

## **Queensland Floods Commission of Inquiry**

### **Submission Term of Reference 2(a) 11 March 2011**

## Background

### About the Insurance Council

- 1 The Insurance Council of Australia (**Insurance Council**) is the representative body of the general insurance industry in Australia.
- 2 Its members represent more than 90 percent of total premium income written by private sector general insurers. Insurance Council members, both insurers and reinsurers, are a significant part of the Australian financial services system.
- 3 Insurance Council members provide insurance products ranging from those usually purchased by individuals (such as home and contents insurance, travel insurance, motor vehicle insurance) to those purchased by small businesses and larger organisations (such as product and public liability insurance, commercial property, and directors and officers insurance).

### 10 Point Plan

- 4 On 27 January 2011, the Insurance Council released its 10 Point Plan to tackle disasters<sup>1</sup>.
- 5 The 10 Point Plan advocates government policy and industry initiatives aimed at developing a more effective and sustainable response to disasters in Australia, including the following:

**Provision of adequate flood data:** Agreement from Government to establish an open source nationally consistent and contemporary digital terrain model, to allow the accurate mapping of flood risks nationwide and communication of those risks by government to property owners.

## Submission

- 6 In response to Term of Reference 2(a), the Insurance Council submits that:
  - 6.1 A single body, with appropriate powers and responsibilities should assume a national responsibility for the collection, maintenance and publication of flood information.
  - 6.2 The Bureau of Meteorology (**BoM**) should be delegated with responsibility for, and appropriate powers in connection with, the collection, maintenance and publication of national, open source, flood information.
  - 6.3 This should be achieved by an amendment to part 7 of the *Water Act 2007 (Cth)* to:
    - 6.3.1 allow or confirm that the BoM has the power to collect existing flood data and other flood information. This will include the power to collect this information from state and local governments.
    - 6.3.2 require the BoM to:
      - (a) maintain and update this flood information to ensure it remains accurate and up to date; and
      - (b) publish this flood information to the public at no cost.

- 6.4 Parallel to this legislative change, a flood information taskforce should be established to assist the BoM, in an initial implementation period, to examine what improvements can be made in Australia regarding flood information.

## Support for the submission

### Need for open source flood mapping

- 7 The 2010/2011 floods in Queensland (and the later flood events in Victoria) devastated many families, individuals and businesses.
- 8 A critical part of being prepared for the next flood is the capacity to:
- 8.1 understand clearly the land zones (in particular, population zones) that are most likely to be impacted by flood events;
  - 8.2 predict the occurrence and magnitude of flood events; and
  - 8.3 deliver appropriate warnings to communities that will be impacted.
- 9 Similarly, critical factors for the insurance industry in offering affordable flood insurance are:
- 9.1 the ability to predict the likely impact (occurrence and severity) of flood events on particular properties and infrastructure; and
  - 9.2 the minimisation of the impact of flood events on properties and infrastructure.
- 10 From the above, it can be seen that government, the community and the insurance industry have a shared interest in ensuring that everything that can be known about flooding, is known by all of those involved in its risk management.
- 11 Publically available flood mapping and other flood impact information is crucial to community understanding and risk management of flood risks and the contribution of the insurance industry to the risk management of flood events.

### National Resilience Strategy

- 12 On 13 February 2011, the Council of Australian Governments (**COAG**) adopted the National Strategy for Disaster Resilience<sup>2</sup>.
- 13 Better risk management for the community is central within this strategy. The strategy recognises that the collection and access to relevant information and data is a crucial plank in successful community risk management of disaster events.
- 14 On page 7, the strategy paper states that:
- Underpinning a disaster resilient community is knowledge and understanding of local disaster risks. We all share responsibility to understand these risks, and how they might affect us. By understanding the nature and extent of risks, we can seek to control their impacts, and inform the way we prepare for and recover from them.
- 15 One of the priority outcomes of the strategy is identified<sup>3</sup> as:
- Organisations, individuals and governments routinely share information and maps on risks, for the benefit of the community.

- 16 In order to achieve the requisite understanding of disaster risks, in particular the risks posed by flood, a single national body should coordinate the collection and publication of information and maps on risk. This will:
- 16.1 avoid overlapping roles and responsibilities at local, state and national level, while not detracting from the ability of a local or state government to collect this information;
  - 16.2 enhance accountability of the collection agency; and
  - 16.3 streamline access to information for the community.

