



Name: Financial Rights Legal Centre

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1. Reduce the cost of meeting carbon targets

1. What could be done to improve the cost-effectiveness and alignment of policies to reduce emissions across the industrial, electricity and transport sectors?

The participant did not respond to this question.

2. Are there gaps in the emissions-reduction policies in the industrial, electricity and transport sectors which should be addressed?

The participant did not respond to this question.

3. Are there any duplicative emissions-reduction policies in the industrial, electricity and transport sectors which could be streamlined?

The participant did not respond to this question.

2. Speed up approvals for new energy infrastructure

1. Are planning and approvals processes for large energy infrastructure taking too long? If so, what causes the most delay?

The participant did not respond to this question.

2. How can planning and approvals processes be sped up without unduly compromising regulatory standards?

The participant did not respond to this question.

3. Should clean energy projects be treated differently to other projects for the purpose of environmental and other approvals? If so, how?

The participant did not respond to this question.

4. What can be done to build local community support for new energy infrastructure projects?

The participant did not respond to this question.

5. Please outline any evidence showing the productivity benefits of faster approvals for energy projects.

The participant did not respond to this question.

3. Encourage adaptation by addressing barriers to private investment

1. What are the barriers and enablers impacting decisions by owner-occupiers, landlords and developers about how housing is built and updated over time so that it is resilient to the effects of climate change?

The participant did not respond to this question.

2. What information do people need to make decisions about where to live, how to build and how to upgrade their homes to appropriately factor in climate change?

Accurate and consistent risk information from a single reliable source needs to be made available to consumers.

Australians must rely on piecemeal and inaccurate information about their property's level of risk. The ASIC Money Smart website encourages consumers to find out if their home is in a natural disaster-prone area by contacting their insurance company, local council and state or territory emergency services organisation.

It is unclear what information an insurer can or will provide to their customers. The Insurance Council of Australia's Understanding Insurance website directs consumers to their local government to obtain property level information about flood risk.

Different jurisdictions have developed various consumer-facing tools to assist communities to understand general flood, bushfire, cyclone and storm risks. In Queensland, people can access free property-level Coastal Hazard Maps which show areas vulnerable to coastal erosion or permanent tidal inundation, as well as the projected climate change impact to 2100. The NSW Rural Fire Service has an online tool to check if a property is in a bushfire prone area. CoastAdapt is an online tool that maps the impacts of sea-level rise for coastal LGAs. Emergency services organisations will typically refer people to local government for property level flood risk information.

There are some private Australian providers of climate risk information at a property level, such as Climate Valuation which currently provides a Comprehensive Climate Impact Report for \$45. The Climate Council's Climate Risk Map is an interactive map of climate vulnerable places in Australia at the postcode level. Suncorp's new Suncorp Haven program will break down the perils facing individual households, but this information is not linked to an individual's insurance premium.

While some of these sources of information are useful in some circumstances, the inconsistent and fragmented way in which they are produced means that it is very hard for most people to find the information they need.

People need better access to information about the current and future exposure of their home to risk of extreme weather events but this information is currently difficult to find. The quality of information available for different types of risks can also vary significantly, with information on flood risk being particularly difficult to understand. This is typically published by local government bodies to inform planning decisions but it has not been developed with consumers in mind.

In the past, identifying a property's risk to an insurable natural hazard may have been an infrequent activity. However, the impact of climate change means that extreme weather risks to many properties have increased in recent years and will continue to change. Consumers need to understand the consequences of this dynamic environment, including how it can affect their home insurance premiums.

Access to timely information about evolving risk exposure can also inform the mitigation measures people may undertake to lower their risk exposure. Improved climate risk modelling is also important to understanding a property's long-term risk profile when

deciding whether to purchase a home.

Governments need to coordinate to develop a National Hazard Risk Database that provides easily understood, open access information about current and future climate risks to individual properties.

The general insurance industry has already partnered with governments to develop the National Flood Information Database for use by insurers in determining the flood risk to individual properties. The database contains 11.3 million addresses and is based on local council mapping but it is not currently a public database.

