



# Media Release

## Senator Alan Eggleston

**Liberal Senator for Western Australia  
Chair of the Senate Economics References Committee**

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### Insurance, not levy the answer to flood protection

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West Australian Senator Alan Eggleston told the Senate last night that instead of a one-off political stunt like the flood levy, Australian's need access to affordable, transparent flood insurance.

"Given that flooding is so common in Australia, I think we have to ask ourselves whether imposing a levy is really good public policy or whether we should be looking at other things," Senator Alan Eggleston said.

"I think it is rather curious that the government has decided to impose a levy to raise \$1.8 billion to restore damage in Queensland before the total cost of that damage has been assessed."

According to the Insurance Council of Australia, flood is a persistent risk in the Australian community and accounts for nearly one third of natural hazard damage in this country.

However, the Australian Competition and Consumer Commission has not yet developed a standard definition of "flood," making it difficult for insurance companies to offer appropriate cover to interested consumers.

"It is very important that a legal definition of 'flood' is developed and put in place to give comfort to private policyholders, institutions and governments to cover the problem of flooding in this country," Senator Alan Eggleston said.

"If the cost of flood damage were to be transferred to insurance companies, it would certainly take a great deal of pressure off governments and there would be no need for political stunts like levies to raise \$1.8 billion before any real cost assessment of the damage in Queensland has been made."

Senator Eggleston said it was imperative that Government support the Insurance Council of Australia to develop a standard definition of "flood" acceptable to the ACCC so that flood insurance becomes more generally accessible.

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