



Dedicated to a better Brisbane

13 July 2011

Mr John Trowbridge
Chairman of the Review Panel
Natural Disaster Insurance Review
c/- The Treasury
Langston Crescent
PARKES ACT 2600

Dear Mr Trowbridge

Thank you for your letter to the Lord Mayor, Graham Quirk on 14 June 2011 inviting Council to make a submission to the issues raised in the Natural Disaster Insurance Review Issues Paper.

We appreciate the opportunity to provide comment on the Issues Paper, especially given the impact that January's natural disaster had on our city.

This continues the working relationship Council has had with the insurance industry, where, following the Lord Mayor's Taskforce on Suburban Flooding, Council assisted the Insurance Council of Australia by making available our flood risk data.

Like many other cities in Queensland, Brisbane was devastated by the January 2011 floods. Brisbane City Council estimates the cost of repairing damage to Council assets to be approximately \$440 million. This cost will be met by Council with grant funding from the Queensland Reconstruction Authority.

However, we would only be able to guess the cost to Brisbane residents to repair the 30,000 or so residential and non-residential properties across the city that were affected by the flood.

As such, Council supports the Review Panel's examination of flood insurance affordability and availability.

I have enclosed Brisbane City Council's submission to the Natural Disaster Insurance Review Inquiry into Flood Insurance and related matters for your consideration.

Yours sincerely

Colin Jensen
CHIEF EXECUTIVE OFFICER
Ref: LM26268-2011

Enc.



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13 July 2011

Natural Disaster Insurance Review
C/- The Treasury
Langton Crescent
PARKES ACT 2600
NDIR@treasury.gov.au

Dear Review Panel

Re: Submission of Brisbane City Council

1. The Brisbane City Council (**Council**) welcomes the opportunity to make this submission to the Natural Disaster Insurance Review Inquiry into Flood Insurance and Related Matters in response to the Issues Paper released by the Review Panel on 2 June 2011.
2. Council supports the Review Panel's examination of flood insurance affordability and availability, and makes the following comments regarding flood insurance generally and the two alternative models of flood insurance identified by the Review Panel, referred to as:
 - (a) Automatic Flood Cover; and
 - (b) Automatic Flood Cover with Opt Out.
3. **Model Structure and Funding Options**

Council submits:

 - 3.1 Each identified model is essentially an insurance risk.
 - 3.2 The commercial insurance industry is best placed to be able to manage insurance risk.
 - 3.3 Commercial insurance already covers most other forms of natural disaster (with the notable exceptions of landslip and inundation by the sea).
 - 3.4 There is no fundamental reason why the insurance industry should not underwrite flood risk – it is simply another natural disaster.
 - 3.5 Local Government has a role to play in land use planning and development, related flood risk management, community flood awareness, and disaster planning and management.

- 3.6 Council questions whether it is appropriate for Local Government to be involved in the business of insurance and therefore does not support Local Government involvement in insurance premium subsidies.
- 3.7 If subsidies are to be applied, the insurance industry (and therefore insurance policy holders) should be responsible for cross-subsidisation – not taxpayers and ratepayers.
- 3.8 Insurance is essentially about sharing the cost of risks around all insurance policy holders – this should apply to both the actual cost of the insurance and any premium or risk subsidies.
- 3.9 Ratepayers' funds (which are a limited resource and subject to Council budget constraints) are best devoted to the areas noted above at 3.5. These are essential flood mitigation measures falling within the traditional role of Local Government.
- 3.10 The Review Panel notes at 4.16 of the Issues Paper:

"If funding was at the council level and based on the proportion of high flood-risk homes in the council area, the imposition of a funding obligation on councils would provide them with an incentive to mitigate their existing flood risks and to minimise the expansion of future flood risks. "

The Review Panel should be cautious about applying this rationale across all local government areas. Long-established areas such as Brisbane City have very restricted options available to them to implement new flood mitigation strategies as their floodplains are already fully developed.

