



ACS

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The Australian Coastal Society is dedicated to healthy ecosystems,
vibrant communities, and sustainable use of coastal resources.

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Natural Disaster Funding Arrangements
Productivity Commission
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MELBOURNE VIC 8003

Further Submission on the Natural Disaster Funding Inquiry

1. I am writing to make additional comment on the draft report *Natural Disaster Funding Arrangements Volumes 1 and 2*, September 2014. The Australian Coastal Society (ACS) welcomes the opportunity to comment on the draft report of the Productivity Commission (PC).
2. We support the general thrust of the report that governments need to invest more in actions, such as improved land use planning and communication of risk, that mitigate the adverse impacts of natural disasters. **However, we are very disappointed in the lack of specific recognition of coastal hazards and the associated risks that are particularly relevant to coastal communities and to coastal infrastructure in Australia.** This appears to be an oversight, given the documentation we provided in our submission (No. 58) included a list of background references to coastal issues from Australian Government reports, detailed guidelines prepared by Engineers Australia, and papers by coastal specialists with years of experience in the analysis of coastal hazards. The PC appears to have taken no notice of these references.
3. This **absence of specific mention of coastal hazards** is also surprising given that the draft Report notes in a number of places the increasing number of people who have settled, and who desire to settle, in coastal areas prone to natural disasters (e.g. p.7; see also comment by IAG on p.246; and the AG on p. 413). Even in a list of example natural hazards affecting Australia (outlined in Box 2.1 on page 231), coastal hazards do not get recognised other than a mention of storm tides under *Severe Storm* and coastal inundation under *Tropical Cyclone*. Only in Box 2.4 do we find more explicit reference to *storm surge* and *coastal flooding* but this mention is only in relation to the future under projected conditions of sea-level rise (no reference to the detailed work here by DCCEE 2009, 2011).

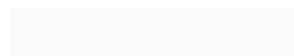
4. Despite the plea by the Woolli community group on page 197 of the draft Report, there is no mention of the specific hazards of *coastal erosion* or *coastal recession* in the draft Report. Yet these natural hazards have been, and will continue to be, a matter of great concern in disaster management for coastal communities and all levels of government - as it is in many places overseas.
5. It is particularly surprising that coastal issues have received such a cursory mention, given the recurrent damage and continual economic and social costs they impose on the nation. ACS recognises that there are a number of natural hazards that can impact either individually or in combination on coastal settlements in Australia. They include shoreline erosion and recession, cliff collapse, tidal inundation, storm surge inundation, and coastal river flooding associated with oceanic disturbances (the so-called coincident event). These hazards are often coincident with severe weather (tropical cyclones in the north and west of the country and intense low pressure systems elsewhere) but can occur independently of those events and pose a specific kind of hazard, necessitating specific, well thought out, coordinated responses.
6. The fact often overlooked is that while beach erosion can result in the loss of property and infrastructure, cliff erosion; because of its sudden and catastrophic nature, can not only result in the loss of the built environment but can also threaten the lives of people living and working in those buildings.
7. Two of our members have a very good understanding of coastal erosion, both beach and cliffs, and flooding events that occurred on the NSW and southern Queensland coast between 1974 and 1978 (Gordon and Thom, see references in ACS sub. No 58). Such **historical events act as a reference point to show us that land and the built environment can be permanently lost to the sea**. We know that tropical cyclones and East Coast Lows under certain circumstances can erode a section of coast by as much as 100m. We know that in the absence of a coastal management plan, private *ad hoc* attempts to protect private properties, or even public facilities, with dumped rocks can instigate adverse erosion effects on adjoining properties or even loss of beach amenity. At Sheltering Palms on the North Coast of NSW in 1974, severe coastal erosion led to the abandonment of the village and the use of State Government funds to compensate landowners for their loss. Beach nourishment and dune building programmes can also benefit the built environment in vulnerable coastal locations by reducing risk in these situations.
8. From our discussion with insurance groups we know that **no private insurance is available in Australia for loss of land to the sea** (we are surprised that the PC has not received that advice from insurers). Interestingly, we are fully aware that where such insurance has been provided overseas it has either prohibitively high premiums or is heavily subsidised by government, such as in the USA). There is much confusion about insurance coverage where tidal action and salt water flow associated with storm surge causes property damage. The point here is that coastal flooding does not necessarily equate to river flooding and we suggest that the PC makes this clear and further examines the consequences related to liabilities and costs to individuals and governments of living in coastal hazard areas.

