



Impossible Decisions

Community insights into
access to affordable insurance
in north central Victoria

May 2026



A photograph showing a wide, muddy brown river in flood. In the foreground, a blue metal railing with a wooden deck is visible. The water reflects the surrounding trees and sky. The background is filled with dense green trees, some with bare branches, suggesting a natural, possibly riparian, environment.

arc
justice

Acknowledgement of Country

ARC Justice acknowledge and extend our appreciation for the Dja Dja Wurrung, Taungurung and Yorta Yorta People, the Traditional Owners of the lands we work on. We pay our respects to leaders and Elders past, present and future. We recognise sovereignty was never ceded. This report primarily highlights the experience of community members on Yorta Yorta Country, and in particular from Mooroopna/Shepparton. We recognise that First Peoples have been caring for Country for thousands of generations. We also recognise the historic and ongoing systemic injustices perpetrated against First Peoples through colonisation, as well as First Peoples' resistance, survival and ongoing connection to Country.

Thanks to participants and supporters

This report exists because people took the time to share their stories. We thank every person who spoke with us, filled out the survey or came along to a community forum. You trusted us with your experiences. We take that seriously. Thanks also to the staff and volunteers at Mooroopna Education and Activity Centre, South Shepparton Community Centre and Greater Shepparton City Council for supporting this work. We also thank Disaster Legal Help Victoria, a sponsor of this project.

About ARC Justice

ARC Justice is a rights-based, social justice organisation incorporating the Loddon Campaspe Community Legal Centre and Housing Justice, a specialist renter support program, both based in Bendigo, and the Goulburn Valley Community Legal Centre, based in Shepparton. ARC provides legal and tenancy support services across 13 local government areas in central and northern Victoria, with a team of almost 70 staff working to advocate for and uphold the rights of rural and regional Victorians.

Why ARC Justice wrote this report

This report exists because access to insurance has become a justice issue. When people can't insure their homes, everything else becomes less stable: housing, health, work, family safety and recovery after disasters. ARC Justice sees that impact every day through our legal work across north central Victoria. Our job is to respond where systems are causing harm. We work alongside people dealing with disaster recovery, tenancy issues, debt and housing stress. Insurance keeps cutting across all of it. This report is one way we're taking what we see and bringing it into the places where decisions are made by amplifying community voice.

This work has also intersected with our engagement on the organising committee in the development of the [Housing Resilience Action Plan 2030](#) that brought together government, insurance, banking, academia and community sectors, as well as lived experience advocates, to support the growing number of existing homes that can't access affordable insurance. The voices in this report helped inform that critical work.¹

A note on timing

As this report was being finalised, fires burned across north central Victoria in early 2026. ARC Justice again shifted into disaster response mode. Our teams were helping people facing urgent insurance questions, housing instability and financial stress.

The events were different. The legal patterns were not. Uninsurance and under-insurance. Claims disputes. Confusion about policy terms. People unsure where to turn once the immediate danger had passed. The same structural issues identified in this report are now playing out in fire-affected communities.

That reality underlines the central finding of this work: disasters are increasing in frequency and intensity and the legal consequences are cumulative.

Access to affordable insurance is emerging as a central justice issue across every disaster.²

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“

Do I go without food for three days a month to have insurance? Can't do that. Insurance is becoming a luxury.”

— Interviewee

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Executive summary

In October 2022, floods devastated parts of north central Victoria. In the years since, ARC Justice has worked alongside people dealing with housing loss, debt, insurance disputes and long-term recovery.

Again and again, one issue kept cutting through everything else: insurance. People could no longer afford it. Could no longer get it. Or didn't know where they stood until it was too late.

We spoke with people through interviews, a community survey and local forums to understand what they experienced and what is happening with insurance now.

What we heard was consistent and confronting. Insurance is becoming harder to access – and for some, no longer possible at all. But people also have many ideas for change. They want to see action taken at all levels to protect communities at risk of disasters, to strengthen community and household resilience and to improve access to affordable insurance for all.

What is happening

Insurance now ranges from extremely expensive to unaffordable or unavailable, for many people in north central Victoria. Some households can't get flood cover, at any price. Others can only stay insured by stripping back what their policy covers.

As a result, more people are underinsured or uninsured.

People are making impossible decisions. Some are choosing between food, fuel and insurance. Older people are using savings or taking on debt just to stay insured. Others take the risk and go without cover because they simply can't afford it. Some people are living in damaged or unsafe homes because they can't afford repairs. Others have moved back into homes they know aren't safe because they have nowhere else to go.

For many, fear has become part of daily life. Every heavy rain brings anxiety and this is amplified when there's no longer an insurance policy to fall back on. That fear sits on top of the trauma many still carry from the 2022 floods and the less severe flooding in January 2024.

This is also putting whole towns at risk. Insurance is becoming a barrier to getting a mortgage, reducing housing values for current residents while also limiting home ownership, particularly for young people and recent migrants.

Small businesses are struggling with increased operating costs. Streets with abandoned or demolished homes are becoming more common. Some residents are concerned that their towns are starting to hollow out and losing the culture and relationships they love so much.

What is driving this

People see several forces pushing insurance premiums higher. Prices have risen sharply in a short time. Many believe insurers are using "postcode pricing" rather than pricing the real risk of their individual home. Some households that have invested in flood or fire protection have seen no reward for that effort.

People are frustrated by the lack of transparency in how premiums are set and why some quotes rise so suddenly. Many believe price-gouging and record insurer profits are part of the story too.