4. **Flood Risk Information**

Council submits:

- 4.1 Council is aware that the Insurance Council of Australia (**ICA**), the peak insurance body, has been co-ordinating the development of flood insurance in Australia for a number of years.
- 4.2 Council has been informed by ICA that it had adopted a long term strategy to work with Federal and State Governments to accumulate flood risk data and then provide that data to its members to enable them to develop flood insurance cover.
- 4.3 ICA has advised Council that it has commissioned consultants to correlate and standardise the various flood information data sets that it has compiled.
- 4.4 Over the past 3 years, Council (as a result of the Lord Mayor's Flood Taskforce, details of which may be found at www.brisbane.qld.gov.au) has been working with ICA to provide Council's flood risk data to ICA (this process accelerated when ICA found that the data provided by the State did not fully meet its requirements).
- 4.5 Council has supplied detailed flood levels and ground level survey data to assist with the ICA's National Flood Information Database (**NFID**) project. The data was requested in October 2010 and was provided to ICA by Council in December 2010.
- 4.6 The aim was to provide information to assist the insurance market with its underwriting process in pricing flood risk and offering flood cover to policy holders. As noted by the Review Panel at 9.13 of the Issues Paper, this information was already publically available on-line and free of charge through Council's Floodwise Property

Reports (which exist for each individual property) and Flood Flag Maps (which exist for every Brisbane suburb). Examples of each are **attached**.

- 4.7 The actions of Suncorp in the Queensland market indicate that insurers are, in fact, adequately placed to price the risk associated with flood insurance.
5. Please advise if the Review Panel would like Council to expand on any of the points raised in this submission.

Yours sincerely



Colin Jensen
CHIEF EXECUTIVE OFFICER

Att.



Brisbane City Council FloodWise Property Report

Report Reference

1309335

11/05/2011 11:55:25

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The FloodWise Property Report is a free report to inform Brisbane residents and professionals about flood risks for a specified lot or property so they may better prepare for flooding and to plan and build in accordance with Council requirements. A flood level higher than those shown below can occur in any year, although such events are rare.

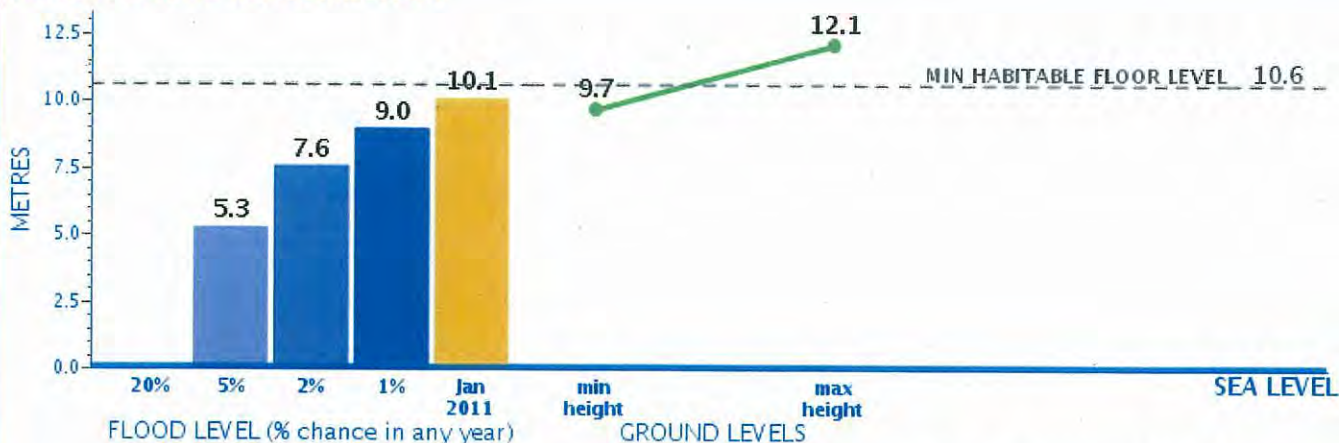
To find out more about how the contents of this report may affect your ability to build or renovate, as well as Council advice on how to protect your property and family by being FloodWise, visit www.brisbane.qld.gov.au, a Customer Service Centre or call (07) 3403 8888.