Experience in the USA and UK would be a useful guide as to not just what coastal erosion hazards do and cost, but how governments have responded as “insurers of last resort” or not. There is a huge moral, and political hazard waiting for Australian governments to address especially as the impacts of global warming take effect (as suggested in Box 9.10).

9. ACS agrees with the submission from ALGA (p.159) that in the absence of either Commonwealth or state government disaster management guidance and funding assistance, the quality and consistency of information available at the local government level is varied. Our experience in all states informs us that reliance on local governments to assess risk for coastal hazards that occur under current sea level and climate conditions, let alone future uncertain conditions, will take Australia back to the 1950s and 1960s when many decisions were taken that now place significant financial pressure on all levels of government. While we agree in essence with draft recommendations 4.4 and 4.5 (and especially 4.6 on legal liability), **we are concerned that state governments themselves do not always have the political will, the technical capacity, the necessary funding, or even the same interest, in implementing land use and risk communication policies that will help mitigate adverse impacts of coastal hazards.**
10. Unfortunately history has demonstrated that in regard to coastal hazard management short-term political decision making too often comes at a massive later cost - well demonstrated in Queensland in 2011 where the storm events were no greater than those of the past but the damage and economic impact was far greater because assets and infrastructure had been allowed to be placed in harms way. Often competing priorities place consideration of such risks as matters of lesser importance resulting in massive future liabilities as could be the case with potential inundation of vulnerable canal estates (banned only in NSW, but until recently in Victoria). These decisions inevitably result in much greater amounts of money being spent post-disaster when more efficient use of public funds would be to avoid the problems upfront.
11. This leads us to re-emphasise the point made in the earlier ACS submission, that the Australian Government would improve the effectiveness of disaster mitigation if it followed the model of countries such as the USA, Canada and the Netherlands, and established **a permanent federal group** in an agency (e.g. Geoscience Australia) with the responsibility of **assisting** states and local governments (or collectives of local governments based on sediment compartments as in the UK) with coastal hazard mapping and risk assessment at scales appropriate for good coastal land use planning and development assessment.
12. **The Australian Coastal Society recommends that the final report of the Productivity Commission on Natural Disaster Funding Arrangements be amended to incorporate the following key points relating to coastal hazards :**
 - a. **Recognition that there already exists a high concentration of settlements and infrastructure around parts of the Australian coast that is exposed to various types of coastal hazards under current conditions, and that this risk profile is likely to worsen as our population expands and our climate changes;**

- b. This high degree of exposure is likely to result in an escalating financial burden, of unpredictable timing, on all spheres of government in Australia unless strong, preventative, appropriate land use planning action is taken to address risks in coastal regions;**
- c. Recognition that coastal areas are naturally dynamic and that coastal hazards have, and will continue to result in loss of land to the sea (cliffs and beaches), and that as this land cannot be privately insured, the burden of relocation or other form of adaptation will most likely fall to governments unless a national policy of “no compensation” (buyer beware) is adopted (similar to that in the UK) following full disclosure of risk through regional and local coastal management plans or similar planning instruments; and**
- d. The Australian Government should establish a permanent Federal group that will assist state and local governments in the provision of consistent coastal hazard mapping and best available technical information at scales suitable for the best management of risks from coastal hazards.**

Yours sincerely



PROFESSOR NICK HARVEY
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