

Strategic budget approach needed for resilient and equitable future

25 March 2025

Strategic budget approach needed for a resilient future amid cost of living pressures

While today's Federal Budget helps address immediate cost of living pressures and makes further investment in important reforms, there is still more the Government can do. The Actuaries Institute encourages a strategic, forward-looking approach to tackling climate change and technological transformation.

Please attribute the following comments to Actuaries Institute CEO, Elayne Grace:

Cost of living and economic resilience

"The Institute recognises the impact of cost of living pressures on Australian households and supports targeted relief measures. However, these short-term measures must be balanced with strategic investments in our long-term economic future.

Climate adaptation

"Climate change and AI represent the transformational challenges and opportunities of our time. Australia needs significant public and private investment in both areas. While we welcome Government commitments to decarbonise the economy, a substantial uplift in adaptation financing is critical. Recent data showing insured losses from extreme weather events averaging \$4.5 billion annually – more than double the 30-year average – demonstrates the economic imperative for greater climate resilience.

"Our research reveals that one in seven Australian households now experience extreme affordability pressure for home insurance, with premium quotes of nearly 10 weeks of annual income for these households. This disproportionately affects those already facing financial stress, particularly in areas with high flood exposure.

Technology / AI

"In the rapidly evolving field of AI and data science, Australia needs greater investment and policy clarity. As data and risk specialists, actuaries are uniquely contributing to the ethical development and governance of AI systems and urge further consideration in the development of mandatory guardrails and practical guidance."

"In today's data-driven era, Australia needs a workforce that embraces innovation and adapts to emerging technologies. Businesses require staff who can leverage complex systems and analytics while maintaining strong ethical standards and governance."

For media inquiries, please contact:

Helen McCombie

Sodali & Co

helen.mccombie@sodali.com

M: +61 411 756 248 | T: +61 2 8234 0103

About the Actuaries Institute and the Profession

As the peak professional body in Australia, the Actuaries Institute represents the profession to Government, business and the community, and holds the 'public interest' and 'common good' as key principles in developing policy.

Actuaries use data for good by harnessing evidence to navigate the future and make a positive impact. They think deeply about the issue at hand, whether it is advising on commercial strategy, influencing policy, or

designing new products. Actuaries are adept at balancing the interests of stakeholders, clients, and communities. They are called upon to give insight into complex problems and they will look at the full picture to develop solutions. Actuaries analyse data and model scenarios to form robust and outcome-centred advice.
www.actuaries.asn.au