

Climate Adaptation, AI Safety and Health Reform Critical for Budget: Actuaries Institute

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We recognise the Government faces significant fiscal constraints and competing priorities in an uncertain economic environment. Within this context, the Actuaries Institute's 2026-27 Budget submission highlights five critical areas to strengthen Australia's long-term economic and social foundations:

1. Increased investment in climate risk adaptation and resilience, recognising the growing fiscal and social exposure from natural disasters and the cost-effectiveness of proactive adaptation measures.
2. Implementation of the National AI Plan and AI Safety Institute to build sovereign capability while managing risks.
3. Reform of private health insurance and broader health systems, including addressing mental health funding fragmentation and NDIS sustainability.
4. Supporting a modernisation of life insurance products to improve consumer outcomes, including a Federal recommitment to a product rationalisation framework and support for stamp duty revisions.
5. Measures to address intergenerational equity, including reforms to housing affordability and the tax system.

"With disaster costs forecast to reach \$73 billion by 2060, increased investment in climate adaptation is critical to managing the growing financial burden and wider societal impacts. We must invest proactively in resilience measures that protect communities and reduce the long-term fiscal impact of natural disasters," said Elayne Grace, CEO of the Actuaries Institute.

"Australia faces a pivotal opportunity to capture AI benefits while managing risks through the National AI Plan and AI Safety Institute. Combined with essential reforms to health, disability and insurance systems, these measures will strengthen both our economic capabilities and social foundations. Addressing intergenerational equity, particularly housing affordability, remains critical for ensuring fairness across generations," Ms Grace added.

The full Pre-Budget Submission, which covers a wide range of areas reflecting the breadth of actuarial practice, can be accessed [here](#).

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About the Actuaries Institute and the Profession

As the peak professional body for actuaries in Australia, the Actuaries Institute represents the profession to government, business and the community. Our members work in a wide range of fields including insurance, superannuation and retirement incomes, enterprise risk management, data analytics and AI, climate change and sustainability, and government services.

Actuaries use data for good by harnessing the evidence to navigate into the future and make a positive impact. They think deeply about the issue at hand, whether it's advising on commercial strategy, influencing policy, or designing new products. Actuaries are adept at balancing interests of stakeholders, clients and communities. They're called upon to give insight on complex problems and they'll look at the full picture. Actuaries analyse the data and model scenarios to form robust and outcome-centred advice.

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