



5 June 2023

Secretariat  
Legislative Council Standing Committee on Environment and Planning.  
Parliament House  
Spring Street  
East Melbourne  
VIC, 3002

Dear Committee Members,

IAG<sup>1</sup> welcomes the opportunity to make a submission to the Legislative Council's Standing Committee on Environment and Planning's inquiry into the 2022 Flood Event in Victoria. Our purpose is to make your world a safer place, and we recognise that our role extends beyond transferring risk and paying claims. Our purpose drives our business to collaborate with the community, Government, industry bodies and other organisations to understand, reduce and remove risk, as well as to build resilience and preparedness. This results in better outcomes for the community and means fewer claims and lower premiums for our customers.

As a large Australian and New Zealand general insurer, we see the devastation of natural disasters firsthand as we help our customers rebuild and recover after a severe weather event. We are dedicated to helping to prevent this level of loss and distress from occurring again. We have long advocated that mitigation and resilience building is essential for communities to manage the risk to life, property and prosperity posed by natural disasters. It is critical that we learn from the shocking floods and bushfires of the past few years, that we enable those in high-risk areas to understand the risks they face and where possible, take steps to mitigate those risks and protect these communities ahead of future disasters.

For more than 20 years, IAG has invested in a specialist in-house natural perils team, which has unique expertise in measuring natural disaster risk and understanding options to address high hazard characteristics of buildings and property. Our recent research publications have focused on quantifying the impacts of extreme weather and climate change on risk to property and include Severe Weather in a Changing Climate 2nd edition<sup>2</sup> (in partnership with the US National Center for Atmospheric Research), Future Tropical Cyclone activity along the East Coast of Australia<sup>3</sup> and Regional Sensitivity of Australian Flood Risk to Climate Drivers.<sup>4</sup>

IAG is also the founding member of the Australian Business Roundtable for Disaster & Safer Communities (ABR). Formed in 2012, the ABR commissioned research to make the sound economic and social case for investing in mitigation and resilience building. The first report<sup>5</sup> ***Building our Nation's Resilience to Natural Disasters*** demonstrated that for every \$10 spent on post-disaster recovery, only \$1 is spent on measures to improve the safety of our communities prior to disasters. It also highlighted that carefully targeted resilience investments of \$250 million per annum have the potential to generate budget savings in the order of \$12.2 billion for all levels of government (or

<sup>1</sup> IAG is the parent company of a general insurance group with controlled operations in Australia and New Zealand. Our businesses underwrite almost \$12 billion of premium per annum, selling insurance under many leading brands, including: NRMA Insurance, CGU, SGIO, SGIC and WFI (in Australia); and NZI, State, AMI, and Lumley Insurance (in New Zealand). With more than 8.5 million customers and information on the majority of domestic residences in our markets, we use our leadership position to understand and provide world-leading customer experiences, making communities safer and more resilient for the future.

<sup>2</sup> <https://www.iag.com.au/severe-weather-changing-climate>

<sup>3</sup> <https://reader.elsevier.com/reader/sd/pii/S221209472200086X?token=616DE710E17A7BFD8C7C86A9F57FA98137E63D54ADA648F1FD6AFFCC82902FC89BA86297CAB3ABBA58B67FFE05345F2&originRegion=us-east-1&originCreation=20220929033522>

<sup>4</sup> Available at [https://www.floods.org.au/client\\_images/2128563.pdf](https://www.floods.org.au/client_images/2128563.pdf)

<sup>5</sup> <http://australianbusinessroundtable.com.au/our-research>

\$9.8 billion when looking at the Australian Government budget only). If successfully implemented, it could see Australian and State Government expenditure on natural disaster response fall by more than 50% by 2050. In addition to the economic case for investing in mitigation, the five ABR reports provide insights into the social costs of natural disasters, data needs and infrastructure decision making. Further detail and the five research reports can be found here: <http://australianbusinessroundtable.com.au/our-research>.

We support this inquiry and the committee members considering the State's preparedness for and response to Victoria's major flooding event of October 2022 (the flood event). We have the following comments that focus on terms of reference 4,6,8 and 9 for the committee members' consideration.

There are many models for disaster resilience, preparedness, emergency management and community recovery that exist across government policy and academic literature, including the Victorian Preparedness Framework<sup>6</sup>. Common to all these frameworks are three stages of action for disaster management.

## PREPARE - RESPOND/RECOVER - MITIGATE

Insurance is part of each of these phases and so we have structured our recommendations under these headings.