Rebuild costs have soared due to inflation and labour shortages. Participants expressed concerns that local planning and new developments are also changing how water moves through towns, pushing risk into new streets. With climate-related increases in flood and fire exposure, disasters are also happening more frequently and with higher intensity.

What happens if nothing changes

We heard from local residents and service providers that if nothing changes, more people will go without cover, not by choice, but because they have no other option.

There are also concerns about how, as insurance retreats, risk shifts. After the next disaster, more homes will remain unrepaired. More people will continue living with mould, damp and unsafe structures or risk their lives to stay and defend lest they end up homeless. More houses will be demolished or abandoned, leaving gaps in streets and weakening the social fabric of neighbourhoods. And with housing loss, we'll see rising displacement and homelessness.

People are also concerned about the impact on mental health, family pressure, business investment and the potential withdrawal of mortgages, trapping some people in their situation because they're unable to sell – a particular concern for those whose retirement plan sits largely in their home as a key asset.

And, as with every issue we see, people facing social and structural disadvantage will continue to be the hardest hit. The divide between those who can afford insurance and those who can't will grow. Some will stay protected or leave town. Others will live with greater risk, poorer housing and fewer choices.



The change the community wants to see

“If this is a 1-in-20-year event, not a 1-in-100-year event, what do we want to do differently next time it happens and what can we do now to change the outcome?”

— Interviewee

People repeatedly talked with a sense of urgency: how much time do we actually have? What will happen if we have another major flood in the next six years? Or the next six months?

Community members and local service providers were clear: people are willing to act, invest and adapt. But they can't do it alone; they need relief in the short term and they need to see action taken by all the system stakeholders and decision-makers. There's no single fix to the insurance crisis facing disaster-prone regional communities, but there are multiple levers that can and must be pulled.

There was also a clear emphasis on this being about community, not just individual households – that shared problems need shared solutions, that people who are doing it tough need specific support and that action is needed now.

A consistent set of 20 ideas for change emerged, which people told us would make the biggest difference locally. Together, they fall into four key themes.

- 1. Subsidise and support access to adequate insurance cover while investing in risk reduction**
- 2. Increase transparency about risk, premium pricing and support available**
- 3. Reward and strengthen housing resilience**
- 4. Invest in proactive planning and provide funding to support people to move out of harm's way**

1. Introduction

“Do I go without food for three days a month to have insurance? Can’t do that. Insurance is becoming a luxury.”

— Interviewee

In October 2022, much of north central Victoria was underwater. Homes were damaged or destroyed. Streets were emptied. People lost not just possessions, but stability and safety. For many, the recovery is still ongoing.

In the months and years since, ARC Justice has worked alongside people on flood recovery, housing loss, debt and tenancy disputes. Again and again, one issue kept cutting through everything else. Insurance. People often couldn’t afford it. Couldn’t get it. Or didn’t know where they stood until it was too late. Insurance is no longer a safety net that many people can rely on.

For ARC Justice, this isn’t separate to our core work. We see how, when insurance fails, housing becomes unstable. Debt rises. Safety is put at risk. Recovery slows.

This report is about what people are living with right now and their concerns for the future. It’s about the pressure being placed on families, renters, older people and small business owners in towns that are still trying to recover. It’s about the need for greater transparency and the growing risk being shifted onto communities and individuals. It’s also about what these communities think needs to change.

This report exists to bring those experiences together in one place and to push for change to protect regional, rural and remote communities so they can continue to thrive in the context of floods, fires and other climate-related disasters.

How this information was gathered

This report draws on what people told ARC Justice after the October 2022 floods.

- 23 in-depth interviews with local services and people affected by rising insurance costs
- 79 community survey responses from across north central Victoria
- 2 in-person forums in Shepparton and Mooroopna
- Ongoing informal conversations with residents

People took part voluntarily. Some shared detailed personal stories. Others gave short written responses. All contributions were handled with care and confidentiality.

This is a small but strong sample. It’s not a technical study or representative data set. The aim was simple: listen, capture what people are dealing with and bring those experiences together to inform better decisions.

Participants were predominantly from Mooroopna/Shepparton, and included the following:

- Homeowners and renters
- Older people, working families and young adults
- People directly affected by floods
- People impacted through rising premiums
- Community workers and service providers

Some were fully insured, some underinsured, some had no cover.

The pattern is clear. Insurance stress is no longer limited to one group. It’s spreading across the community.

2. What is happening

“My premium went from \$2,000 to \$28,000 overnight and I didn’t have any claim.”

— Interviewee

Most people we spoke with said their home or contents insurance has become much more expensive in recent years. Many people told us their premiums have doubled, tripled or higher, forcing an immediate decision about whether they could stay insured at all. Many also said they don’t have flood cover.

This was backed up by the survey. Just under one third of respondents, 32%, said they don’t have flood cover. A further 8% said they have flood cover but are underinsured. Another 9% weren’t sure if their policy even includes flood cover.

Taken together, this means that around half of the households we spoke to were uninsured, underinsured or unsure if they’re covered for flood. One local service provider, who sees around 2000 people through their doors each week, estimated that about half of their clients also don’t have flood insurance because it’s not affordable.

This reflects what’s happening nationally. The Insurance Council of Australia estimates that 77% of properties facing severe to extreme risk of flooding do not have flood cover in Australia (over 186,000 homes).³

While those on low incomes are being hit hardest, this is no longer limited to people on pensions or benefits. Working families are now being priced out, too.

“It doesn’t discriminate. These are working people who still can’t afford it.”

— Interviewee

Insurance is also becoming inconsistent. Quotes can vary wildly between companies for similar homes. Some people are offered cover by one insurer and refused by another.

