

Wednesday October 21, 2015

## Bundaberg flood mitigation study is a welcome step towards protecting the community

The Queensland Government's announcement of a scoping study for flood mitigation works for Bundaberg is a positive step towards reducing the risk for vulnerable households.

Insurance Council of Australia CEO Rob Whelan said the study, which will produce a 10-year flood mitigation action plan, was a welcome development in the challenge of protecting the flood-prone city.

He said permanent, well designed and maintained flood mitigation measures provided generational protection for communities, helping ensure economic and social sustainability.

"Spending a comparatively small amount on mitigation could save hundreds of millions of dollars by preventing future damage. It may also spare the accompanying heartache and despair such disasters bring," he said.

"Investing in disaster mitigation and improving community resilience against extreme weather, rather than focusing on disaster relief, is a sensible solution advocated by the Productivity Commission and the Financial System Inquiry."

Mr Whelan said the ICA and its member companies provided extensive assistance and support to residents and business owners who suffered devastating losses in the January 2013 flooding caused by ex-Tropical Cyclone Oswald.

"General insurers received more than 75,000 claims across the Wide Bay region and paid out claims in excess of \$977 million," he said.

"The ICA and its members have also worked closely with Bundaberg Regional Council which has undertaken substantial work to map and understand the complex flooding that can occur along the Burnett River. Council is to be commended and the industry is ready to help where it can with information on the relative merits of different mitigation options that may be considered."

Mr Whelan said any reduction in flood risk that followed the construction of mitigation in Bundaberg would be taken into account by insurers when calculating home, contents and business insurance premiums.

"The flood levee constructed in Roma in 2014 in response to frequent inundation saw insurance premiums plunge by hundreds of dollars for many home owners," he said.

"These types of mitigation measures are often the only sustainable, financially-sensible way for governments to both protect communities from natural disasters and put downward pressure on insurance premiums."