

Robert & Melinda Clements
█ Long St East
Graceville, Queensland
March 10, 2011

QUEENSLAND FLOODS COMMISSION OF INQUIRY: SUBMISSION

Summary

The purpose of this submission is to provide a detailed overview of flood information, mitigation, recovery and planning relating to our property located at █ Long Street East, Graceville, Queensland (referred to as our property in this submission). Issues Identified:

1. Flood information disclosure & advice in relation to property purchase
2. Flood level reports and warnings from Brisbane City Council
3. Insurance claim management.
4. Land planning for property and surrounding properties by Brisbane City Council.

It will be established through this submission that:

- Information pertaining to flooding of our property was inadequate and misleading;
- Warnings were inadequate and didn't allow enough time to respond to changing flood conditions
- Time and process of insurance claim management has been grossly inadequate
- Land planning for our property and surrounding properties has increased flooding risk and created irreversible drainage issues to our property
- Re-building a residence on our property with a habitable floor level above flood peak levels is impractical and will have a negative impact on the street scape.

Through this submission we hope to raise awareness of the failure of Brisbane City Council (BCC) and Governments to protect the homes and contents of their residents. We also hope this submission generates change to policies, practices and processes of councils, governments and private corporations relating to home ownership in Queensland.

1. Flood information disclosure & advice in relation to property purchase

Our property was purchased on 8/3/2005 through a well known local real estate agent in Graceville. We inspected the home on two occasions before signing an in principal agreement that was subject to a building inspection. On both inspections of the property I had specifically asked the real estate agent about flooding risks at the property and I clearly recall a conversation regarding the 1974 flood impact on the house.

We were standing underneath the house when I asked him directly whether the house had flooded in 1974, the agent responded by pointing to mud marks on the house stumps which were approximately one foot below the floor boards and said that this was the height of the floods in 1974. Being a first home buyer I relied on the advice of the agent, he was an experienced realtor having lived in the area his entire life.

However we believed it was important to have this advice supported with a formal building inspection by a qualified person, independent of the property sale process. We engaged the services of a Building Inspection firm recommended to us by the real estate agent.

The building inspection was completed on 25/1/2005. I attended the entire inspection and specifically requested the inspector to look for evidence of flooding in the house. The inspector advised me that there was no evidence that he could see of mud or water marks higher than those indicated on the house stumps, the same marks that the real estate agent had identified to me earlier. I again asked the inspector about the 1974 flood and referenced the agents advice, he stated verbally and later in writing that “the floor timbers under the home showed marks of having been submerged during a flood, possibly 1974”, and also “flood marking to floor frame timbers” as also documented in the building inspection report.

It was clear to us that based on the advice of both the Realtor and a formal building inspection there was no evidence that the living areas of house had been completely inundated in the past. As first home buyers with no experience in matters of property flood risk assessment, we believed we had completed adequate due diligence on this risk and with no Floodwise Reports available from Brisbane City Council at that time we weren't aware of any other method of verifying the flood history of our property.

Since the January 2011 flood we have spoken to a number of long term residents of Long St East who have informed us that our house did in fact completely submerge in 1974, each resident indicated that the flooding was to the roof of the house. In fact I spoke with a previous owner who lived at our property during 1974, he also confirmed the flood level and even told me that a dead cow had floated onto the roof during the event. Whilst these comments are anecdotal, it does leave doubt that the house remained flood free during the 1974 flood.

Throughout our pre and post inspections of the property and in both verbal and written communication at no stage was the issue of flood risk to our house ever identified, despite numerous requests for confirmation of such risk. It was on that basis that we felt assured in purchasing the property.

Our experience demonstrates that at the time there was not enough accurate or adequate information on flood history to the property to safe guard the home buyer. It also strongly suggests

that parties in the sale process mislead and provided faulty information regarding flood risk history at our property.

2. Flood level reports and warnings from Brisbane City Council

A lack of accurate or timely information leading up to the 12th of January 2011 flood peak of the Brisbane river resulted in the loss of entire home contents.

As previously documented at the time of purchase there was no formal flood reports from BCC or other government bodies in helping us determine the flood risk to the home. We utilised advice from both the Realtor and Building Inspector in validating the flood history and damage to the house.

