



# Emergency Leaders for Climate Action

Submission to: The Productivity Commission - Housing supply regulation: Public Inquiry.

Addressed to: Locked Bag 2, Collins St East  
Melbourne Vic 8003, Australia

Email: [housing.supply@pc.gov.au](mailto:housing.supply@pc.gov.au)

From: Emergency Leaders for Climate Action

Contact: Greg Mullins AO, AFSM

Tel: [Redacted]

Email: [Redacted]

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## About Emergency Leaders for Climate Action

Emergency Leaders for Climate Action (ELCA) is a coalition of 38 former fire and emergency service leaders from every Australian state and territory demanding stronger government action on climate pollution that is driving more frequent, damaging extreme weather disasters, while advocating for better resourcing for climate adaptation, community resilience, and frontline fire and emergency services.

To find out more about Emergency Leaders for Climate Action, visit:

[www.emergencyleadersforclimateaction.org.au](http://www.emergencyleadersforclimateaction.org.au).

## Executive summary

Homeownership has been described as a core part of the “Great Australian Dream”. For many Australians, climate change has made this dream a nightmare. The Black Summer bushfires, widespread flooding in 2022 and more recent climate fuelled disasters such as the January 2026 Victorian bushfires have seen many households damaged or destroyed, and communities left to pick up the pieces. Due to the continued burning of coal, oil and gas, more homes will be impacted by climate fuelled disasters in future years.

As we grapple with how to meet the housing demand of our growing population, one thing is certain: we cannot remove or reduce development approval processes that aim to protect prospective residents from climate risks or build in locations where there are significant climate risks. A fundamental part of building disaster resilience and adapting to increasing climate risks is to ensure that we do not create additional risks by building in the wrong places and in the wrong way.

Emergency Leaders for Climate Action (ELCA) is concerned by recent state government actions, most notably in NSW, to reduce the involvement of experts from fire agencies in conducting risk assessments for housing proposed developments in locations with significant bushfire risks. Such proposed changes are likely to expose more people to climate fuelled disasters in future while creating increased danger and greater challenges for those engaged in emergency preparedness and response.

## Recommendations

1. A fundamental cornerstone of future housing approvals must be that any new development does not create additional disaster risks now or into the future.
2. Efforts to streamline or fast-track housing development approvals should not be at the expense of expert bushfire, flood and storm impact assessments.
3. New housing developments exposed to growing climate risks must also include sufficient disaster mitigation investment and planning to ensure that residents can be protected or safely evacuated when disasters strike.
4. Federal, state and territory governments maintain and where necessary bolster existing land-use planning that prevents housing development in areas at high risk of extreme weather event impacts including storm surge, coastal inundation, riverine and flash flood, heatwave, bushfire, and storm, all of which are worsening due to climate change.

## Introduction

ELCA would like to thank the Productivity Commission for the opportunity to provide a response to the Issues Paper. Our response specifically addresses the need to maintain and strengthen assessment of and responses to climate and extreme weather risks in approval processes for new housing proposals, and the fundamental need to ensure that new disaster risks to life and property are not created when establishing new housing.

Climate change has loaded the dice toward more intense floods, coastal inundation, heatwaves, bushfires and storms and as a consequence many households face growing disaster risks. The National Climate Risk Assessment estimates that the number of homes in very high risk areas will increase from ~794,000 to 1,224,000 at 3.0°C+ of global warming - without accounting for any increase in housing supply (ACS 2025).

The growing climate risks that Australian households face are compounded by another problem - historic decisions to build homes and entire communities where extreme weather risks are already high, and are increasing. The Insurance Council of Australia (ICA) has estimated around 675,000 (4.4%) properties in Australia face a greater than 1% risk of flood each year (1 in 100 year event) and about 230,000 face a 5% flood risk (1 in 20 year event) (Settle et al. 2026).

The combination of these factors - growing climate risks and historic planning decisions, are contributing to the cost-of-living crunch that many Australians are experiencing. The Actuaries Institute estimates that the proportion of Australian households finding insurance increasingly unaffordable has risen from 10% in 2020 to 15% in 2024 (Settle et al. 2026). Many are under-insuring or foregoing home and contents protection at all - hindering their prospects of a timely recovery when future disasters strike and transferring costs to all levels of governments and to the general community.

