



ACIL Submission: Inquiry into the Government's Climate Risk Assessment

September 2025: Commissioned by Australian Consumers Insurance Lobby Inc

Introduction

The Australian Consumers Insurance Lobby (ACIL) welcomes the opportunity to contribute to this inquiry into the Climate Risk Assessment. ACIL represents the interests of insurance consumers across Australia, particularly those facing affordability and availability challenges as climate change intensifies. Insurance is the first financial safety net for households and communities and any failure to manage climate risk transparently and equitably will have profound consequences for both individuals and the broader economy.

This submission addresses three key areas of the terms of reference: the expected impacts on the community, the budgetary costs of disasters and adaptation, and other related matters critical to consumer protection.

About ACIL

The Australian Consumers Insurance Lobby Inc (ACIL) is a leading consumer advocacy group focused on key issues in general insurance. Originally established as the Northern Australia Insurance Lobby Inc in February 2021, our organisation is a leading consumer group for insurance affordability and availability concerns in Northern Australia. In June 2022, we expanded our scope and renamed ourselves ACIL to advocate for consumers nationwide. Despite this expansion, our commitment to addressing challenges related to the Pool in Northern Australia remains a central part of our mission.

Our Mission



Advocate for affordable and accessible insurance.



Protect consumer rights and interests.



Influence positive change in the insurance industry.

Meet the Team

Our committee boasts a balanced mix of consumer representatives, who provide crucial insights into consumer needs, with consumer-centric insurance professionals, ensuring a comprehensive understanding of the insurance industry, to effectively advocate for consumer interests.

Insurance Professionals



Tyrone Shandiman
Chairperson



Eva Jones
Secretary



Peter Marer
General Committee Member

Consumer Representatives



Bradley von Xanten
Treasurer



John Devaney
General Committee Member



Carol Roberts
General Committee Member

Conflicts of Interest Policy and Declared Conflicts of Interest [click here](#)

Expected Impacts on the Community

Insurance affordability crisis

Climate change is already translating into unaffordable and, in some regions, unavailable insurance. Consumers in Northern Australia, flood-prone river systems, and bushfire-exposed peri-urban areas are experiencing premium increases of several hundred per cent in under a decade. ACIL regularly hears from vulnerable consumers who are forced to choose between underinsurance and financial hardship. Essential cover is increasingly out of reach for those who need it most.

Displacement and vulnerability

Unaffordable insurance creates a form of economic displacement. When households cannot insure, they face the prospect of forced relocation after disaster, or they are locked into financial stress to maintain inadequate cover. This undermines housing security and exacerbates inequality.

Systemic risk

Rising premiums and insurer withdrawals affect not only individual households but also the stability of local economies. Uninsurable properties lose value, eroding household wealth and the collateral banks rely upon for lending. Small businesses cannot operate in uninsured premises. Communities left exposed to risk see reduced investment, declining property markets, and a cycle of vulnerability that entrenches disadvantage.

Budgetary Costs of Disasters and Adaptation

Hidden public costs

When insurance becomes unaffordable or unavailable, the fiscal burden inevitably shifts to government and taxpayers. Post-disaster recovery payments, emergency housing, and social welfare spending rise significantly when households are uninsured. In effect, the cost of risk is not eliminated but redistributed inefficiently and inequitably.

Need for preventative investment

Investment in adaptation measures—flood levees, cyclone-proof building upgrades, bushfire mitigation—offers a far better return for both government and consumers. Every dollar spent on resilience reduces future claims, minimises recovery costs, and supports long-term insurance affordability. Preventative spending is not optional; it is essential to reduce systemic climate-driven costs.

National Catastrophic Reinsurance Pool

ACIL strongly advocates for the expansion of reinsurance pooling beyond the existing cyclone pool to a National Catastrophic Reinsurance Pool. A broader pool that incorporates multiple natural perils—flood, bushfire, storm surge, earthquake—would spread risk more fairly across the community, protect affordability, and ensure continuity of insurance availability. Without this, Australia risks fragmented, inequitable arrangements that fail to meet consumer needs.

Other Related Matters

Consumer protection and fairness

Climate risk management must be centred on protecting households and communities, not just balancing government budgets or insurer solvency. Any national response should explicitly prioritise fairness, with safeguards for vulnerable consumers who would otherwise be left exposed.

Independent oversight

An independent body should oversee how climate risk is assessed and disclosed, ensuring that consumers are given transparent, plain-language information. Agencies such as ASIC and the ACCC already monitor fairness and transparency in financial services—this role could be expanded to include oversight of climate-related insurance disclosures and government adaptation planning.

Case for alignment

Proceeding with piecemeal measures such as the cyclone pool, while withholding the broader Climate Risk Assessment, risks inequitable and short-sighted outcomes. Transparent release of the Assessment is essential to align government adaptation, financial sector practices, and consumer protections in a coherent national strategy.

Reference to Prior Parliamentary Work

This inquiry should build upon the important work of the Select Committee on the Impact of Climate Risk on Insurance Premiums and Availability. ACIL strongly recommends the adoption of that committee's findings and recommendations. The evidence gathered there complements this inquiry and provides a roadmap for meaningful reform. Without integration of that work, there is a real risk of duplicating processes while leaving consumers exposed.

A Call To Action

Australians cannot adapt to what they cannot see. Withholding the Climate Risk Assessment denies communities the knowledge they need to prepare, adapt, and insure. For many, the consequences are already visible: soaring premiums, underinsurance, housing insecurity, and systemic economic risk.

ACIL urges the Committee to recommend:

- Immediate release of the Climate Risk Assessment in full;
- Expansion of preventative adaptation investment to reduce community vulnerability;
- Establishment of a National Catastrophic Reinsurance Pool;
- Stronger consumer protection frameworks, including independent oversight of climate risk transparency; and
- Adoption of the recommendations from the *Impact of Climate Risk on Insurance Premiums and Availability* inquiry.



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