The BCC now provides Floodwise Reports for individual properties. (See Appendix A). The report for our property states the maximum, one in one hundred year height at 8 metres above sea level. The height dimensions of our property are 5 metres at the lowest point and 7.4 metres at the highest point. Therefore the safest habitable height on the property is required to be 8.5 metres above sea level.

The habitable floor level of our property meets these requirements, however if we had have understood the level of potential flood risk to the property we could have taken more extensive preventative measures.

Throughout the flood event no one was present at the property.

On Sunday the 8th of January I spoke with the BCC about the current flood event and was advised that there was no specific detail about the expected level of the Brisbane river as yet. The consultant indicated that BCC was still assessing the situation and recommended that I ring back again the following day and to also register for flood alert emails via the BCC website.

On Tuesday the 11th of January I again spoke with the BCC throughout the day and evening about the current flood event and received specific advice for our property that at high tide time of Wednesday 12th of January at approximately 4am the Brisbane river would peak at around 6.6 metres above sea level. Given the floodwise report and the BCC advice I felt assured our house would be safe from inundation.

On Wednesday the 12th of January I continued to speak with BCC throughout the day with no change to the advice of a 6.6 metre tide peak. At approximately 12am I again spoke with the BCC about the current flood event and expected river height at high tide. This time the advice had been radically revised to an expected height of 11.6 metres above sea level, some 5 metres above the level advised only hours before.

This information left us with less than 4 hours to remove all contents before the home was to be completely inundated. As the property had already badly flooded we were unable to secure removalist services, consequently the entire contents of the home were destroyed.

Throughout the event we received no alerts from BCC via their SMS emergency flood alert or email service despite being signed on for this service.

Whilst in hindsight we should've reacted sooner to vacate the house of its contents, we relied on the advice we received from BCC, advice which was absent at the time of purchasing the property and that was too late in arriving for us to prepare for the January 12th flood event.

3. Insurance claim management

The customer engagement and communication, along with the process management and timing of the flood claim via our Insurance company has been nothing short of a complete disgrace.

When we purchased the property via our chosen bank we took advantage of their home and contents insurance as part of the home loan package. We felt confident that the bank had offered us an adequate level of insurance coverage for our particular property.

Over the period of our home ownership we maintained our premiums and demonstrated nothing but loyal custom to our insurance company and the bank.

After the flood event we promptly contacted the bank who directed us to our insurer and subsequently we made a claim on the lost contents and home damage. We were told that the insurer had outsourced the assessment stage of the claim to professional assessor and a firm of Hydrologists, and that we were to expect significant delays due to the number of claims expected. They then provided a number for the assessors and were told to liaise with them regarding the assessment stage of the claim.

The assessment stage went relatively smoothly, the assessor completed the assessment on 14/1/2011. I was present for the assessment which was less than 20 minutes in duration and I was advised by the assessor that he was merely there to complete the relevant forms and document the event. He advised that a number of hydrologists were working on behalf of the major insurance firms, including our insurance firm, and that the timeframes for their report and recommendations were unknown. However he did advise me that he expected the entire process to take about 28 days from the day of assessment, making a possible resolution date of 14/2/2011.

A period of weeks passed with no communication from the assessor. After numerous follow ups, the assessor contacted us on 12/2/2011 and advised that he had only just submitted the paperwork of our claim to our insurer. He was unaware how long the process would take for the insurer to conclude their investigation or whether the hydrologist report had yet been carried out or even received by the insurer.

Another period of 2 weeks lapsed with no word from the assessor or the insurer until 22/2/2011 when the assessor requested further information regarding the contents of the house. After this date we then received no further communication from the assessor.

At no stage throughout the entire claim process did we receive a call or written communication from the insurer. The complete lack of care and compassion for its customers astounded us. The only time we received any communication from them was via mail to notify us that our claim had been rejected. On numerous occasions our calls with the insurer left us bewildered and frustrated at the lack of knowledge and responsiveness of their staff.

From the date we submitted a claim to the insurer to the date of written communication of an outcome totaled more than 11 weeks. We believe this timeframe was far too long for such a serious claim. Given the tenant was left homeless and without any belongings or means of carrying on a

basic lifestyle, the lack of expediency typifies the lack of care or concern the insurer has for its policy holders.