It is against this backdrop of growing climate risks, widespread exposure to risk due to historic planning decisions and increasingly unaffordable insurance premiums, that any reforms to streamline approval processes for housing development and changes to land use planning at the cost of natural disaster risk assessments must be approached with great caution.

# Response to the Productivity Commission's call for submissions on housing supply regulation

## State governments are using fast-track housing processes to water down bushfire and flood assessment and protections - increasing risks for households

Emergency Leaders for Climate Action (ELCA) is concerned that some recent reforms to speed up approvals for housing development including fast-track pathways and the creation of new coordination bodies may sideline expert assessment of current and future climate risks.

The New South Wales Government is currently undertaking development approval process reforms that would see the responsibility for considering bushfire risk shifted from experts in the NSW Rural Fire Service (RFS) to the new Development Co-ordination Authority - a new body tasked with expediting housing delivery. This will effectively remove deep subject matter expertise and understanding of escalating climate risks from the assessment of new housing developments (SMH 2026a). Through this process the NSW state government is considering a housing development at Lizard Rock on Sydney's northern beaches despite objections from the RFS that the area has a severe bushfire risk (SMH 2026a). It is highly likely that should such a development proceed, new residents would either be precluded from the insurance market altogether due to the risk, or at the least face premiums that most could not afford.

Considering vital natural disaster risk assessments as hurdles to overcome in the redesign of approval processes to speed up developments is, to say the least, unwise, and definitely creates future risk.

The Queensland Government has also repealed flood risk provisions that required some developments to account for a one per cent annual exceedance probability (AEP) in the Priority Development Area (PDA) of Woolloongabba - reverting to a council required two percent AEP (ABC 2025a). Again, this will almost certainly create future risk and lead to hapless, unaware new residents effectively being uninsurable.

The oft-used argument that reducing bushfire and flood risk oversight and conditions will reduce the costs of developing new housing ignores the fact that this simply transfers costs from developers onto residents who will wear the risks of future disasters damaging their homes, or onto governments and the general community who historically have stepped in to help fellow Australians in times of need - something

that is becoming increasingly unsustainable as climate change increases the frequency and intensity of cascading, compounding disasters.

Disasters are already costing Australians more than in the recent past. In the 1980s the average annual economic loss for disasters was estimated to be \$60 per person. From 2020 to 2024 this had risen to \$193 per person - a 222% increase (ICA 2025). Removing or reducing measures that are designed to protect households from disaster risks will see these costs increase further in future.

### **Unintended consequences: Insufficient investment in emergency infrastructure preparedness and response capability**

Current efforts to circumvent existing land use protections and risk assessment processes may also create additional, future problems. Removing or watering down existing measures to protect future households from heightened bushfire, storm or flood damage risks may also mean that other disaster mitigation, response and recovery supports are underinvested in or ignored completely. For example, Blacktown Council is concerned that a recently approved housing development at Marsden Park North lacks critical funding for transport and evacuation infrastructure (SMH 2026b). This is echoed by former acting Commissioner of the NSW State Emergency Service Greg Newton who noted that when the area inevitably floods in future, it will put emergency service volunteers and staff at greater risk as they respond to and rescue trapped people (SMH 2026a).

### **Recommendations**

1. A fundamental cornerstone of future housing approvals must be that any new development does not create additional disaster risks now or into the future.
2. Efforts to streamline or fast-track housing development approvals should not be at the expense of expert bushfire, flood and storm impact assessments.
3. New housing developments exposed to growing climate risks must also include sufficient disaster mitigation investment and planning to ensure that residents can be protected or safely evacuated when disasters strike.

### **Building on disaster prone land will expose more people to flood and bushfire impacts**

In addition to increases in frequency and intensity of extreme weather disasters, a key reason for climate damage many households have experienced in recent years is historical planning decisions to develop land in places known to have high bushfire and flood risks. Despite this, some state governments are already watering down existing land use provisions and commitments to prevent further development in places at risk of significant flooding, despite their own analyses detailing an upward

risk trajectory due to climate change (NSW Reconstruction Authority 2024, NSW Government 2026). This is not just counter-intuitive, it is extremely short-sighted and represents sub-standard policy development seemingly unable to juggle complex and competing priorities.