### IAG Recommendations

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<sup>6</sup> <https://www.emv.vic.gov.au/victorian-preparedness-framework>

# Prepare

## 1. A national hazard database

The first step to improving community resilience to flooding is to know where the risk is. IAG has long advocated for access to higher quality, consistent data that can be shared across industries to help communities understand risk and make quality decisions. In July 2014, post the 2011 Queensland Floods, the Australian Business Roundtable for Disaster Resilience and Safer Communities released, *'Building an Open Platform for Natural Disaster Resilience Decisions'*<sup>7</sup> a paper that explores the mechanisms for making hazard information available and the economic benefits of doing so.

Ideally a national natural hazard database would be created in Australia, where flood risk information and models are aligned across States, local governments, and other sector data. This would enable one 'source of truth' on flood risk and allow for efficient and aligned decisions about flood risk across the country. There would also need to be oversight and coordination of this data to ensure it remains relevant, up to date and makes clear to those using it when there is missing information.

We acknowledge that the Victorian Government may not have the jurisdiction or ability to create a national database. We suggest the Victorian Government consider advocating for this and or working with Federal Government agencies to create a minimum benchmark of data (risk mapping and modelling) that could be reproduced in each state. This is in line with the Royal Commission into National Natural Disasters recommendation 4.6<sup>8</sup>

We strongly support National Emergency Management Australia's (NEMA) steps towards achieving this and commend the creation of the Hazard Insurance Partnership Program as a way of working across sectors to link the risk information held by the government with the risk information held by insurance companies, we are actively working with NEMA on this at the time of this submission.

**Recommendation 1: State and Federal Governments work together to create a national natural hazard risk database that includes insurance risk information**

## 2. Flood risk data must be available and accessible

We believe it is also important to improve the collection, co-ordination, and access of flood data including centralised access to flood map data from all catchments in Victoria. This data should go beyond planning controls to include mapping and modelling data held by all levels of government. Accurate, current, and accessible flood data is critical to understanding flood risk and informing state and local land use planning.

The Hazards Insurance Partnership is developing a project to identify relevant data, where it resides, how to collect it, what gaps exist and how to analyse this data. We are actively working as part of the Hazard Insurance Partnership on this at the time of this submission.

Similarly risk information needs to be available to the public. At IAG we believe that accurate flood data should be open and readily accessible to all, including households and businesses. This would allow everyone in the community to understand the flood risks they face. Public information on flood risk tends to also be limited to land planning controls, rather than the actual underlying hazard data. This can lead to underestimation of risk as the risk outside of these controls can be significant<sup>9</sup>.

<sup>7</sup> <http://australianbusinessroundtable.com.au/assets/Building%20an%20Open%20Platform%20for%20Natural%20Disaster%20Resilience%20Decisions%20CLEAN.pdf>

<sup>8</sup> <https://naturaldisaster.royalcommission.gov.au/publications/html-report/chapter-04>

<sup>9</sup> Regional Sensitivity of Australian Flood Risk to Climate Drivers, 2019 (available at [https://www.floods.org.au/client\\_images/2128563.pdf](https://www.floods.org.au/client_images/2128563.pdf))

### **Case Study: Melbourne Water Flood Hazard Data**

Melbourne Water is the nation's largest floodplain management authority, responsible for measuring and managing flood risk to approximately 4.6 million people living in the Port Phillip and Westernport region. Accessibility and availability of information to the public and to insurers are recognised as goals of Melbourne Water's 2021-31 Strategy and Action Plan.

Unlike other Catchment Management Authorities (CMA) in Victoria and Australia's other large floodplain management authorities (e.g., Brisbane City Council, City of Gold Coast), Melbourne Water does not make floodplain risk maps and data freely and openly available to the public. Individuals wishing to understand their flood risk or take action to mitigate risk must currently purchase flood risk information from Melbourne Water, incurring a \$50 fee and 10-14 day wait time.

Similarly, detailed flood hazard information in the Melbourne Water floodplain management area has not been made available to insurers even though access has repeatedly been requested since 2009. Melbourne Water indicated to IAG that access cannot be granted due to licencing agreements in place.

While limited 1% AEP flood extents are available through The Department of Energy, Environment and Climate Action (DEECA), this information is of limited use for insurance risk measurement. To assess flood risk in greater Melbourne, insurers supplement this information with other sources of flood risk information they source independently.