PROPERTY DETAILS:

Address: 17 COUNCIL ST FIG TREE POCKET QLD 4069

Lot Details: L.123/RP.123456

FLOOD LEVEL INFORMATION



Flood Levels

The blue bars in the graph above show the percentage chance of that level being reached or exceeded in any year. The orange bar shows the January 2011 flood level at this address or lot.

Ground Levels (Min - Max)

The line above shows this property's lowest and highest ground levels. Confirm with a surveyor.

Minimum Habitable Floor Level

The dotted line in the graph above depicts the minimum height above sea level that habitable areas of development must be constructed to, i.e. lounge, kitchen or bedroom. Council recommends you confirm existing floor levels with a surveyor.

For a detailed summary of anticipated flood levels and flags see technical summary over page.

HIGHEST SOURCE OF FLOODING

RIVER The highest source of flooding affecting this property originates from a river. For more information about flooding in your area you can view and download Council's Flood Flag Maps by visiting www.brisbane.qld.gov.au/floodmap

Technical Summary

Use this summary to supply information about this property to surveyors, builders, certifiers, architects and engineers who may request this FloodWise Property Report. This summary has been designed to be easily read if scanned or faxed.

Property Details

Address: 17 COUNCIL ST FIG TREE POCKET QLD 4069

Lot Details: L.123/RP.123456

Flooding Information

Estimated Peak Flooding Levels

Minimum Ground Level (AHD)	2.5 m	ARI (Years)	% chance	Level (AHD)	Source
Maximum Ground Level (AHD)	20.4 m	5	20%	N/A	
Interim Residential Flood Level (IRFL)	9.5 m	20	5%	4.9 m	RIVER
Interim Residential Flood Level Source	RIVER	50	2%	7.1 m	RIVER
Minimum Habitable Floor Level (AHD)	N/A	100 or DFL	1%	8.6 m	RIVER
		January 2011		9.5 m	RIVER

Flooding may also occur from:

OVERLAND FLOW

Flood and Property Development Flags

Overland Flow Path

Mapping indicates this property is in an overland flow path. Overland flow is the excess run-off during high rainfall events that travels overland following low-lying, natural drainage paths. Such flooding commonly occurs when underground drainage exceeds capacity. It is recommended you consult a Registered Professional Engineer of Queensland to determine this property's habitable floor level and flooding depth.

Waterway Corridor

This property is located within a waterway corridor. A waterway corridor is a defined area along waterways (including rivers, creeks or creek tributaries), designed to protect water flow, water quality, biodiversity and recreation values. The potential to build or extend a home situated within a waterway corridor is restricted. For further information, contact the Development Assessment Customer Liaison Officer on (07) 3403 8888.

Large Allotment

This property is a Large Allotment of over 1000 square metres. Flood levels may vary significantly across allotments of this size. Further investigations may be warranted in determining the variation in flood levels and the minimum habitable floor level across this site. For more information or advice, it is recommended you engage a Registered Professional Engineer of Queensland.

Disclaimer

- 1 Defined Flood Levels and Interim Residential Flood Levels, and the Minimum Habitable Floor Levels based on them, are determined from the information available to Council at the date of issue. These flood levels, for a particular property, may change if more detailed information becomes available or changes are made in the method of calculating flood levels.
- 2 Council makes no warranty or representation regarding the accuracy or completeness of a FloodWise Property Report. Council disclaims any responsibility or liability in relation to the use or reliance by any person on a FloodWise Property Report.

Useful Definitions

Australian Height Datum (AHD) – The reference level for defining ground levels in Australia. The level of 0.0m AHD is approximately mean sea level.

Average Recurrence Interval (ARI) or % Chance – The probability of experiencing a flood of a particular magnitude. ARI can be interpreted in terms of years (frequency). ARI levels quoted in this report are measured in height above sea level (AHD). ARI can also be described as the percentage chance that a location will flood in any one year. For example, a 5 year ARI flood event corresponds to a 20% likelihood of a flood of this magnitude or greater occurring in any one year.