“Postcode pricing” was raised again and again. Many people believe insurers are using broad location data rather than the real risk to their individual home, reporting unaffordable premium increases following the 2022 floods, despite never having been flooded.

“Insurance companies just won’t cover you for flood. It’s by postcode.”

— Forum attendee

In some areas, people believe insurers are quietly leaving by pushing prices so high that households have no choice but to go without insurance.

“They don’t say they’re pulling out. They just make it so high that you leave.”

— Interviewee

The result is the same. More people are now living without the protection they once took for granted.

What is emerging is not just a personal finance problem. It’s a system-wide shift. Insurance, once seen as a basic safeguard, is fast becoming a luxury that many people across the region can no longer afford.





“

People without insurance are living in really unhealthy environments. I know people living with mould in their walls, under the floor. (They've) gone back because it's the only accommodation they have.”

— Interviewee

3. What people are living with

“Without cover (people are) constantly living in anxiety ... Every time it rains.”

— Interviewee

Going without insurance doesn't just change people's finances. It changes how they live, how they sleep and how safe they feel in their own homes.

Fear has become a constant for some. Each time it rains, people worry about what could happen and what they would lose if it does. For many, that fear sits on top of the trauma of the 2022 floods. The worry doesn't switch off and it's amplified for people without insurance. It sits in the background of daily life.

We heard how some people are still living in homes that were damaged by floodwater because they can't afford repairs. Others have moved back into homes they know aren't safe because they have no other option. Mould, damp and unsafe structures remain part of daily life for some households.

Financial stress is becoming normalised. People are cutting spending to stay insured. Others are going without cover and living with constant risk. We heard that older people are using savings, superannuation and, in some cases, reverse mortgages just to stay insured. Money set aside for later life is now being used to manage risk in the present.

Young people and renters are feeling this too. Insurance is becoming another barrier to home ownership and renters are scared to raise safety issues with landlords in case it puts their tenancy at risk. Housing loss and displacement are also becoming more common.

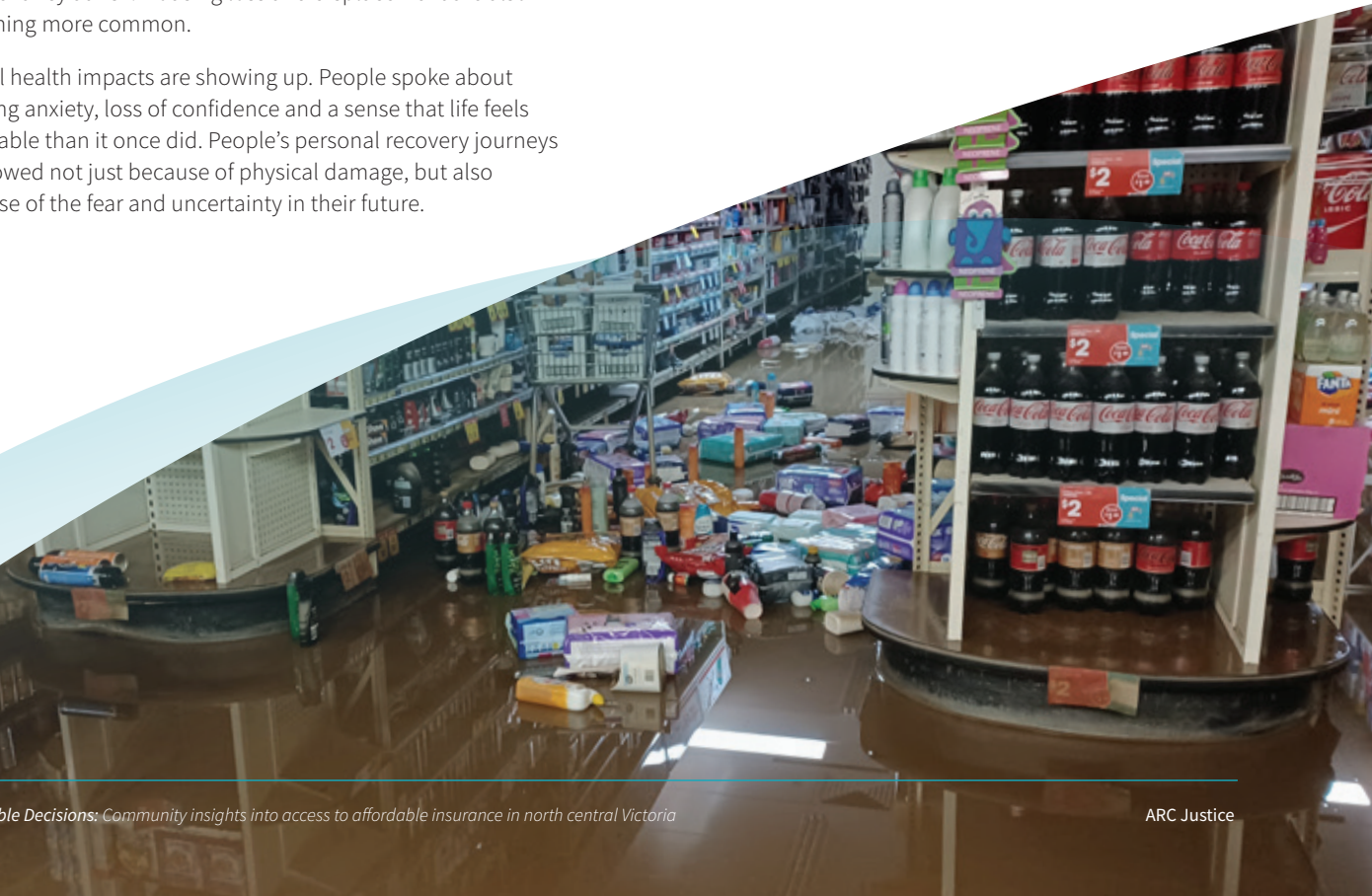
Mental health impacts are showing up. People spoke about ongoing anxiety, loss of confidence and a sense that life feels less stable than it once did. People's personal recovery journeys are slowed not just because of physical damage, but also because of the fear and uncertainty in their future.

