

City of Charles Sturt
Submission to the
Australian Government Productivity Commission Inquiry into
Natural Disaster Funding Arrangements
3 June 2014

The City of Charles Sturt welcomes the opportunity to provide a submission to the Productivity Commission's inquiry into Natural Disaster Funding Arrangements.

The City of Charles Sturt is a Local Government body in the State of South Australia that directly provides quality service and leadership to, and advocates on behalf of the community and therefore the outcomes of this Inquiry are regarded of great importance by the City of Charles Sturt. The City of Charles Sturt is a member of the Local Government Association.

About the City of Charles Sturt

Community

The City of Charles Sturt has a community with over 108,000 residents from over 100 different cultures. Over 12% of the population requires help in their day to day lives and this may be linked to the significant growth of the elderly demographic in the community which has had an increase of over 59.7% over the last ten years.

Over 29% of dwellings are medium or high density and this is set to increase over time with forecast growth in population of over 40% in the next 30 years. With regard to household income, the Socio-Economic Indexes for Areas analysis details that the City of Charles Sturt community is more disadvantaged than that of the national average.

People choose to live in the City of Charles Sturt area because of the 12km of coast, the Queen Elizabeth Hospital, the locality to the River Torrens Linear Park, various sporting and entertainment facilities, the central business district, the port, the airport and shopping facilities.

Submission

In accordance with the Inquiry Terms of Reference, this submission relates to the following dot points under the Scope of Inquiry:

1. The sustainability and effectiveness current arrangements for funding natural disaster mitigation...

Waterproofing the West

Port Road is an important major road in the area as is used by emergency services, tourism, transient workers and regular general community use. The Port Road Stormwater Catchment area is subject to flash flood risks and recognised by the Bureau of Meteorology as having a performance capacity of less than 1 year Average Recurrence Interval.

In February 2010, Council was successful in obtaining funding from the Commonwealth and State governments to carry out the Water Proofing the West - Stage One project. While the project focused on water re-use, another outcome of this project is to enable better management of floods with a particular focus on the lower end of the catchment in Stage 1. This is part of an overall scheme for the area that will reduce flood risk in the Port Road Catchment area with flood risk being a major issue for the city.

In addition to water harvesting benefits, the three levels of government considered a range of benefits associated with the project that are not directly related to the flood mitigation effects of the project. Three examples include:

- Community value of access to outdoor recreational infrastructure. Healthy lifestyles are promoted by open space in communities, and healthy lifestyles deliver social and economic benefits in terms of reduced health care costs, improved work productivity etc.
- Biodiversity and amenity value of stormwater drain improvements- part of the project involves improving (greening and vegetation) where a current concrete culvert acts as a stormwater drain. If 100 houses were to benefit for example with say a 10% increase in value and an underlying value of \$300,000- this would create \$3 million in capital value.
- More than 20 schools have already indicated they intend using the wetlands for educational and technical trade skills learning.

The City of Charles Sturt continues to acknowledge Commonwealth and State support throughout the delivery of this project. It demonstrates the partnership between local, South Australian and Australian Governments and joint commitment to government role as per the National Strategy for Disaster Resilience.

The City of Charles Sturt does have some concerns that funding for future stages of this project and/or other projects with such significant benefits may not be available in future. If not, due to limited resources available and other key priorities, it will mean that future stages of the Waterproofing the West project remain incomplete and that other identified flood risks in the City of Charles Sturt built environment remain managed at an intolerable level.

Western Adelaide Zone Emergency Management Plan

Zone Emergency Management Committees have been established in accordance with the State Emergency Management Plan. The City of Charles Sturt along with the City of West Torrens and part of the City of Port Adelaide Enfield represent the Western Adelaide Zone. Accordingly, the City of Charles Sturt contributes the Chair and a Member to the Western Adelaide Zone Emergency Management Committee (WA ZEMC).

In accordance with Annexure to the State Emergency Management Plan, the WA ZEMC is responsible for the oversight of emergency planning and coordinating activities that prevent emergencies arising or minimise the impact of emergencies on the Western Adelaide Zone community.