These barriers to data access can result in insurance risk assessments which are very different to the community's view of risk. Without this data we cannot align flood risk messaging with governments, and it is difficult to adequately reflect risk reduction measures in flood insurance premiums.

We strongly support previous recommendations from the ACCC 2020 Northern Australia Insurance Inquiry Final Report and the 2020 Royal Commission into National Natural Disasters Final Report which both highlight the need for improved availability of risk information to the public.

The ACCC noting:

*"As a first step, we consider states and territories should implement measures to improve the information provided to potential homebuyers by prompting consumers to consider likely insurance costs before purchasing real estate. A requirement to include a statement advising potential homebuyers to obtain an insurance estimate as part of their due diligence will help ensure consumers are more aware of the potential cost of insurance prior to purchasing a property and can help reduce the instances of new homeowners experiencing insurance payment difficulties."*<sup>10</sup>

The Royal Commission into National Natural Disasters noting:

*"Clear risk information can help people make better-informed decisions about, for example, where to buy and live, how to design and build homes, and how to manage land. Governments should develop ways in which natural hazard risk information can be better communicated to the public – particularly to people who are making decisions that will affect their exposure to those risks. For example, those selling a home might be required to disclose this type of information to prospective purchasers."*<sup>11</sup>

**Recommendation 2: The Victorian Government work to improve access to flood risk information across government, industry, and individuals in Victoria**

<sup>10</sup> <https://www.accc.gov.au/about-us/publications/northern-australia-insurance-inquiry-final-report>  
<sup>11</sup> <https://naturaldisaster.royalcommission.gov.au/publications/html-report/chapter-19>

### 3. Land Planning and Building Code Reform

*“Land use planning and building regulation are mechanisms for managing exposure and vulnerability to natural disaster risk. Land use planning governs where built assets, and the people that live in and use them, can be located. Land use planning is an important influence on exposure of communities to natural hazards. Building regulations determine how built assets can be constructed and so affects the vulnerability of communities to natural disasters”<sup>12</sup>*

Land use planning, development controls and building standards are the most effective tools we have to reduce the impact of natural disasters on the community. The decisions that govern how flood prone land is developed now will continue to impact the resilience of our communities for generations to come. IAG has often highlighted that land use planning needs to move away from measuring risk using the traditional 1% Annual Exceedance Probability (AEP) threshold mandated under previous generations of planning guidelines, and towards more appropriate risk measures which consider the economic and life safety consequences of the full range of possible flood events.

Our research<sup>13</sup> indicates that overreliance on the 1% AEP flood standard has resulted in disproportionate sensitivity to climate induced changes in flood risk in areas immediately adjacent to flood planning areas. We believe the first step in helping communities be more resilient to flood is to have a requirement for land planning and building codes to consider natural disaster resilience and natural disaster risk now and into the future. For example, through tiered planning restrictions depending on the expected flood likelihood and consequence as implemented in QLD and NSW.

We acknowledge there is a construction standard issued by the Australian Building Code Board (ABCB, 2012 and revised 2019) for new construction in flood prone areas. However, the standard is less stringent on building siting, design, construction, and mitigation than the standard for construction of buildings in bushfire prone areas. Bushfire construction requires the builder or landowner to undergo a BAL (Bushfire Attack Level) Assessment, which instructs what materials can be used, what orientation and siting and what construction methodology are required to comply to the BAL assessed levels. We believe flood prone areas should have a similar assessment or requirement incorporated into the building code.

We understand National Cabinet has been tasked with considering the issue of land planning and building codes in 2023. IAG will shortly commence research that explores resilience in land planning and aim to provide this research to planning ministers for their consideration.

**Recommendation 3: The Victorian Government review land planning policies and laws to include requirement for resilience to natural disasters**

### 4. State support for local councils to assess flood risks in planning proposals

One enabler of better planning controls in flood prone areas was the previous “Rural Council Planning Flying Squad” model. This successful model was implemented between 2011 to 2015 to support rural councils on complex planning matters including updates to flood planning controls. This model was cited by the Australian Productivity Commission as leading practice for moderating the effects of local government skills shortages and facilitating the transfer of knowledge, skills and processes across councils<sup>14</sup>. We propose that this model could be effectively reinstated in Victoria to assist smaller rural councils in updating their flood-related planning controls and improving the disclosure of flood risk and availability of flood hazard data.

