



News release

Insurance Council
of Australia

Wednesday 22 January 2025

Federal Government's ongoing investment in resilience is critical to better protecting communities from rising risk

The Insurance Council of Australia (ICA) today welcomed the opening of the third round of funding from the Federal Government's \$1 billion Disaster Ready Fund, aimed at better protecting communities from the physical, economic, and social impacts of worsening extreme weather events.

The Fund's \$200 million annual investment is crucial to addressing the rising risks of bushfire, flooding and cyclones, fuelled by a changing climate, the rising costs of assets, and populations expanding into high-risk areas.

Insurers have long called for greater investment in significant resilience infrastructure that drives down hazard risk. This is reflected in the updated funding allocation, with \$138 million of the \$200 million fund now dedicated to critical mitigation infrastructure.

Greater government investment in public infrastructure that protects communities from the impacts of extreme weather, supported by Federal and state government uplifts in disaster funding, is critical to reducing the pressure on insurance premiums to help close the protection gap.

Quotes attributable to ICA CEO Andrew Hall:

The recent devastating bushfires in LA serve as a reminder of the importance of investing in hard resilience infrastructure and measures that drive down risk and better protect our homes and communities.

Smarter land use planning decisions and building more durable homes for the Australian conditions is the only sustainable way to moderate rising insurance premiums in high-risk areas.

Insurers welcome the strong focus on resilience infrastructure investment in the third round of the Disaster Ready Fund. We look forward to continuing to engage with government on targeting resilience investment to the Australians who need it the most, through the world-leading Hazards Insurance Partnership (HIP), and hope to see the Disaster Read Fund extended to a ten-year rolling program.

More funding will be needed over the longer term, as the longer investment is delayed the costlier it will be for the nation.