For emergency workers and service providers, there's also a growing community safety risk. When people know they have no insurance to fall back on, they're more likely to stay and defend unsafe homes during floods or fires rather than leave.

“If you haven't got insurance, you hang on longer than you should.”

— Forum attendee

What comes through most strongly is that going without insurance is rarely a free choice. It's usually the end point of being priced out, worn down and left with no safe options. The human cost is being carried quietly inside homes and across whole communities.



4. What this is doing to communities

What starts as a problem inside one household doesn't stay there for long. As more people lose insurance or scale back their coverage, the effects begin to spread across whole streets and towns.

This strain is adding pressure to families, to small businesses and to local services already stretched after the floods. Stress is affecting relationships. Parents are carrying the worry while trying to keep life normal for their children.

Bills, premiums and uncertainty come into everyday conversations at home. Rising premiums are adding to costs for small businesses at a time when many are still trying to recover from disaster losses, staff shortages and rising operating expenses. When a business closes, the impact ripples through jobs, services and the local economy.

Community workers and service providers spoke about the effect on the community where rising insurance premiums are threatening their capacity to keep their doors open.

“If places like this cease to exist, there’s even fewer places for the young people to go.”

— Interviewee

The withdrawal of insurance on mortgages also extends to the community scale. Without cover, banks won't lend. Without lending, people can't buy or rebuild. That locks whole sections of the housing market out of reach.

As uninsured and underinsured homes disappear, towns begin to change shape. Houses that can't be repaired are demolished or left empty. People described streets being slowly hollowed out as uninsured homes disappear and neighbours are forced to leave.

Fewer residents means fewer shops, fewer services and less confidence in the future. Over time, these gaps spread across whole streets. One resident described this as a “Swiss cheese effect”.

“On our street, (there’s) probably four houses left. All the rest are gone, pulled down.”

— Interviewee

While some shared that their community grew closer in supporting each other through recovery, others reported that the aftermath of the 2022 floods has seen some residents leave, new people arrive, prolonged mental health issues and financial strain, creating challenging conditions for community organising. These comments carried concerns about the cascading implications of future disasters and a sense of urgency to begin conversations about collective action.



5. What is driving this

Across interviews, surveys and forums, people shared clear views about why their insurance costs have risen so sharply. Most see it as the result of several forces colliding at once rather than a single cause.

“Postcode pricing” was raised again and again. People believe insurers are using broad location-based risk rather than the real risk of individual homes and not recognising the benefits of recent Council investments in flood prevention. Many felt they were being treated as high risk simply because of where they live, even if their property was not flooded or had never been impacted.

Rising rebuild costs were also seen as a major driver. People spoke about the impact of inflation, labour shortages and higher material costs on insurance prices. Even those who accepted that rebuilding now costs more felt the increases had outpaced what seemed reasonable or fair.

Climate change was recognised as part of the picture. Many people understand that floods and fires are becoming more frequent and more severe. What frustrates them is the feeling that individuals are having to carry the full financial burden of the changing climate.

Some also raised concerns about planning and infrastructure – about how local development, new estates, roadworks or altered drainage might be pushing flood risk into areas that had never flooded before. Others felt that upstream dams were managed to prioritise farmers’ water entitlements rather than mitigate flood risk.

There was also strong frustration with insurers not rewarding people who invest in reducing their own risk. While some households have spent large sums raising homes, installing barriers or upgrading properties for flood, these efforts do not necessarily lead to lower premiums.

“One elderly household spent \$120,000 raising their home by a metre and it wasn’t reflected in their premium.”

– Interviewee

Lack of transparency ran through every part of this discussion. Many people said they couldn’t understand how their premium was calculated, why it rose so sharply or why their neighbour might be paying much less for a similar home. This confusion has fuelled distrust and anger.

Some participants believe price-gouging and high insurer profits are part of the story. Regardless of the reality, the perception is real and damaging. People feel the balance of risk and reward has shifted too far onto households and away from the industry.

Taken together, what people describe is a system that doesn’t feel fair, clear or shared. Risk is rising for many. Costs are rising faster. And the gap between what people can pay and what they’re being asked to pay is widening.



6. What happens if nothing changes

People were clear about what they believe comes next if the system doesn't shift.

- More households will be pushed out of insurance.
- More people will go without cover, not because they want to, but because they've run out of options.
- More homes will remain unrepaired.
- More people will live with mould, damp and unsafe structures.
- More streets will thin out as houses are demolished or abandoned.
- Recovery costs will keep rising for governments as private insurance retreats.
- Fewer people will be able to protect themselves before disaster hits.
- Those who can afford insurance will stay safer.
Those who can't will live with greater risk, poorer housing and fewer choices.
The gap between the two will widen.

The long-term outlook at the town and community-wide level is stark. The message from the community is simple: delay will cost more than action and there's much that can and must be done to ensure the above picture doesn't eventuate.





“

This flood was the highest it's ever been. The next flood will be higher again because of climate change. Look all over the world (at) what's happening, it's going to happen here."