Our experience demonstrates the need for greater coordination between banks and insurance companies in relation to policy coverage and property. It also clearly highlights the failure of the bank to adequately advise their mortgage customers on insurance products they provide. It is our view that either a separation of banks and insurance providers is required or an additional assessment step be introduced before home purchase that provides adequate advice and a safe guard to mortgage holders.

4. Land planning for property and surrounding properties by Brisbane City Council.

In 1997 the BCC authorized the development of a townhouse estate on Long St East, now known as Graceville Park Townhouses comprising of approximately 90 townhouses which borders our property at the rear and on one side. The resultant change to the landscape dramatically altered our property and exacerbated the potential for a flood event. The lack of foresight of future flood risk to our property as a result of this construction demonstrates a failure of land planning by the BCC.

Our house sits on a natural decline of the land along Long St East and settles at a natural waterway (see Appendix B). As can be seen from the 1974 flood map I recently discovered, the water levels of this waterway extend up Long St East and covers the majority of the Townhouse complex area as its located today. Although there is no specific lot definition on the map its clear that the 1974 flood covered our property.

The 1974 flood report and the January flood event demonstrates that the area that is now occupied by Graceville Park Townhouses was constructed around a natural waterway which traverses the property which exacerbated the flood impact to ours and surrounding properties.

Given this information was produced in 1975 and assumedly available to the BCC it bemuses me as to why they would approve a Townhouse complex to be built traversing a natural waterway and across an area that has clearly flooded previously.

Our understanding after speaking directly to the Property Manager at Graceville Park is that 60 of the 90 Townhouses at Graceville Park Units were completely inundated both downstairs and upstairs.

Furthermore it defies reasonable logic that the BCC would permit our property to be built-in as it has with limited drainage facilities knowing the history of flood and that the dramatic change in the land fill on the Graceville Park development site may have simply transferred the flood risk to ours and surrounding properties.

Recently, we requested to participate in the BCC property buy back scheme as we believe it is both impractical and impossible to alter our property in a way that will render the house free of future flood inundation.

Based on the height of flooding on our property at the peak of the flood the habitable level of our house would need to be 13.1 metres above sea level or 4.6 metres above the current habitable level. A house at this height would require a great number of stairs to access and would lead to the street frontage of the house to look visually unappealing. Furthermore the entire area under the house at this height would be uninhabitable and unutilized.

Furthermore, we have been advised by the BCC that we are not permitted to raise the height of the land via land fill in order to reduce the height of the habitable level of the house and therefore reduce the gradient of the land in order to improve drainage and reduce the impact of future flood events.

Our experience also brings into question the quality of town planning and decision making by the BCC regarding the impact to our property. It is our belief that the BCC was neglectful in duty of

care to the owners of our property at the time and ourselves as the most recent owners by allowing this construction and change to the natural landscape.

Conclusion and Recommendations

Our experience of home purchasing and ownership in Brisbane has been disappointing and reveals a genuine failure of Council and Government responsibility for the care and well being of its residents and home owners.

The major issues identified in this submission were:

- Information pertaining to flooding of our property was inadequate and misleading;
- Warnings were inadequate and didn't allow enough time to respond to changing flood conditions
- Time and process of insurance claim management has been grossly inadequate
- Land planning for our property and surrounding properties has increased flooding risk and created irreversible drainage issues to our property
- Re-building a residence on our property with a habitable floor level above flood peak levels is both impractical and will have a visually negative impact on the street scape.

From the information provided in this submission we make the following recommendations:

Policy:

- Policies in relation to the sale of properties need to contain provision for disclosure of flood history in the pre-purchase inspection requirements.
- Council policy to require prospective home buyers to complete a Council prepared pre-purchase checklist template that includes amongst other items an assessment of flood risk to the property.
- If information is not immediately available regarding the flood event history and impact on the property that the purchase agreement include a clause that subjects the purchase to adequate assessment of this risk.
- Home insurance policies provide a consistent definition of the term "flood".
- Insurance companies be required to complete and outline the extent of policy coverage on each specific property in a clear and simple report format.
- The BCC be required to issue annual Floodwise reports to home owners outlining the latest advice in relation to flood risk at the property.