**Recommendation 4: The Victorian Government review what state level support can be provided to councils with high flood risk and consider reinstating the “flying squad” model**

<sup>12</sup> Natural Disasters Royal Commission <https://naturaldisaster.royalcommission.gov.au/system/files/2020-07/opening-statement-land-use-planning-and-the-built-environment-8-July2020.docx>

<sup>13</sup> Regional Sensitivity of Australian Flood Risk to Climate Drivers, 2019 (available at [https://www.floods.org.au/client\\_images/2128563.pdf](https://www.floods.org.au/client_images/2128563.pdf))

<sup>14</sup> <https://www.audit.vic.gov.au/report/managing-victorias-planning-system-land-use-and-development?section=>

## Respond and Recover

### 5. Sharing post disaster data to get help to communities who need it

Risk data and post event risk information is necessary for emergency management and insurers to plan their response to a natural disaster event. If the national natural hazard database contains both government and insurance information this could be used by both parties for greater community benefit. In past events government agencies have shared their rapid damage assessment data with insurers to allow us to understand which customers have been impacted and to what severity, this assists us greatly when we have large scale events so we can quickly deploy assessing teams to the most affected locations and proactively provide immediate support. Similarly, governments could use the combined data set to understand where exactly on the property the residence is located in order to plan or implement evacuations of that area.

One area where the insurance industry and the Victorian Government have worked together for greater community benefit is in the removal of debris. The Insurance Council of Australia has worked with the Victorian Government on a MOU for the removal of debris, and as this expires June 30 are currently working on the next version. We commend the Victorian Government for their constructive and proactive work on this issue. It will strengthen the recovery process for all Victorians affected by natural disasters.

**Recommendation 5: Whilst working towards a national hazard database, the Victorian Government create an agreement to share rapid damage assessment data with the insurance industry to improve community recovery and insurer support**

### 6. Insurers and Volunteers help to respond and rebuild communities

At IAG, we understand the role we play in getting customers and communities back on their feet as soon as possible. In addition to our core business of getting assessors on the ground, making buildings safe and lodging claims post event, we also have a long history of supporting and partnering with a range of volunteer-based organisations including Australian Red Cross, South Australian State Emergency Services, Lifeline, NSW Rural Fire Service and GIVIT.

Our partnerships with these organisations have supported our customers and their communities to recover from disaster. NRMA Insurance is also the founding member of the Australian Resilience Corps (the Corps) which was developed by the Minderoo Foundation. The aim of the Corps is to encourage Australians to volunteer in the disaster off-season to help prepare and protect communities from the impacts of bushfires and floods. The Corps aims to train and connect volunteers with existing community-led volunteer organisations to support work that builds community resilience to future events. More information about the corps and their resilience work can be found here. [https://www.resiliencycorps.org.au/?gclid=Cj0KCQIAutyfBhCMARIsAMgcRJRYM9QchVQzIl1tqiJm8Pb5JR\\_xHCFGxcYLErjC4K3kQGfGnb3mZQaApB3EALw\\_wcB](https://www.resiliencycorps.org.au/?gclid=Cj0KCQIAutyfBhCMARIsAMgcRJRYM9QchVQzIl1tqiJm8Pb5JR_xHCFGxcYLErjC4K3kQGfGnb3mZQaApB3EALw_wcB)

There is a wide variety of training, experience, and availability of volunteers from a number of sectors including the resilience corps. As such, there is a need for more state level coordination and management of this volunteer workforce to maximise the benefits to the community post disaster and minimise duplication and waste.

**Recommendation 6: The Victorian Government invest resources to identify, manage and coordinate volunteers from across sectors to be ready when they are needed**

### 7. Resilience funding grants are an opportunity to build back better

In other states, there is funding available for people to build more resilient homes. However, this funding is not set up to be accessed after an event. There is often willingness of the customer and the insurer to build back better post

event, but without the supplementary government funding readily available people are unsure or have no choice but to start rebuilding with their insurer. Ideally each state agency offering household resilience grants will have their resilience home fund set up and in place to be readily accessed by communities before a disaster occurs, so it can be accessed immediately post event.

The Victorian Government has an opportunity to lead the way in the management of grant funding post disaster and make home resilient grants easily accessible to the community post event, this is a key enabler for communities to build back better.