Defined Flood Level (DFL) – The flood level associated with a defined flood event. Commonly, the standard used is the 100 year ARI. For further information refer to the House Code in Brisbane City Plan 2000, specifically Table 1: House Flood Immunity Levels for residential property.

Maximum and Minimum Ground Level – Highest and lowest ground levels on the property based on available ground level information. A Registered Surveyor can confirm exact ground levels.

Minimum Habitable Floor Level – The minimum level above sea level at which habitable areas of development (generally including bedrooms, living rooms, kitchen, study, family and rumpus rooms) must be constructed.

City Plan 2000 – City Plan 2000 sets out what you can build and where new development should go. Council assesses proposed new development against the City Plan 2000.

Interim Residential Flood Level (IRFL) – The flooding standard adopted by Council following the January 2011 flood event to be applied to new residential development.

Find Out More

Whether you are building, buying, renting or preparing your property for flooding, obtaining a FloodWise Property Report is the first step in determining your property's flood risk. Council's 'Be FloodWise' series of publications can assist you to plan ahead, respond to and recover from flooding. They are available online at: <http://www.brisbane.qld.gov.au/floodwise> or by phoning Brisbane City Council on (07) 3403 8888.

The 'Be FloodWise' publications include:

Preparing for Flooding

Assess your flood risk, prepare for and respond to, flood events.

Be FloodWise - A guide for residents

Buying / Renting

Assess the flood risk of a property before making a decision to rent or buy.

Buying and renting fact sheet

Building or Renovating

Renovations around your home or business can impact on your flooding exposure. Ensure your house meets City Plan 2000 flood immunity

Building and renovating fact sheet

If you are planning to renovate or build, Council recommends you engage a Registered Professional Engineer of Queensland to undertake a thorough assessment of all flood risks specific to the property.



Get a Free Flood Flag Map

Find out more about predicted flooding in your suburb or area by downloading a free Flood Flag Map. The map shows overland flow paths and where flooding may occur from creeks, rivers and storm tides on a suburb scale.

For more information visit www.brisbane.qld.gov.au/floodmap or visit a Council Customer Service Centre



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Brisbane City Council
 City of Brisbane
 Brisbane QLD 4001
 For more information, visit www.brisbanecity.qld.gov.au
 or call (07) 3403 8888



Parks

Waterways (including rivers and creeks)

Creek, River or Tidal Flooding (Shading indicates areas where creek, river or tidal flooding may occur).

Overland Flow Path (Shading indicates areas where overland flow paths may occur).

