

Auditor-General of Queensland

Your ref:
Our ref: 00-10349
Mr Paul Shipperley 3149 6014

Mr G Bradley
Under Treasurer
Queensland Treasury Department
GPO Box 611
BRISBANE QLD 4001

Dear Mr Bradley

Following your request dated 18 August 2011, I have undertaken an independent assessment of the Queensland Treasury Department Submission (the Submission) as compiled under clause 4.6 of the Commonwealth's *2011 Natural Disaster Relief and Recovery Arrangements Determination (the Determination)*.

A qualified independent assessment has been issued and is enclosed with this letter at Appendix A. My reasons for qualifying the assessment were discussed with Treasury representative, Deputy Under Treasurer, Mr Tim Spencer, on 21 September 2011 and are detailed in the section below.

INDEPENDENT ASSESSMENT RESULTS AND QUALIFICATION

The independent assessment of the Submission was qualified for the following reasons:

The asset registers provided in the electronic files mentioned above contain details of all public assets and have not been refined to only identify essential public assets. The asset registers provided in relation to local government contain listings of roads and bridges only and do not contain other local government essential public assets. I have also been unable to ascertain whether the values of the assets that are recorded in these asset registers represent the current replacement cost of the assets. Accordingly, I am unable to, and do not draw a conclusion on the completeness and adequacy of the asset registers included in the Submission.

The NDRRA claim/loss histories provided for the years 1996-97, 1997-98 and 2002-03 regarding the costs of replacing or restoring assets damaged or destroyed as a result of natural disasters have not been refined to essential public assets only. There was also no information included in the Submission regarding costs attributable to specific assets (other than roads) for the period 1996-97 to 2010-11 where the cost of restoring or replacing an individual asset has exceeded \$1m. Accordingly, I am unable to, and do not, draw any conclusions as to the completeness and adequacy of the claim/loss histories included in the Submission for these matters.



Level 14, 53 Albert St, Brisbane Qld 4000
GPO Box 1139, Brisbane Qld 4001

Phone: 07 3149 6000
Fax: 07 3149 6011

Email: enquiries@qao.qld.gov.au
Web: www.qao.qld.gov.au

The Submission does not contain details of any other capital that may be available to the State to fund the costs of replacement or restoration of essential public assets following a natural disaster which would not be counted as State expenditure for the purpose of clause 5.2.1 of the 2011 Determination. This is not in accordance with the requirements of clause 19 of the Guide.

The risk management document included in the Submission does not focus on the management of the financial risk associated with damage to, or destruction of, essential public assets as a direct result of a natural disaster. This is not in accordance with the requirements of clauses 20 and 21 of the Guide.

Also attached to this letter is a table at Appendix B which lists the mandatory information required for compliance with clause 4.6 of the Determination as contained in the Commonwealth document: *Guide to Submission Requirements, clause 4.6 of Natural Disaster Relief and Recovery Arrangements (NDRRA) Determination 2011*. The table also contains a summary of my approach to this assessment and the issues noted in relation to the data provided in the Submission.

I acknowledge the complexity involved in gathering the type of information that was required to be included in the Submission and the work performed by Queensland Treasury Department officers within a challenging timeframe. It is my understanding that the information contained in this Submission represents a starting point from which the Commonwealth can review and make recommendations in relation to the State's insurance arrangements.

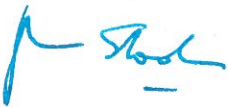
AUDIT FEES

An invoice for the work in providing this independent assessment will be forwarded in due course.

The co-operation and assistance provided to the QAO team by Treasury staff during the course of this assessment is appreciated.

If you would like to discuss this matter further, please contact me or have one of your officers contact Mr Paul Shipperley, Assistant Auditor-General, on 3149 6014.

Yours sincerely



Glenn Poole
Auditor-General

Enc.

INDEPENDENT ASSESSMENT OF QUEENSLAND'S NATURAL DISASTER RELIEF AND RECOVERY ARRANGEMENTS (NDRRA) STATE INSURANCE SUBMISSION

To the Accountable Officer of the Queensland Treasury Department

Assessment of the NDRRA State Insurance Submission

I have assessed the Queensland Treasury Department's Submission (the Submission) as compiled under clause 4.6 of the Commonwealth's 2011 *Natural Disaster Relief and Recovery Arrangements Determination* (the Determination). The Submission provided for my assessment was in electronic format and contained the following files:

1. Explanatory Notes

File Description	File Size	File Type	Date Modified
TY_OIC_n602699_v1_MIC-00405_Attachment_C_-_Explanatory_notes.doc	30KB	Microsoft Word	21/09/2011 8:35 AM

2. Asset Registers

File Description	File Size	File Type	Date Modified
TMR 2010 Roads Valuation Data Extract File.csv	295,977KB	Microsoft Excel	21/09/2011 8:35 AM
TMR 2010 Roads Valuation\$ File.csv	69,682KB	Microsoft Excel	21/09/2011 8:35 AM
TMR 2010 Roads Valuation Data Extract File Definitions.doc	474KB	Microsoft Word	21/09/2011 8:34 AM
TMR 2010 Roads Valuation\$ File definitions.doc	42KB	Microsoft Word	21/09/2011 8:35 AM
TMR 2010 Roads Valuation\$ File.txt	68,556KB	Text Document	21/09/2011 8:35 AM
TMR 2010 Bridges Valuation File Definitions.doc	85KB	Microsoft Word	21/09/2011 8:35 AM
TMR 2010 Structures Valuation Data.xls	3,652KB	Microsoft Excel	21/09/2011 8:35 AM
ALGA data for QLGGC.xls	86KB	Microsoft Excel	21/09/2011 8:35 AM
TY_OIC_n602122_v1_Asset_Master.xlsx	4,971KB	Microsoft Excel	21/09/2011 8:35 AM

