

Tuesday July 14, 2015

## Queensland mitigation and resilience spending a positive step for vulnerable communities

The Insurance Council of Australia (ICA) today welcomed the Queensland Government's \$63 million Budget allocation for disaster mitigation and infrastructure projects.

The Queensland Budget allocates \$40 million to a community resilience fund to help councils mitigate against natural disasters and a further \$23 million for "shovel-ready" community infrastructure.

ICA CEO Rob Whelan said: "The Queensland Government is sensibly investing in mitigation that will help protect vulnerable communities from natural disasters.

"Many parts of Queensland are highly exposed to extreme weather, in particular the impacts of cyclones and floods. Though today's Budget announcement is a positive step, the ICA believes the Government must prioritise mitigation and resilience measures this decade if vulnerable communities are to remain prosperous.

"The recent Financial System Inquiry and the Productivity Commission agree with the insurance industry that investment in disaster mitigation and improving community resilience against extreme weather delivers generational benefits to towns and cities. This is more efficient and cost-effective than spending hundreds of millions of dollars in recovery and rebuilding after every disaster.

"However, the ICA is disappointed state taxes on insurance remain unchanged. The Budget papers note that revenue from insurance duty is expected to grow by 5.9 per cent in 2015-16. This is more than double the forecasted 2.5 per cent rate of inflation.

"Queenslanders who chose to insure their assets will continue to carry an unfair burden. A typical Queensland household pays \$135.23 in stamp duty on home and contents insurance and \$55.04 on a motor vehicle policy, excluding GST. Residents in highly exposed regions whose insurance premiums reflect their greater level of risk are paying even more in insurance taxes.

"The Government could have delivered immediate relief to Queensland households from cost-of-living pressures through cutting the stamp duty, or following the ACT Government's example and deciding to phase out all insurance stamp duties over five years."

-ENDS-