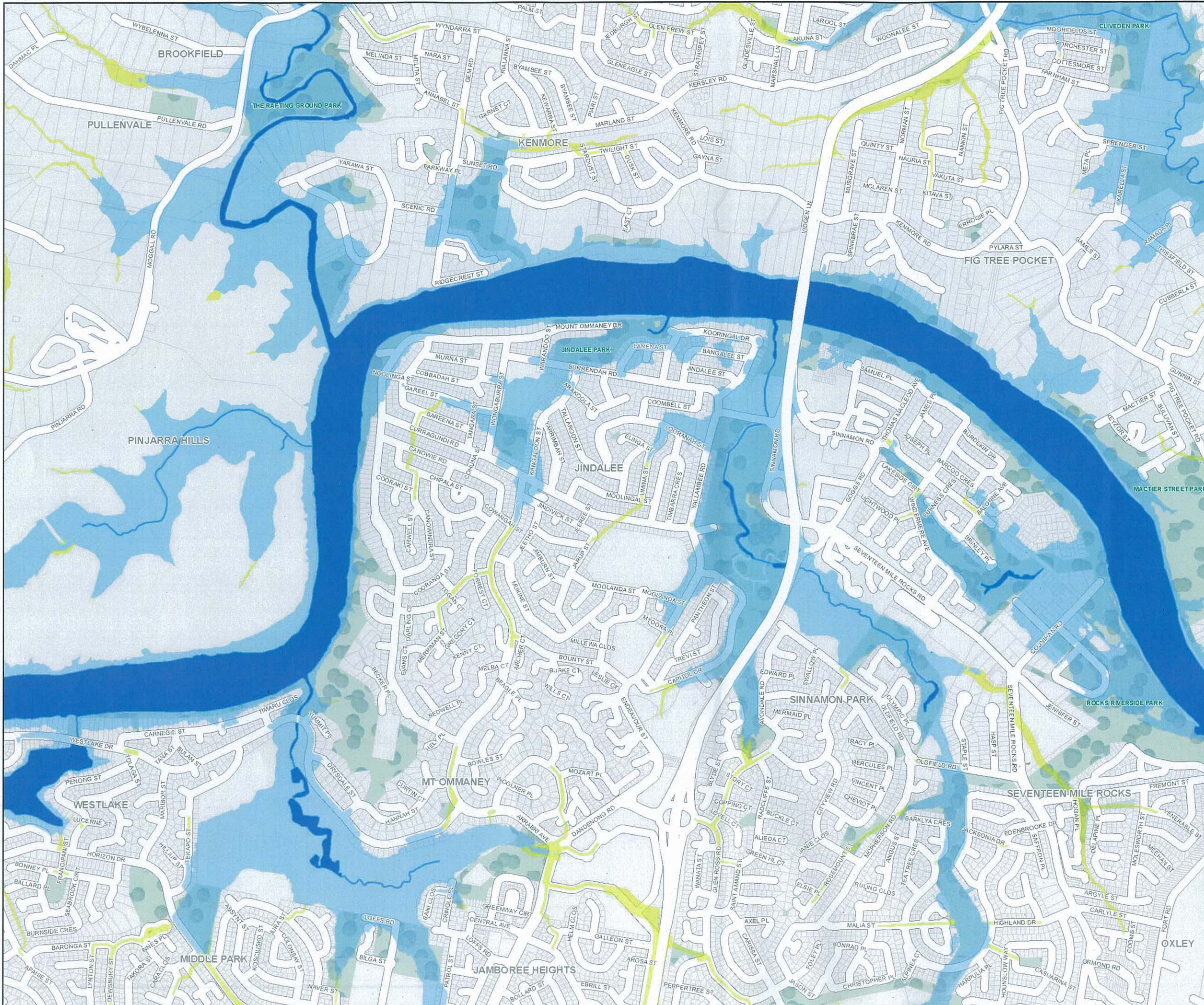
If your property is within the shaded areas, you can get further information from the Flood Flag User Guide. You can also access a Flood Fact Sheet at www.brisbanecity.qld.gov.au/floodmap or call the Contact Centre on (07) 3403 8888







Publisher: Spatial Information Services
Publication Date: 02-October-2009
Reference: BM079396
Projection: Map Grid of Australia, Zone 56
Horizontal Datum: Geocentric Datum of Australia 1984

FLOOD FLAG MAP
WEST END

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-  Parks
-  Waterways
(Including rivers and creeks)
-  Creek, River or Tidal Flooding
(Shading indicates areas where creek, river or tidal flooding may occur).
-  Overland Flow Path
(Shading indicates areas where overland flow paths may occur).

If your property is within the shaded areas, you can get further information from the Flood Flag User Guide.

You can also access a Flood Fact Sheet that explains overland flow paths and other sources of flooding from www.brisbane.qld.gov.au/floodmap or call the Contact Centre on (07) 3403 8888

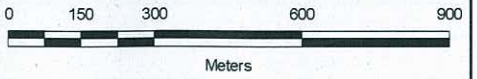
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 For more information
 visit www.brisbane.qld.gov.au
 or call (07) 3403 8888



Publisher: Spatial Information Services
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 Projection: Map Grid of Australia, Zone 56
 Horizontal Datum: Geocentric Datum of Australia 1994



FLOOD FLAG MAP

JINDALEE

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