After declaring that there would be 'no more building on high-risk flood plains', the NSW Minister for Planning and Public Spaces later approved the development of 960 homes in a flood prone region in the north-western Sydney suburb of Marsden Park North (SMH 2026b). Former acting Commissioner of the NSW State Emergency Service Greg Newton has warned that swaths of Marsden Park would become flood islands and that even properties above the flood planning level could find themselves either isolated or inundated (SMH 2026a).

In South East Queensland, developments on identified flood-prone land are similarly planned or under development. The former Miles Government approved and doubled the density of a housing development in a flood-prone part of the Gold Coast (ABC 2024). The Crisafulli Government has committed to developing a flood-prone riverfront part of South Brisbane for mixed use, with up to 4,000 homes (ABC 2025b). Who would insure residents in such developments, and what banks would offer housing loans to uninsured residents?

The Productivity Commission recently reported that a cumulative \$54 billion in climate related damages over the course of the century can be averted if governments *prevent further development in places facing significant climate risks* (Productivity Commission 2025). But this necessity will be missed if federal, state and territory governments continue to support housing development in areas with a heightened risk of climate fuelled disasters. Those making today's dangerous planning decisions are unlikely to be called to account for the almost inevitable losses of life, property and economic capacity caused by future disasters, as they will probably be long gone from public life and be immune from accountability. Again, it illustrates extremely poor thinking and policy development expertise, with dire consequences for those unfortunate enough to trust in those charged with keeping them safe and who purchase homes in locations known to be dangerous.

## Recommendations

4. Federal, state and territory governments maintain and where necessary bolster existing land-use planning that prevents housing development in areas at high risk of extreme weather event impacts including storm surge, coastal inundation, riverine and flash flood, heatwave, bushfire, and storm, all of which are worsening due to climate change .

## **Households in disaster prone areas will face growing costs in future years**

Australians who are struggling to get into the housing market will be poorly served by new housing developments built in areas where the risk of flood, storm and bushfire is increasing, and are likely to face growing financial insecurity in future years.

Homes that have been impacted by floods are collectively worth \$42.2 billion less than they would be in the absence of flood risk - with the majority in flood-exposed regions in Queensland and NSW (PropTrack and the Climate Council 2025). These areas are also facing significant insurance premium increases as a result of their flood exposure, with many underinsuring or foregoing insurance altogether. The Australian Prudential Regulation Authority (APRA) recently showed that of the 20 local areas with the widest insurance protection gaps across the nation, 90% are in Queensland or New South Wales, most are in regional centres and this concentration is driven in part by flood exposure (APRA 2026).

If governments continue to build homes in flood prone areas, prospective homeowners will face a triple whammy of financial and disaster impacts: home values that are lower relative to non-disaster exposed housing stock, rising insurance premiums, and increasing disaster recovery costs. Under two different future climate scenarios, annual extreme weather losses to Australian households are projected to increase by between 84% and 140% by 2050 (\$12.4 - 16.3 billion) (APRA 2026).

## **Conclusion**

The decisions we make now about how we best house our growing population will have long term impacts - and for many could be the difference between a financially secure or insecure future.

If we build homes without sufficiently considering and assessing current and future climate disaster risks, the costs will be high. The Productivity Commission previously estimated that the cumulative climate-related damages to Australia's detached and semi-detached housing assets could be as high as almost \$744 billion (in present value terms) by 2100 without further adaptation efforts (Productivity Commission 2025). Making homes more resilient and locating new developments in lower-risk areas could reduce these damages by up to \$240 billion cumulatively (in present value terms) over the same period (Productivity Commission 2025).

This means reducing the exposure of Australia's housing stock to future weather events through risk-based land use planning and strengthening the resilience of homes through building regulations, retrofits and protective infrastructure (APRA 2026). It should go without saying that building new homes in areas at risk of

significant climate impacts without sufficient regulatory risk assessment or oversight will lock more households into a spiral of growing disaster impacts, ballooning recovery costs, and increasing insurance premiums. This is the more costly alternative which ultimately federal, state and territory governments will end up paying for. Avoiding the creation of additional risk is the most economically responsible way of increasing Australia's housing stock as it will ensure that families and communities are far less likely to face future loss and damage. Arguments to the contrary that recommend reducing disaster risk protections in order to speed up housing approvals or to cut construction costs are lazy and dangerous.

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