

## FLOOD RISK MANAGEMENT IN AUSTRALIA IMPROVING OVERALL BUT STRONGER COMMUNITY- LEVEL PLANNING NEEDED

- [A new Geneva Association report](#) highlights flood risk management (FRM) strengths in Australia, such as solid frameworks for FRM activities, high levels of insurance penetration and climate change adaptation efforts.
- To further improve, reallocating FRM funding from response and recovery to mitigation and resilience is crucial to protect communities.
- Further collaborative efforts are required between flood risk managers and communities to slow the growth of flood risk in Australia and raise community flood preparedness.
- New country reports on [Australia](#) and [Canada](#) complete The Geneva Association's series, [Building Flood Resilience in a Changing Climate](#), a comprehensive assessment of the state of flood risk management in five mature economies.

**7 December 2020** – Flooding is Australia's costliest natural hazard-related cause of disaster when both tangible and intangible losses are taken into account. The Geneva Association's new report on *Flood Risk Management in Australia*, developed in partnership with IAG, highlights strong engagement from the insurance industry and many government actors and communities to tackle this multi-faceted challenge, as well as opportunities for improvement.

**IAG Executive Manager Natural Perils Mark Leplastrier** said: "As Australia's largest general insurer, we see the significant impact that floods have on Australian communities firsthand, which is why we have an interest in improving our understanding of how we can manage this risk. While floods can cause widespread damage to homes across large areas, they don't affect geographic regions uniformly, so a localised approach that considers the needs of each area has its benefits.

"However, in order to protect homes across the country we need to work together collaboratively across all levels of government and the private sector to take a holistic view of floodplain risk management. This includes more consistent data and better data sharing to ensure we have the right building codes and land planning standards in place to mitigate or reduce flood risk, as well as ensuring funding is balanced and allocated towards both mitigation and recovery.

"We were pleased to contribute to the Australian chapter and believe there's more to learn from other countries in how they manage flood risk and other hazards," Mr Leplastrier said.

**Maryam Golnaraghi, Director Climate Change and Emerging Environmental Topics**, said: "We now have a more holistic view of FRM successes and gaps in five mature economies around the world. Australia is admirably advanced in several respects, such as including high-quality national and state guidelines, climate change adaptation efforts, a commitment to building back better and high levels of insurance penetration. However, countries need to take a forward-looking, 'all-of-society' approach and prioritise close stakeholder coordination.

“For Australia this means allocating more resources to prevention and mitigation measures and furthering collaborative efforts among all levels of government, insurers and flood-affected communities to reduce flood risk. We hope that our findings will facilitate an in-depth dialogue among these stakeholders to align on priorities and the best path forward.”

#### **Australia country report findings:**

- There are many flood risk management successes in the Australian system, including high-quality national and state guidelines and frameworks for FRM activities, climate change adaptation efforts, and a commitment to building back better and high levels of insurance penetration.
- Australia’s devolved approach to flood risk reduction and prevention funding and decision-making enables a local approach and prioritisation in areas such as land use planning and asset management, but this has led to a range of outcomes where some communities are more progressed than others in their floodplain risk management approaches.
- Work is needed to minimise development in high-risk floodplains, redistribute FRM funding from response and recovery to mitigation, and more appropriately distribute natural hazards funding and investment given the impacts of flood vs other natural hazards.

The six reports in the [Building Flood Resilience in a Changing Climate](https://www.genevaassociation.org/building-floodresilience) series – country reports on the United States, England, Germany, Canada and Australia, as well as an overview report with key findings and recommendations – are available for download: <https://www.genevaassociation.org/building-floodresilience>

#### ***About The Geneva Association***

The Geneva Association is the only global association of insurance companies; its members are insurance and reinsurance CEOs. Based on rigorous research conducted in collaboration with its members, academic institutions and multilateral organisations, The Geneva Association:

- Identifies and investigates key trends and risk areas that are likely to shape or impact the insurance industry and develops corresponding recommendations for the industry and for policymakers;
- Provides a platform to its members, policymakers, academics, multilateral and non-governmental organisations to discuss these trends and recommendations;
- Highlights the positive contributions of insurance to a better understanding of risks and to building more resilient and prosperous economies and societies – in both developed and emerging countries – and thus a more sustainable world;

In total, the companies of Geneva Association members are headquartered in 25 countries around the world; manage USD 17.1 trillion in assets; employ 2.4 million people; and protect 1.8 billion people.

#### ***About IAG***

IAG is the parent company of a general insurance group (the Group) with controlled operations in Australia and New Zealand. The Group’s businesses underwrite over \$12 billion of premium per annum, selling insurance under many leading brands, including: NRMA Insurance, CGU, SGIO, SGIC, Swann Insurance and WFI (Australia); and NZI, State, AMI and Lumley (New Zealand).

IAG has been studying the impact of the changing climate for nearly 20 years and has worked collaboratively with other organisations, government and the community to advocate for increasing risk mitigation to ensure that communities can reduce and manage the risks they face.

For further information, please visit [www.iag.com.au](http://www.iag.com.au).

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