### Role of the BoM

- 17 The BoM is Australia's national weather, climate and water agency.
- 18 Its expertise and services include the provisions of regular weather, climate and water forecasts, warnings and monitoring for the Australian region and Antarctic territory. As many know, much of this information is publically available on the BoM website<sup>4</sup>.
- 19 The BoM operates under the *Meteorology Act 1955 (Cth)* (**Meteorology Act**) and the *Water Act 2007 (Cth)* (**Water Act**).
- 20 On 1 July 2002, the BoM became an Executive Agency under the *Public Service Act 1999 (Cth)*, and, on 12 September 2002, it became a prescribed agency under the *Financial Management and Accountability Act 1997 (Cth)*.
- 21 Under the Public Service Act, the Director of Meteorology has the powers and responsibilities of an agency head, and under current administrative arrangements reports to the Minister for Sustainability, Environment, Water, Population and Communities<sup>5</sup>.
- 22 The BoM is responsible for, among other things:
- 22.1 under the *Meteorology Act*, issue of warnings of gales, storms and other weather conditions likely to endanger life or property, including weather conditions likely to give rise to floods or bush fires, the supply of meteorological information, the publication of meteorological reports and bulletins and the promotion of the use of meteorological information<sup>6</sup>; and
  - 22.2 under the *Water Act*, collecting, holding, managing, interpreting and disseminating Australia's water information and providing regular reports on the status of Australia's water<sup>7</sup>.
- 23 In accordance with these responsibilities, the BoM currently provides the following services:
- 23.1 forecasting and issuing weather warnings, including flood warnings; and
  - 23.2 monitoring, assessing and forecasting the availability, condition and use of water. This includes seasonal stream flow, water storage and flood forecasting<sup>8</sup>.
- 24 Part 7 of the Water Act provides the BoM with the power to collect<sup>9</sup> and report<sup>10</sup> on certain 'water information'<sup>11</sup>.

- 25 Given the scope of the current roles and responsibilities of the BoM, and its status as a Commonwealth executive agency, the BoM is the entity most appropriate to assume the overall responsibility for flood information.
- 26 To extend the BoM's current roles and responsibilities to include overall responsibility for flood information, part 7 of the Water Act will need to be amended to:
- 26.1 allow or confirm that the BoM has the power to collect existing flood data and other flood information. This will include the power to collect this information from state and local governments.
- 26.2 require the BoM to:
- 26.2.1 maintain and update this flood information to ensure it remains accurate and up to date; and
- 26.2.2 publish this flood information to the public at no cost.
- 27 To assist in expanding the BoM's flood information responsibilities and capabilities further funding of the BoM by the Australian Government will be required.
- 28 This funding should be used, during the first year of operation, to establish enhanced flood information capability, gather all of the required flood information and, at the end of the first year of operation, make further recommendations on improvements to information relevant to flood.
- 29 Once the required legislative changes have been enacted, it is submitted that the BoM should be assisted by a flood information taskforce that will examine what improvements can be made in Australia regarding flood information.

END

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<sup>1</sup> See

<http://www.insurancecouncil.com.au/Portals/24/Media%20Centre/2011%20Media%20Releases/ICA%20Release%20-%20Ten%20Point%20Plan%2027th.pdf>

<sup>2</sup> See [http://www.coag.gov.au/coag\\_meeting\\_outcomes/2011-02-13/index.cfm?CFID=395347&CFTOKEN=20654049](http://www.coag.gov.au/coag_meeting_outcomes/2011-02-13/index.cfm?CFID=395347&CFTOKEN=20654049)

<sup>3</sup> On page 8 of the National Strategy for Disaster Resilience

<sup>4</sup> See <http://www.bom.gov.au>

<sup>5</sup> See <http://www.bom.gov.au/inside/index.shtml>

<sup>6</sup> Section 6 of the *Meteorology Act 1955 (Cth)*

<sup>7</sup> Section 12 of the *Water Act 2007 (Cth)*

<sup>8</sup> See <http://www.bom.gov.au/water>

<sup>9</sup> Section 126 of the *Water Act 2007 (Cth)*

<sup>10</sup> Section 123 of the *Water Act 2007 (Cth)*

<sup>11</sup> Section 125 of the *Water Act 2007 (Cth)*