— Interviewee

7. What needs to change

The following section outlines what we heard from community members and local services about what needs to change. These 20 ideas for change are grouped under four key themes.

These ideas are interconnected and not listed in order of importance. On their own, none is enough. Taken together, they aim to make insurance more affordable, fairer and more transparent, reduce risk to homes and neighbourhoods and give people real choices before the next disaster hits.

These community-driven ideas provide a strong foundation for further policy analysis, research and action.

Theme 1: Subsidise and support access to adequate insurance cover while investing in risk reduction

Premiums are rising now. Infrastructure upgrades, planning reform and resilience work take time. Participants said they feel caught in that gap.

Some said access to basic home protection should not rely only on the private market. They called for temporary public safety nets so people in high-risk areas aren't priced out of insurance.

The following ideas for change emerged.

1. The Australian and Victorian governments should provide subsidies or public insurance as a temporary safety net for those in high-risk properties. This could include:

- **A temporary Australian Government-backed insurance or re-insurance scheme.**
- **Subsidies to access insurance from the private market.**
- **Provision of a “bare minimum” level of cover for all households, potentially charged through local government rates or a similar mechanism to Victoria’s Transport Accident Charge.**

Participants said any public intervention must be sustainable. Without investment to reduce risk, costs will keep rising.

They explored ways to deliver home and contents insurance that keeps people in the region and supports low-income households with limited options to reduce risk.

Some pointed to existing models that could be adapted, such as Medicare and the Transport Accident Charge in Victoria.

Participants said this could spread risk across the community, remove profit from premiums and push government to invest in resilience.

“We have a public health system; we don’t have a public insurance system.”

— Interviewee

A clear messaging campaign was also suggested. It should stress shared responsibility and recognise that many affected areas are the “bread bowl of Victoria”.

Some said support to retrofit homes should sit alongside any subsidy.

2. The insurance sector and the Australian Government should investigate and pilot alternative insurance models and products that meet the needs of communities in diverse circumstances. This could include:

- **Establishing a mutual insurance scheme for properties in high-risk areas as a model for regional or community-based coverage.**
- **Supporting communities to leverage their collective purchasing power to negotiate better terms with insurers as a group rather than as individuals.**

Participants also explored more collaborative approaches to insurance. This included mutual schemes used by local governments and community-based models.

They discussed using collective buying power to negotiate better terms with insurers.

These ideas point to a broader message. When risk is shared, solutions may need to be shared. Households shouldn't be left to negotiate alone in a market that is withdrawing.

“

(There should be a) subsidy from government. We still need people to live in these regions.”

— Interviewee

“**Some of these communities might need to approach these insurers as a buying group... (If insurers) want to stiff a few of us (then) you've stiffed us all and no one's going to get insured by you... There's power in that.**”

— Interviewee

Theme 2: Increase transparency about risk, premium pricing and support available

Participants raised concerns about the lack of clear information available to buyers, renters and residents about flood risk, disaster history and how premiums are calculated. After recent disasters, uncertainty about government recovery support added to a growing sentiment that the system is opaque and difficult to navigate. To address this, the following ideas for change emerged.

3. The Australian Government should require insurers to provide a clear explanation of household risk and visibility of key components of premium pricing when providing a quote.

Participants raised concerns about unexplained premium increases, including for properties seen as low risk and where there is inconsistent pricing between similar homes. They called for greater transparency. This includes clear explanations of household risk and how premiums are calculated.

Participants said this would support a fairer system and help people understand their risk and how to reduce their premiums.

“People forget, don’t they? (There) should be transparency about risk when you buy.”

— Interviewee

4. The Australian Government should require mandatory disclosure about the disaster history and risk of a property to potential buyers or renters.

Participants said people need clear, accessible information about flood risk, especially new residents and buyers.

Some warned people may be buying homes in high-risk areas without knowing. They called for mandatory disclosure of risk and disaster history to buyers and renters.

Some also questioned whether banks should warn buyers if they have assessed a property as high risk.

“(Could there be) a default insurance price for an area or at least an average price for an area, so that you could see how your offer related to this?”

— Forum attendee

5. The Australian and Victorian governments should provide clear information about what recovery support is available ahead of the next disaster.

Some participants raised concerns about unclear and inconsistent government disaster support, including how recovery grants are distributed.

Poor claims handling by insurers, highlighted in the inquiry into responses to the 2022 floods, also came up.⁴ Some said unclear government commitments after disasters may lead people to question the value of insurance.

6. The Australian Government should increase oversight of premium pricing and insurer profits to prevent price-gouging and protect consumers.

Transparency alone will not lower premiums. Without it, trust erodes and households make major financial decisions without enough information.

Participants called for stronger government accountability to protect consumers.

“They’re stepping in with the supermarkets, in medical. Why can’t they do it with the insurance sector as well?”

— Interviewee

Theme 3: Reward and strengthen housing resilience

Many homes at risk can be retrofitted to reduce damage and repair costs and lower premiums. This includes raising floors, sealing entry points, lifting wiring and using flood-ready materials. Participants said these efforts are often not reflected in premiums.

There was strong support for a system that recognises and rewards resilience, alongside support for those who can't afford upgrades. Without financial help, participants said reforms risk deepening inequity.

The following ideas for change were proposed.

7. The Australian Government should lead the development of a nationally consistent climate resilience rating system for housing and an assessment program that:

- Guarantees the independence of assessors.
- Provides tailored advice for individual homes.
- Doesn't disadvantage homes deemed "low-resilience".

Some participants said insurers aren't consistently factoring resilience into premiums.