Process:

- Real Estate agents are required to provide a full disclosure of flood event impact on the property prior to home buyers signing any purchase agreements.
- Insurance companies to be required to provide outcomes to serious claims within a period of no longer than 30 days from claim submission.
- Notification of flood event impacts to individual properties needs to be far more efficient and effective. The use of multiple channels of communication including SMS, phone calls and email should be implemented to alert residents of impending disasters.
- The timing of notification needs to be reviewed along with ways to improve the speed and accuracy of flood event risk to individual properties.

Practices:

- Banks and other institutions that offer home and contents insurance to their prospective mortgage customers ensure the insurance policy has adequate coverage for the flood risk associated with the property.
- To remove the risk of collusion between Realtors and third party providers of services relating to the pre-purchase assessment of the property, such as surveyors, building inspectors and engineers.
- A list of suitably qualified experts needs to be established and made easily accessible for potential home buyers to gain the right advice on flood risk to their prospective property. The body administering this list needs to ensure the experts are reputable and qualified.
- Publications to be created by the BCC and made accessible to potential home buyers on the types of pre-purchase checks required, the type of expert who can provide this assessment and how to access them.
- Insurance companies be required to designate a “case officer” at the point of claim lodgment acknowledgment and that this person be a single, consistent point of contact for customers throughout the claim process.

Our Property:

- A separate assessment by an independent and qualified expert is required to assess the current flood risk to the property.
- This assessment should include observations on landscape changes due to the Townhouse estate construction and its impact on our property.
- This assessment should also include observations on future flood risk to our property as well as recommendations on the future viability of residential dwellings remaining at our property.
- Based on this assessments outcomes, the BCC and State Government provide financial compensation to ourselves in recovering the loss to our home and contents as well as deterioration of our properties value.

- Based on this assessments outcomes, the BCC and State Government provide financial assistance to ourselves in implementing the recommendations specifically relating to changes to the land and/or height of the house to minimize future flood risk.

Appendix A:



Brisbane City Council
FloodWise Property Report

Report Reference
1355333
 29/01/2011 15:20:48

Dedicated to a better Brisbane

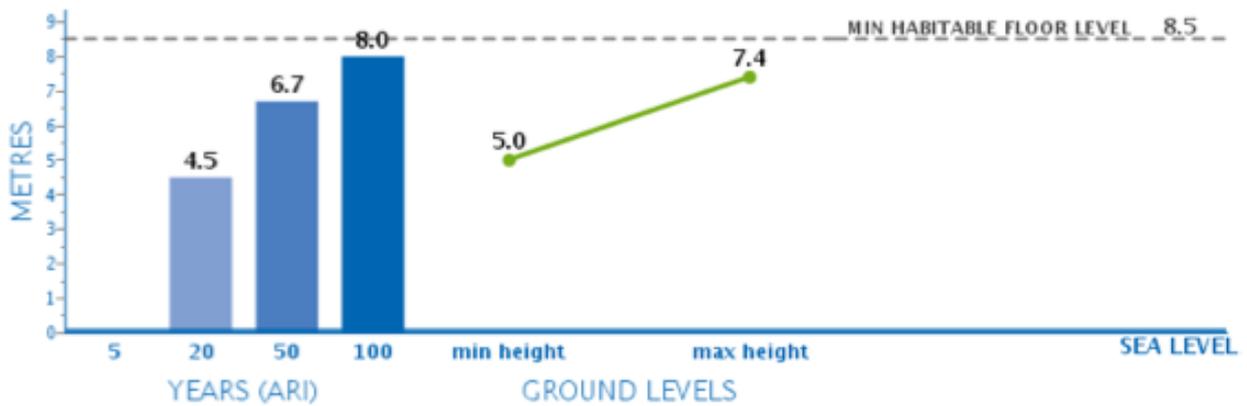
The FloodWise Property Report is a free report to inform Brisbane residents and professionals about flood risks for a specified lot or property so they may better prepare for flooding and to plan and build in accordance with Council requirements.