**Recommendation 7: The Victorian Government work with Federal Government, NEMA and the insurance industry on clear processes for grant funding to help communities build back better after a natural disaster**

# Mitigate

## 8. Community level mitigation

IAG commends the Federal Government's Disaster Ready Fund (DRF) and the \$200million per year commitment to mitigation. We have been advocating for an increase in mitigation funding for over a decade since the release of the first Australian Business Roundtable for Disaster Resilience & Safer Communities White Paper in 2013<sup>15</sup>. However, we note NEMA expects State Governments to contribute 50 per cent toward the cost of these projects in their state<sup>16</sup>.

On a national level, we believe that this DRF mitigation funding must.

- Be prioritised in a transparent way and subject to robust benefit/cost analysis that includes both economic and social costs.
- Allow insurers in the conversation on the type of mitigation proposed and the priority of each project
- Be directed at communities that need it most with the use of a vulnerability assessment
- Be flexible funding across financial years, to allowing multiple projects and for large projects with longer time horizons to be completed
- Have a focus on protecting residences, business, and communities – we suggest roads, rail, bridge, and other infrastructure are not the main focus of this funding as there are other funding sources for this

At the state level, to assist with decision making in where and how flood mitigation funding is best spent, IAG commissioned Rhelm<sup>17</sup> to develop a set of National Flood Hazard Mitigation Priorities. The method for setting priorities involved identifying areas with high flood risk where there are potential flood mitigation measures that could be implemented to reduce the level of risk and then ranking the practicality and cost benefit of each area. We have attached the report to this submission. We welcome the opportunity to provide a further brief on this report and its findings to this Committee. This report is a technical report that accompanies a series of flood summaries or "snapshots" that have been prepared for each of the short-listed areas identified to be affected by high flood risk.

There are two key components of the attached report:

- The identification of potential structural flood mitigation measures (also known as flood modification measures in some jurisdictions) in short-listed floodplains across the country, and an economic assessment of these measures.
- A review of potential property level mitigation measures.

Two of the seven case studies are in the Victorian communities of Shepparton and Seymore, both which saw flooding in 2022. We would welcome the opportunity to discuss the mitigation options in these communities with the members of this committee in further detail.

**Recommendation 8: The Victorian Government allocate funding to mitigation projects to ensure they can apply and receive DRF co-funding for Victorian communities**

## 9. Household mitigation/resilience programs

The second type of mitigation is at the household level where people choose to improve their home to make it more resilient to the natural disasters they face i.e., Roof tiedowns in a high cyclone risk areas or floor height raising in flood. There is a range of measures that can be considered household resilience measures.

In April 2022, The Queensland Reconstruction Authority (QRA) were the first state to announce and launch a Resilient Homes Fund<sup>18</sup> to support people in Queensland modifying their home to reduce the effort, cost, and time to recover from natural disasters.

<sup>15</sup> <http://australianbusinessroundtable.com.au/assets/Natural%20Disaster%20Roundtable%20Paper%20Web%20version%20January%202014.pdf>

<sup>16</sup> <https://nema.gov.au/disaster-ready-fund>

<sup>17</sup> <https://www.rhelm.com.au/>

<sup>18</sup> <https://www.qld.gov.au/housing/buying-owning-home/financial-help-concessions/resilient-homes-fund/overview/about>



NSW followed after in August 2022 announcing a similar resilient homes fund<sup>19</sup>.

IAG is working with both QRA and NSWRA to help customers understand where the risk is highest in each state and the insurance impacts of these schemes. Ideally, Victoria would establish a similar household resilience program to assist flood prone communities reduce cost and recovery time for the next flood.

**Recommendation 9: The Victorian Government create a household resilience program in Victoria similar to QRA in Queensland and NSWRA in NSW to assist Victorians build more resilient homes**

## 10. Consider planned relocation

The third option for communities at extreme risk of flood, where there is no option to mitigate, is that the community must consider a planned relocation. The past few years of extreme weather have shown us that governments and communities facing a high or extreme risk from natural disasters must now start to consider when and how to plan for relocation. This is not an option for the majority of communities but is an essential option to those communities at extreme risk.

We commissioned Rhelm to explore the enablers and barriers to planned relocation, the role the community plays in decision making, the economic case for planned relocation and to provide recommendations to guide decision makers when creating and delivering a planned relocation scheme.

We recommend that the Victorian Government work with high-risk communities to consider when planned relocation is right for their community and the logistics of this.