There was support for a consistent resilience rating system for housing. Independent assessors could rate homes for flood or fire risk and suggest improvements. This could help households negotiate lower premiums.

Participants also said tailored advice is needed. Some people aren't aware of their options, while others don't know where to start.

"Insurance companies (are) not factoring in investment in resilience measures in premiums."

— Interviewee

8. Insurers should offer rebates or discounts on premiums for properties that have invested in reducing risk and consider multi-year fixed premium guarantees to incentivise investment.

Participants said if they invest in resilience upgrades, they want certainty it will reduce premiums. This could include multi-year fixed premium guarantees.

9. All levels of government should provide grants to support Victorians to retrofit their homes to make them more resilient.

Participants said some households can afford to retrofit or rebuild, but others can't. This includes people on low or fixed incomes. They raised concerns about fairness and called for targeted support, alongside a clear link between upgrades and premium reductions.

One person said they explored flood barriers before the 2022 floods, but the cost was too high. Others said they could not afford to raise their homes when rebuilding.

"(Council) wanted it up 1.8m when rebuilding – (it) wasn't a requirement, just a suggestion. We can't afford to put it up that high."

— Interviewee





“

“Along the Brisbane River, they’re refitting and rebuilding with flooding in mind and the materials they’re using and the designs are such that it will be maybe more tolerant to being hit with water.”

For people living in streets where they can’t get insurance or premiums are ridiculous, they need some support or advice on how they manage what happens next time.”

— Interviewee

Participants said policy work is needed to target support and avoid leaving people behind. Some pointed to programs in Queensland and New South Wales and said Victoria should learn from them. They also called for stronger work with housing providers to improve resilience in social and community housing.

10. The Australian Government and banking sector should support low-income Victorians to access low interest loans to retrofit their homes and increase resilience.

Participants were asked to consider a mix of low-cost loans and government grants to fund upgrades. There was strong support for a low-interest loan scheme similar to the Home Equity Access Scheme, where people can borrow against their home and repay when it is sold, with a cap at the home's value.

They also pointed to other models, including the No Interest Loan Scheme and the former Solar Savers program, where councils funded rooftop solar at zero interest and repayments were made through rates.

11. The Australian Government should adopt Build Back Better principles in post-disaster rebuilds.

Some participants who relied on insurers after the 2022 floods said they were restricted to like-for-like rebuilds. Upgrading to higher resilience standards often required a cash settlement and managing the build themselves. They called for insurers to adopt Build Back Better principles in post-disaster rebuilds.

Participants said grants, combined with low-interest loans, could support resilience upgrades during rebuild or repair.

12. The Australian and Victorian governments should fund the development of an education campaign and qualified trade directory to build household capacity to increase resilience.

Participants said they have limited knowledge about how to improve home resilience. They also raised a lack of qualified trades in regional areas and the risk of dodgy operators, especially after disasters.

Participants suggested a housing resilience education campaign in high-risk areas, including tours of resilient homes. They also called for a vetted trade directory, similar to the Clean Energy Council.

13. All levels of government should support communities to make collective decisions about housing resilience measures at household, street and neighbourhood scale.

Participants said flood-resilient retrofit programs can't rely on individual decisions alone. Actions like raising homes or building flood walls can affect neighbours and water flow, so planning needs to happen at a street or community level.

Many said past development has pushed floodwaters into new areas and were worried future ones would too. They stressed retrofit programs mustn't make this worse. They also called for trauma-informed approaches that build community cohesion.

14. All levels of government should increase investment in public infrastructure to reduce risk at the community scale.

Participants said governments must keep investing in public infrastructure to reduce risk. Suggestions included a drainage tunnel under Mooroopna and moving the power station to higher ground so pumps work when needed.

“We prepared pretty well, pump under the house, sandbagging. But the power station lost power three times. Power station should be on higher ground.”

— Interviewee

Some said it may be more effective to direct private investment into shared solutions, such as pooling funds at a street level to buy temporary levees and manage impacts on neighbouring areas.

15. Insurers should support residents to mitigate risk, working with local governments and communities rather than withdrawing coverage.

Participants said resilience can't rely on individual action alone. Risk reduction must be co-ordinated, supported and shared.

They also questioned the role of insurers, calling on them to work with councils and communities rather than withdraw coverage.

“(Addressing risk is) what insurance is about. What mitigation strategies are they taking? (It) can't just be: ‘We're not going to insure you, it's someone else's problem.’”

— Interviewee

Theme 4: Invest in proactive planning and provide funding to support people to move out of harm's way

In some areas, participants said risk can't be reduced through retrofits or infrastructure alone. For a small number of high-risk properties, long-term safety may require voluntary relocation or buy-back schemes.

Relocation was seen as complex and deeply personal. Participants raised emotional ties to place, housing shortages and fairness. They said any approach must be voluntary, community-led and properly funded.

16. The Australian and Victorian governments should establish a funding pool to enable a buy-back or land swap scheme for properties at highest risk.

Participants said parts of towns like Mooroopna and Shepparton were built in low-lying areas without long-term consideration of flood risk.

There was support for practical options to help people move out of harm's way. Some suggested voluntary relocation through buy-back or land swap schemes as a more sustainable path.

17. The Victorian and local governments should bring in stronger planning controls to prevent further development in flood zones.

There was strong support for building homes above flood levels, even if this means gradually shifting towns to higher ground with the right infrastructure and services.

Some suggested restoring former residential areas to natural ecosystems and using nature-based solutions to reduce flood risk downstream.