The WA ZEMC has identified hazards to which the Western Adelaide Zone is exposed. In summary, it has been identified the Redbanks fault line runs north-south parallel to the Port River, making the area susceptible to the possibility of earthquakes. Due to the proximity of rivers and creeks within the zone and tidal activity and storm surge on the coast line the zone is vulnerable to flooding. Certain soil types within the zone, especially in the West Lakes area, indicate that the area is vulnerable to liquefaction in the event of an earthquake. The large industry presence in the Zone and the presence of major underground pipe lines ensure that there is a vulnerability to the release of hazardous materials. The Zone is also subject to extreme weather, plant and animal disease, urban fire and human disease.

SAFECOM has been driving development of Zone Emergency Management Plans across South Australia. As a result of the preparation of the Western Adelaide Zone Emergency Management Plan (WA ZEMP) there will be identified intolerable risks and recommended implementation of controls. Responsibility for these implementing these controls may be allocated to various parties.

The project has been a success with various parties coming together to better understand the natural hazards facing the Western Adelaide Zone. However, City of Charles Sturt is concerned that SAFECOM's dedicated support to various stakeholders will cease and actions arising out of the Plan will not be overseen by a central body. Any value from the preparation of such comprehensive Zone Emergency Management Plans may therefore be reduced and/or lost.

Further, as controls are being identified for preparation, prevention, response and recovery in line with the National Emergency Risk Assessment Guidelines, the City of Charles Sturt is concerned any actions allocated to it will not be able to be managed within a timely manner and in line with available resources unless further collaboration with Commonwealth and State Governments occurs.

2. Risk management measures available to and being taken by asset owners – including the purchase of insurance by ... local government as well as self-insurance options.

Council Insurance

The City of Charles Sturt is a member of the Local Government Association Asset Mutual Fund (LGAAMF) which provides Council with an indemnity for loss or damage of defined assets. Council does not define the majority of infrastructure assets (e.g. roads, footpaths etc.) due to the assessment of risk and the significant cost of insurance outweighing any benefit in the event of damage. Any benefit is further reduced as the LGAAMF does not provide indemnity for loss or damage to some defined assets located within any watercourse or culvert which arises directly or indirectly from water, including but not limited to stormwater and/or rainwater.

Therefore, in the event of a significant disaster, damage to infrastructure in a disaster will likely require revisiting budget arrangements and application for funding.

4. Options to achieve an effective and sustainable balance of natural disaster recovery and mitigation expenditure to build the resilience of communities... The options should assess the relationship between improved mitigation and the cost of general insurance.

Floodplain mapping and community insurance

In addition to various educational methods implemented to make the community better aware of the hazards facing them, the City of Charles Sturt has uploaded flash floodplain mapping to the City of Charles Sturt public website. Further and for the benefit of household flood mitigation arrangements, the City of Charles Sturt Council has notified specific residents they may be susceptible to water inundation due to overflow from stormwater infrastructure. Importantly, this data does not include overflow from a natural body as Council does not own such data.

We understood publicly making available this data would not likely affect insurance premiums as cover would generally extend events relating to stormwater overflow. However, through notification from residents/business owners, it has been identified that potentially some insurance companies might be utilising Council's mapping incorrectly and/or residents/businesses have opted in for flood insurance (potentially on a misunderstanding of why they might require the insurance) which in turn has meant an increase in business/home insurance premiums (in some instances more than \$1,000 increase). After advice from residents, the City of Charles Sturt has in turn suggested they discuss this matter further with their insurer (without providing financial advice). In return, the residents have advised that the insurer has decreased their premium accordingly.

The City of Charles Sturt has discussed these concerns with the Insurance Council of Australia.

It is our opinion that insurance companies appear to be relying on their own flood plain mapping and have refused to share this with South Australian State or Local Governments. In return they have advised they have concerns that South Australia does not share data with them.

The City of Charles Sturt has discussed the opportunity for the data relating to overflow from a natural body to be made available to the public by the owner of the data, the Department of Environment, Water and Natural Resources (DEWNR). DEWNR has advised they are developing a flood awareness website to improve community awareness and resilience to flooding with funding support from the National Disaster Resilience Grants Scheme, an initiative of the National Strategy for Disaster Resilience.

The City of Charles Sturt would like to see this tool be developed to reduce the negative impact of mitigation on our community.

Summary

The City of Charles Sturt recognises there are challenges ahead for building disaster resilience. The City of Charles Sturt considers that continuing to make funding available for mitigation activities is imperative to the success of the objectives of the National Strategy for Disaster Resilience.