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Flood mitigation reaps five times return on investment

Two flood mitigation projects in Queensland will bring economic benefits at least five times more than their cost, a new analysis has found.

The figures add more weight to the Productivity Commission's calls for increased Federal Government investment in natural disaster mitigation.

Suncorp today released *Economic benefits of flood mitigation investments* by leading services firm Urbis which shines a light on three projects in Roma and St George in Queensland and Grafton in New South Wales.

Suncorp Personal Insurance EGM Lisa Harrison said the report was one of the most comprehensive undertaken in Australia to detail a cost benefit analysis of mitigation projects involving flood levees.

"We know effective flood mitigation protects vulnerable communities, safeguards property, builds stronger economies and, ultimately, reduces the cost of insurance," Ms Harrison said.

"And as these new figures show, if properly done in the right place it's one of the smartest investments governments can make."

The analysis shows that for capital and running costs of \$5.9 million, St George's flood mitigation project will deliver protective benefits totalling \$31.6 million over the next 50 years for a benefit cost ratio of 5.4.

Roma's project cost is \$16.4 million, delivering protective benefits totalling \$81.1 million over the next 50 years for a benefit cost ratio of 4.9.

Ms Harrison said the analysis excluded other benefits that are hard to quantify such as prevention of death and injury, emotional trauma and lost heritage value.

She said the report complemented the findings of the Productivity Commission's recent draft report, which recommended significant increases in Federal Government funding on natural disaster mitigation.

"Councils can't do it all themselves," Ms Harrison said.

"Local government must be given more support to protect their communities. They need the funding to make it worthwhile and many councils struggle to access the expertise to plan the solutions that work best for them.

"The Commission also calls for more targeted studies to identify critical areas of potential investment and this report helps fill the gap in the knowledge base."

Ms Harrison said analysis also showed a 2.2 benefit cost ratio for Grafton's much older levee infrastructure which has been protecting the town from flood since the 1970's.

Built in another era when engineering and design were not as advanced, the levee offers a lower level of protection than the new Queensland levees and requires more running costs given its age.

“Our experience in disaster-prone communities tells us that it’s much better to invest once rather than pay many times over. Over time, mitigation pays for itself, even old levees with lower risk protection as shown in Grafton,” Ms Harrison said.

“Many communities in Queensland and Australia-wide could be better protected - and pay lower premiums – with the right funding and government policies.”

Roma residents protected by the town’s new mitigation project were now enjoying insurance cost reductions of up to 90 per cent – an annual saving of up to \$7,000. St George residents are also receiving significant savings.

The report can be found [here](#).

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