“(It’s) been flooding around here for 1000s of years. (People) knew we were building on a floodplain. The highest part is 3km out of Mooroopna, where the channel is. That’s where we should have built houses. With assistance, I’d support (moving people to higher ground). No good building back again here.”

— Interviewee

“If you just built on a mound, it’ll shift water to somewhere else.”

— Interviewee

18. The Australian and Victorian governments should provide relocation assistance to help people move to safer areas.

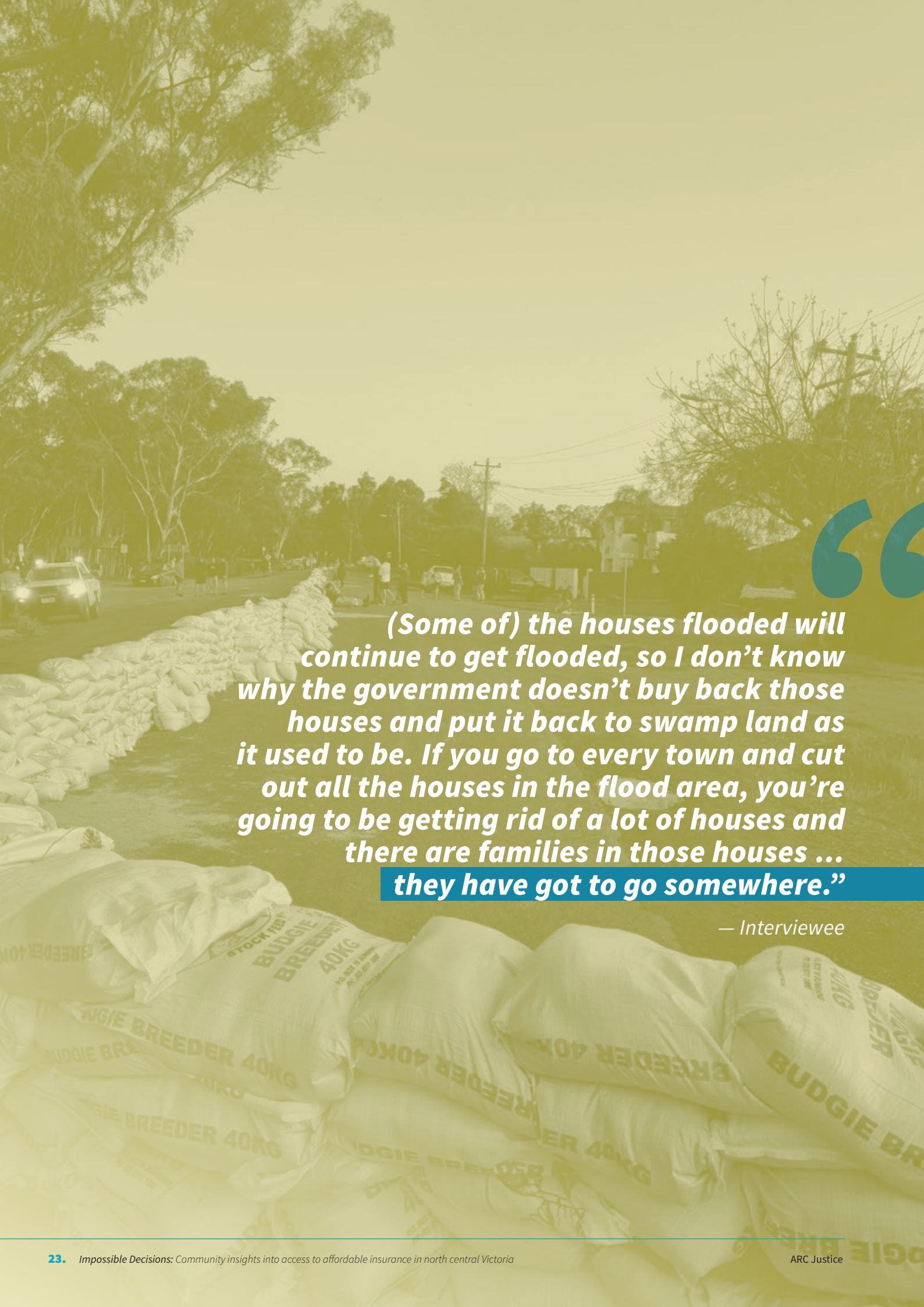
Participants said relocation is complex and raised several challenges. Many pointed to strong emotional ties to place, with some families living in the same homes for generations. One said a friend refused to leave a flood-prone home built by a deceased partner.

Participants also raised concerns about heritage buildings and the housing crisis. They said removing homes without replacement options could worsen shortages.

19. All levels of government should support communities to make collective decisions about relocation of households from the highest-risk areas.

Participants said planning ahead is less costly than repeated rebuilding. Where risk remains high, they want real, funded options, not pressure through rising premiums or insurer withdrawal.

They also said relocation is hard to agree on. They called for community-led plans, backed by resources to support engagement and build consensus.



(Some of) the houses flooded will continue to get flooded, so I don't know why the government doesn't buy back those houses and put it back to swamp land as it used to be. If you go to every town and cut out all the houses in the flood area, you're going to be getting rid of a lot of houses and there are families in those houses ... they have got to go somewhere."

— Interviewee

Considerations for relocation

Participants said any plan needs to be clear on one thing first: is relocation needed, and if so, when would it need to happen. From there, focus shifts to how it would work and what a safer settlement looks like.

The following key points were raised.