As a starting point, the National Flood Information Database should be made publicly available. People should be able to easily look up their address and access information regarding the current and future risk to their homes, enabling them to make empowered decisions. The National Flood Information Database should also be regularly updated and could eventually be included in a broader, National Hazard Risk Database with data on the risk of cyclone, bushfire and coastal erosion.

Many recent reports and inquiries, including the Royal Commission, NSW Flood Inquiry and the Actuaries Institute, have called for publicly available climate risk modelling of natural hazards at the property level. They have noted the significance of this information for informed decision making about property transactions and mitigation investments.

The property-level information contained in a National Hazard Risk Database could be used to enhance public awareness of natural hazard risks by:

- disclosing property-level natural hazard risks when properties are advertised for sale or rental
- informing insurance decisions about property-level exposure to natural weather events, particularly flood
- informing mortgage lenders' assessments of likely insurance costs over the life of a mortgage as part of their responsible lending obligations
- communicating to insurance customers and people who rent about changes in natural hazard risks to their home over time

Policymakers also need to test the best ways of providing and explaining this information to consumers. The Royal Commission into National Natural Disaster Arrangements recommended that 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.

We recognise that many of the above strategies will render property in high risk areas worthless (or nearly worthless). This means that the brunt of the damage resulting from historic poor planning and climate inaction will fall very inequitably on a relatively small sub-section of property owners, in lower socio-economic areas who are likely to have no other assets. For these families the results will be devastating. For this reason, it is imperative that a systemic, risk data driven, equitable program for buybacks and relocation be rolled out as soon as possible. This is covered further below.

Premiums should be lowered in line with risk mitigation and reduction.

Reducing risk, where possible, is a vital response to living with more frequent and intense extreme weather. Consumers need the resources and information to help them understand what mitigation measures they can implement to lower their risk profile. Many consumers are already taking steps to reduce their risk, but few report seeing a change in their premium. Price signals need to work both ways. If households commit to meaningful mitigation, they should be rewarded. Discounted premiums need to be commensurate with reduced risk, and insurers should commit to multi-year discounted premiums. A single year of reduced insurance cost is not commensurate to raising your house or replacing your roof.

People should be able to take simple steps to make their home more resilient and reduce their risks. Insurers should be required to consider the impact of any measures that a person has taken to reduce risks when determining the price of a new or renewing insurance policy, and should explain how this has been assessed. This requirement should be reviewable by AFCA. The insurance industry should work with consumer stakeholders to develop tools, where necessary, for consumers to easily verify mitigation works.

People also need clear guidance about the steps they could take to reduce their exposure to insurable weather events. These messages need to be simple and actionable, with tangible benefits. Actively involving communities in the dissemination of risk mitigation information can also spread the burden of knowledge across the whole community. For example, after the 2011 Brisbane floods, the Yeronga Community Centre was funded to help the local community prepare for disasters and assist in the recovery phase too.

There is considerable value in both community-level and property-level risk mitigation. Resilient homes and communities will still be affected by extreme weather, but their recovery will likely be quicker and cost less.

Finally we strongly support the work of the Resilient Building Council who are developing a Multi-Hazard Resilience Ratings Scheme. Once this tool has been expanded to all the perils faced by Australian homes and is made widely available to individual homeowners it will provide an invaluable source of information to people trying to make decisions about where to live, how to build and how to upgrade their homes to appropriately factor in climate change.

Recommendations

1. Governments should work together to develop a Hazard Risk Database that provides easily understood, publicly available information on current and future climate risks to individual properties. This Database should include data on the risk of floods, cyclones, bushfires and coastal erosion.
2. Insurers should be required to consider relevant property-level mitigation measures in any new or renewing insurance policy, and to demonstrate how those measures have been reasonably reflected in the proposed premium.
3. Insurers should be encouraged to offer multi-year premium discounts commensurate

to mitigation works.

4. Governments and insurers should provide advice on mitigation measures that people could take and provide free assessments for people who have undertaken mitigation on their homes.

3. What are the most cost-effective retrofitting options for improving the resilience of Australia's existing housing stock? What are their costs and benefits?

People in exposed housing need support.