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: ██████████ LONG ST E GRACEVILLE QLD 4075
Lot Details: ██████████

FLOOD LEVEL INFORMATION



Flood Levels

The blue bars in the graph above show the height of flooding estimated to occur on average once every 5, 20, 50 and 100 years 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

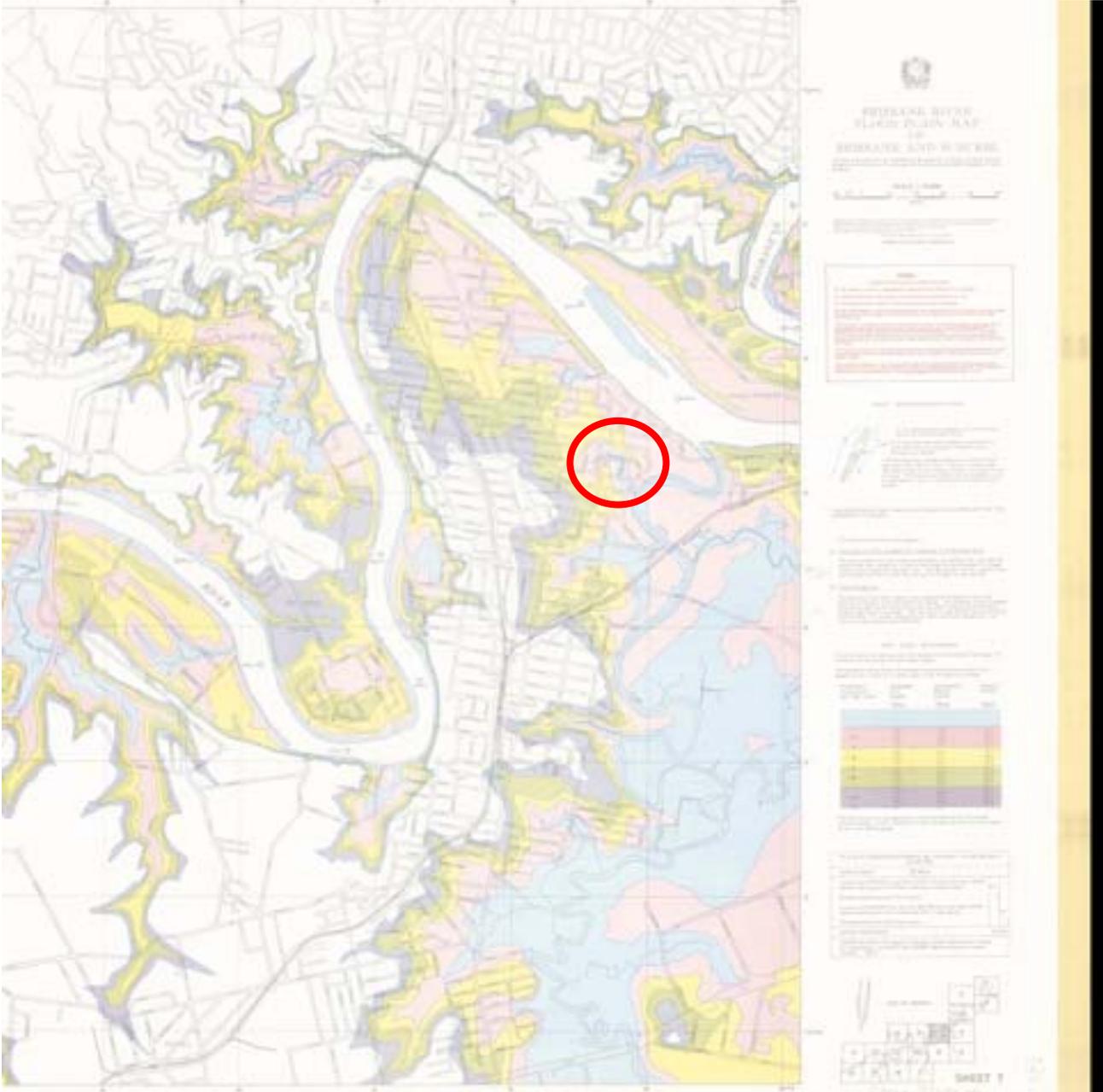
The dotted line in the graph above depicts the minimum height above sea level that habitable areas of development must be constructed to, i.e. lounge, kitchen or bedroom.



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

Source - Brisbane City Council, Floodwise Property Report, 29.01.11, Ref#1355333.

Appendix B:



Source - National Library of Australia, Digital Maps Collections, 1974, <http://nla.gov.au/nla.map-vn1550980>