**Recommendation 10: The Victorian Government work with insurers and NEMA to identify high risk communities in Victoria who need to consider planned relocation**

**Recommendation 11: The Victorian Government work with the Federal Government and NEMA to create national guidance on planned relocation**

<sup>19</sup> <https://www.nsw.gov.au/regional-nsw/northern-rivers-reconstruction-corporation/resilient-homes-fund/resilient-homes-program>

## Additional IAG research

In addition to the two Rhelm reports detailed above. IAG has also commissioned the following research pieces to assist decision makers in deciding when, how and where to invest in protecting communities against natural disaster risk.

**a) The Menzies Research Centre Report - Strengthening Resilience: Managing Natural Disasters – Completed April 2020**

IAG commissioned the report to be part of our submission to the 2020 Royal Commission into National Natural Disaster Arrangements. We commissioned this paper to synthesise the existing information on how Australia can prevent and respond to bushfires and other natural perils. It summarises what has been learnt and what can be changed in the future. IAG supports the recommendations of this paper. The five key recommendations are:

1. Government funding should further prioritise risk reduction which will reduce the need to spend on disaster recovery.
2. Introduction of a National Bushfire Risk Rating (NBRR) system for all bushfire prone communities, properties, and structures.
3. Introduction of a national approach to land use and building codes.
4. Creation of an open access information platform comprising all data required for natural hazard management.
5. Tax reform to improve the affordability and increase uptake of insurance.

Further information and the full report found here [Research | IAG Limited](#)

**b) SGS Economics & Planning Report - The backbone of regional and rural economies: small business and community resilience – Completed November 2021**

IAG commissioned the report to explore the impact of natural disasters on small businesses, regional communities and the role insurance plays in economic recovery. The key findings from this report are:

1. For households and businesses to acquire an adequate level of insurance, they need to have a comprehensive understanding of the risks they face under their individual circumstances. For small businesses this is especially important as they often do not have the means to withstand periods of reduced customers or staff unavailability.
2. Small businesses are often un- or under-insured, and are not always aware of their risk exposure, particularly that the costs of business interruption may be as high or even higher than the direct damages.
3. There is a pressing need to increase investment in risk mitigation for small regional businesses to prevent damages and interruption, which has a flow on effect to the economic prosperity of regional and rural towns.
4. For the two case studies explored (Townsville floods and Black Summer bushfires) on average, between 65% and 72% of total economic impact from the floods and bushfires is attributed to small businesses.
5. Without insurance, it is possible that economies, and especially those in regional and remote areas, may never fully recover from a natural disaster, as damage leads in some cases to a permanently impaired productive capacity in the long term.
6. With a changing climate and growing population, more Australian communities are being exposed to more intense and more frequent extreme events. Insurance plays a vital role but investing in preparedness will be essential.

Further information and the full report are found here

[https://www.iag.com.au/sites/default/files/Newsroom%20PDFs/Report%20%20The%20backbone%20of%20regional%20and%20rural%20economies\\_0.pdf](https://www.iag.com.au/sites/default/files/Newsroom%20PDFs/Report%20%20The%20backbone%20of%20regional%20and%20rural%20economies_0.pdf)

**c) SGS Economics & Planning report – At what cost? Mapping natural perils impact economic growth and communities. November 2016**

IAG commissioned the report to examine the impacts that floods, storms, tropical cyclones, bushfires, and earthquakes, have on economic activity. The report also highlights the link between the risk of natural disasters and the ability of communities to have the resources to recover and rebuild from devastating events. This work has identified areas of key economic importance which are at risk:

- Local Government Areas (LGA) with high, very high and extreme risk of bushfire generated \$175 billion (10.8%) worth of GDP and were home to 2.2 million people.
- \$326.6 billion worth of GDP (20.3 per cent of the economy) and 3.9 million people (17.3 per cent of the population) were in areas with a high to extreme risk of cyclone.
- Recent cyclones have already significantly impacted on mineral and agricultural production. 28.4 per cent of GDP and 24.9 per cent of the population live in LGAs at high to extreme risk of flood.
- Flood events in Queensland in 2011 were highly disruptive to economic activity and highlighted how a community's economic capacity impacts its ability to respond and rebuild following natural disasters.

Further information and the full report available here: <https://www.iag.com.au/what-cost>

IAG welcomes the opportunity to discuss the issues raised in this submission in more detail. Please contact Naomi Graham, Principal Public Policy, and Industry Affairs at [naomi.graham@iag.com.au](mailto:naomi.graham@iag.com.au)

Sincerely,



Julie Batch  
Group Executive  
Direct Insurance Australia  
IAG