- **Keep communities together.** Support people to move as neighbourhoods to hold onto identity and connection.
- **Make it worth it.** Any new area needs to be safer and easier to live in, with access to services, good streets and walkability.
- **Keep it voluntary, but structured.** Start with voluntary moves, backed by staged support. Over time, use buy-backs or land swaps as properties change hands.
- **Be realistic about scale.** The number of households involved may be smaller than expected.
- **Communicate clearly.** Consistent, local messaging will shape trust and uptake.
- **Learn from past relocations.** Examples like Tallangatta and Jindabyne show it can be done with planning and support.
- **Start early.** Waiting until after a disaster makes this harder. Clear options now may reduce stress later.
- **Take it step by step.** This is complex work. It needs to be broken into manageable phases.

20. All levels of government, insurers and key stakeholders should explore costs and invest in supports for relocation.

Participants said buy-backs, land swaps and relocation support will need significant investment from state and federal governments.

They called for modelling to show the economic and social cost of inaction and to identify benefits such as increased land value in new areas, and improved transport corridors or reuse of existing infrastructure in old areas.

Participants also said insurers, who would benefit from lower risk and fewer claims, could be required or incentivised to contribute to retrofit programs and relocation schemes.

For a full list of these ideas for change, see Appendix A.

8. Conclusion

This report shows that access to insurance is no longer just a personal issue. It's now a shared community risk. When people can't insure their homes, the effects spread to families, streets, businesses, towns and governments.

Climate disasters won't ease. Rebuild costs won't fall back to where they were. Communities already understand this. What they're asking for is a system that shares risk more fairly and doesn't leave households to carry it alone.

People aren't asking for the impossible. They're asking for insurance they can afford, pricing they can understand, recognition for the work they do to reduce risk, information and financing to retrofit their homes and honest choices about where it's safe to live long term. They're asking for decisions to be made with them, not for them.

For ARC Justice, this is about fairness, safety and the right to stable housing in a changing climate. It's about making sure the people most exposed to risk aren't the ones left least protected.

The message from the community is clear. The risk is shared. The responsibility must be shared too.

Appendix A: Ideas for change, table

Theme 1: Subsidise and support access to adequate insurance cover while investing in risk reduction

Theme 2: Increase transparency about risk, premium pricing and support available

Theme 3: Reward and strengthen housing resilience

Theme 4: Invest in proactive planning and provide funding to support people to move out of harm's way

1	All levels of government should provide subsidies or public insurance as a temporary safety net for those in high-risk properties. This could include: <ul style="list-style-type: none"> • A temporary Australian Government-backed insurance or re-insurance scheme. • Subsidies to access insurance from the private market. • Provision of a “bare minimum” level of cover for all households, potentially charged through local government rates or similar mechanism to Victoria’s Transport Accident Charge.
2	The insurance sector and the Australian Government should investigate and pilot alternative insurance models and products that meet the needs of communities in diverse circumstances. This could include the following. <ul style="list-style-type: none"> • Establishment of a mutual insurance scheme for properties in high-risk areas as a model for regional or community-based coverage. • Supporting communities to leverage their communal purchasing power to negotiate better terms with insurers as a collective rather than as individuals.
3	The Australian Government should require insurers to provide a clear explanation of household risk and visibility of key components of premium pricing when providing a quote.
4	The Australian Government should require mandatory disclosure about the disaster history and risk of a property to potential buyers or renters.
5	The Australian and Victorian governments should provide clear information about what recovery support will be available ahead of the next disaster.
6	The Australian Government should increase government oversight of premium pricing and insurer profits to prevent price-gouging and protect consumers.
7	The Australian Government should lead the development of a nationally consistent climate resilience rating system for housing and an assessment program that guarantees the independence of assessors, provides tailored advice for individual homes and doesn’t disadvantage homes deemed “low-resilience”.
8	Insurers should offer rebates or discounts on premiums for properties that have invested in reducing risk and consider multi-year fixed premium guarantees to incentivise investment.
9	All levels of government should provide grants to support Victorians to retrofit their homes to make them more resilient.
10	The Australian Government and banking sector should support low-income Victorians to access low interest loans to retrofit their homes and increase resilience.
11	Insurers should adopt Build Back Better principles in post-disaster rebuilds.
12	The Australian and Victorian governments should fund the development of an education campaign and qualified trade directory that builds the capacity of households to increase their resilience.
13	All levels of government should support communities to make collective decisions about housing resilience measures at household, street and neighbourhood scale.
14	All levels of government should increase investment in public infrastructure to reduce risk at the community scale.
15	Insurers should support residents to mitigate risk, working with local governments and communities rather than withdrawing coverage.
16	The Australian and Victorian governments should establish a funding pool to enable a buy-back or land swap scheme for properties at highest risk.
17	The Victorian and local governments should bring in stronger planning controls to prevent further development in flood zones.
18	The Australian and Victorian governments should provide relocation assistance to help people move to safer areas.
19	All levels of government should support communities to make collective decisions about relocation of households from the highest-risk areas.
20	All levels of government, insurers and key stakeholders should explore costs and invest in supports for relocation.

Key terms used in this report

Underinsured

When a person has insurance but not enough to cover the real cost of replacing or repairing their home, belongings or business.

Postcode pricing

When insurance premiums are based mainly on a broad location rather than the actual risk of an individual property.

Build Back Better

Rebuilding after a disaster in a way that makes homes safer and more resilient to future floods or fires.

Buy-back scheme

A program where government purchases high-risk properties so people can move to safer locations.

Nature-based solutions

Using natural systems such as wetlands, floodplains and vegetation to help manage flood and fire risk.

References

This report draws on the following public inquiries and reports, which provide broader context on climate risk, floods and insurance across Australia and Victoria.

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