offered so far.

Funding for any new scheme should exist as an ongoing measure to enable flood-exposed communities to make the decisions locally that address their challenges in timeframes that allow availability of local housing stocks to adjust.

The fund would complement the \$200 million a year Commonwealth Disaster Ready Fund – which also requires matched state funding – that invests in projects that improve community resilience.

The Insurance Council's Pre-Budget submission also calls for \$5 million to be provided each year to help improve risk management in sectors experiencing higher frequency of personal injury claims.

The submission includes a range of further measures designed to combat cost-of-living pressures by reducing risk and so reduce pressure on insurance premium prices. These include:

- **Incentives for state governments to remove insurance taxes**, providing immediate cost-of-living relief
- **Extension of the Disaster Ready Fund** to a 10-year rolling program, enabling long-term resilience investment with a focus on hard infrastructure projects
- **Reforming land use planning and building codes** to reduce the risk of extreme weather to Australia's homes
- **Make vehicle repairs cheaper** by investing in training for EV mechanics and removing financial barriers for traditional motor trades

Quote attributable to ICA CEO Andrew Hall:

The major flooding events over this summer and back to 2022 have demonstrated the scale of the challenge Australia faces in responding to extreme weather events, and why more investment is urgently needed to better protect Australian lives and properties.

The cost of insurance has seen a significant increase over the past 12 months, driven by the impact of flood events, building and repair cost inflation, and the cost of reinsurance.

While there is no one solution that would immediately work to counter these factors, collectively the measures outlined in our Pre-Budget submission work to relieve upward pressure on premiums by reducing risk, which is the ultimate driver of insurance costs, and so support the community's need for action on cost of living.