While retrofitting and measures like raising homes plays an important role in protecting some people from risk, relocations and buybacks need to be considered for people that live in highly exposed areas. Coordination will need to occur across all governments to identify the areas most at risk and plan, in consultation with communities, to move them to safer areas. There is consistent agreement among stakeholders that local, state and federal Government land use planning needs to change to ensure we are not building homes in areas that will become exposed to climate perils in 10 or 20 years' time, but there is a lot less discussion around relocating homes that have already been built in dangerous areas even though this could have an important impact on the availability and affordability of insurance.

Community relocation due to natural hazard risk is not a new concept in Australia. Gundagai in New South Wales and Clermont in Queensland provide two historical examples of townships that were relocated after floods as both towns experienced severe loss of life. In Gundagai, 89 people out of a population of 250 drowned in May 1851 (Australia's worst-ever flood in terms of loss of life) and 64 people drowned in Clermont on 28 December 1916. Following devastating flash floods that resulted in the death of 12 people in Grantham, Queensland in January 2011, local council implemented a voluntary land-swap scheme to relocate residents from the floodplain to higher ground and as of July 2013, 115 households had signed up to relocate to the new Grantham.

As these examples illustrate, relocations have typically only occurred in the aftermath of devastating events. Governments must instead take a proactive approach to protecting communities in areas exposed to high risk.

Natural disasters cost Australia an average of \$38 billion a year and have a devastating impact on the mental health of people affected. Planned relocations and buybacks will help prevent future harm, taking people out of the path of natural disasters and lowering the cost of recovery for clean-up, emergency services and rebuilding of infrastructure.

Recognising that relocation and buybacks require coordination across all levels of government, National Cabinet should agree on a consistent framework for planned relocation. This could be modelled on the recent IAG and Rhelm report. IAG and Rhelm recommended that a national strategy should cover:

- Key objectives and performance indicators for Planned Relocation Schemes.
- Models for Planned Relocation (e.g. buy-back and community relocation).
- Guidance on the planning, decision-making, implementation, and integration phases.
- Models for holistic community engagement, including specific considerations for First Nations People.
- Consideration of vulnerable community members, including people with a disability

and the elderly.

- Guidance on land use planning and management, including the management of vacated land.

Governments need to provide funding for community-led conversations.

Governments should commit targeted funding to enable community consultations about how to respond to natural hazard risks in dangerously exposed communities.

Community-centred consultation for people living in extremely exposed areas, before, during and after disasters, can help to reduce the confusion and stress that people typically experience. Governments involving communities in decision making will empower them and create better outcomes that reflect their needs and expectations. Currently, community engagement is occurring on an adhoc basis, largely dependent on the strength of individual communities and local governments within the confines of existing programs such as the Queensland Resilient Homes fund and the New South Wales Resilient Homes Program. A consistent approach across Australia should be adopted with adequate funding to identify communities most at risk from natural disasters and involve them directly in the decisions being made about their future.

Consumer advocates consider the Queensland's Resilient Homes Fund as an effective example of governments supporting people in extremely exposed communities. The fund is a pool of \$741 million available to Queenslanders in 39 local government areas whose homes were affected by the floods of 2021-22. It gives eligible homeowners the options to repair, retrofit, raise or demolish their home. For the most severely impacted people, who remain at a high risk of future flooding, there is also an option for a voluntary home buyback. As of late June 2023, 800 homes were deemed eligible for the buyback program, 370 offers had been accepted by homeowners and 238 homes were sold.

The Resilient Homes Fund also involves local government in the management of the buyback scheme. Coordination across all levels of government is important in providing affected people with the support to recover and be more resilient for future extreme weather disasters. Appropriate community consultation is being undertaken to ensure people have their voices heard, understand their level of risk and are aware of their options. This model could be expanded across Australia in communities which are in exposed communities.

Recommendations

5. Plan for relocation of communities at high-risk National Cabinet should agree on a clear and consistent approach to supporting relocation of communities that face high risk of natural disasters.
 6. Fund community engagement Governments should provide funding for dangerously exposed communities to undertake consultations about ways to mitigate future risk, including the possibility of relocation.
4. What role might minimum standards play in ensuring the resilience of Australia's housing stock?

The participant did not respond to this question.

5. The impacts of climate change are being factored into the regulation of where and how houses are built in different ways around Australia. What does leading practice look like? Where is there room for improvement? Are there lessons we can learn from other countries?

The participant did not respond to this question.