3. NDRRA Claim History

File Description	File Size	File Type	Date Modified
State Commonwealth Breakdown for 2010_11 Draft as at 30 Jun.xlsx	19KB	Microsoft Excel	21/09/2011 8:35 AM
CLAIM 2 June 2003.doc	32KB	Microsoft Word	21/09/2011 8:35 AM
Final Claim 2005-06 - Attachment A.doc	34KB	Microsoft Word	21/09/2011 8:35 AM
Final Claim 2004-05 - Attachment A.doc	37KB	Microsoft Word	21/09/2011 8:35 AM
CLAIM Audited 2004 - Attachment A.doc	39KB	Microsoft Word	21/09/2011 8:35 AM
Cwth NDRRA 2009-10 Expenditure Draft.xlsm	85KB	Microsoft Excel	21/09/2011 8:35 AM

3. NDRRA Claim History (cont.)

File Description	File Size	File Type	Date Modified
Cwth NDRRA 2008-09 Expenditure_FINAL AUDITED.xlsm	91KB	Microsoft Excel	21/09/2011 8:35 AM
Claim Audit Depts email.xls	125KB	Microsoft Excel	21/09/2011 8:35 AM
NDRRA 2006-07 Expenditure_Revised.FINAL.xls	173KB	Microsoft Excel	21/09/2011 8:35 AM
Cwth NDRRA 2007-08 Expenditure_FINAL Audited.xls	281KB	Microsoft Excel	21/09/2011 8:35 AM
Claim June 2001 ADA.xls	505KB	Microsoft Excel	21/09/2011 8:35 AM
Claim 2002 as audited.xls	661KB	Microsoft Excel	21/09/2011 8:35 AM
Treasury NDRRA Financial Claims 1996_2011 as at 30 June 11 v.xls	2,133KB	Microsoft Excel	21/09/2011 8:35 AM
110722 NDRRA approvals since 1999 - report for LGAQ Final.xls	80KB	Microsoft Excel	21/09/2011 8:35 AM
110804 NDRRA PAYMENTS by Fin Year since 1999 - report for LG.xls	114KB	Microsoft Excel	21/09/2011 8:35 AM
NDRA Expenditure -2003-04 Final.xls	689KB	Microsoft Excel	21/09/2011 8:35 AM
NDRA Expenditure -2004-05 Final.xls	638KB	Microsoft Excel	21/09/2011 8:35 AM

4. Modelling Information

File Description	File Size	File Type	Date Modified
QGIF Reinsurance Update August2011.ppt	2,163KB	Microsoft PowerPoint	21/09/2011 8:35 AM
QGIF_Property Modelling_Draft_2011July 26.pdf	11,070KB	Adobe Acrobat	26/07/2011 5:54 PM
QGIF_Roads Modelling_Draft_2011July26.pdf	5,711KB	Adobe Acrobat	26/07/2011 6:06 PM

5. Risk Management information

File Description	File Size	File Type	Date Modified
1-TY_OIC-602700-MIC- 00405_Attachment_D_- __Risk_management_in.doc	54 KB	Microsoft Word	21/09/2011 8:34 AM

Accountable Officer's Responsibility for the Submission

As the accountable officer for Queensland Treasury Department, you are responsible for the preparation of a Submission that provides the information to satisfy the requirements of Clause 4.6 of the Determination.

QAO's Responsibility

My responsibility is to draw a conclusion on the Submission based on the assessment performed. This assessment was conducted in accordance with the *Auditor-General of Queensland Auditing Standards* which require the application of AUASB Standards to all audits, reviews and other assurance engagements in the Queensland public sector to the extent that they are not inconsistent with the requirements of the *Auditor-General Act 2009* and are relevant to the engagement being undertaken. They also require compliance with relevant professional and ethical requirements relating to audit and assurance engagements and that the engagement is planned and performed to obtain the level of assurance required to form my conclusion.

The assessment was conducted with the objective of concluding whether anything has come to my attention that causes us to believe that the Submission does not comply with requirements of Clause 4.6 of the Determination. In particular, the assessment was undertaken to determine whether the Submission includes the information required by the mandatory requirements identified in clauses 5 to 21 of the *Guide to Submission Requirements – clause 4.6 of the Natural Disaster Relief and Recovery Arrangements (NDRRA) Determination 2011* (the Guide) as issued by the Commonwealth Department of Finance and Deregulation. Procedures were undertaken in performing the assessment to obtain sufficient appropriate evidence on which to base my conclusion.

Due to matters identified in the Limitation on the Scope of Work Performed and Basis of Qualified Conclusion paragraphs, I was unable to obtain sufficient appropriate evidence on all matters on which I was required to draw a conclusion.

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised officers. The Auditor-General may conduct an engagement in any way considered appropriate and is not subject to direction by any person about the way in which the legislative powers are to be exercised.

The Auditor-General has for the purposes of conducting an engagement, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Limitations on the Scope of Work Performed

Given the extensive and diverse nature of the information included in the Submission, I have undertaken this assessment as a limited assurance engagement. A limited assurance engagement is one where the objective is a reduction in assurance engagement risk to a level that is acceptable in the circumstances of the assurance engagement. As a result, a negative form of expression is used when concluding on the results of the engagement.

Due to the limited nature of the work performed, the Submission was only assessed in terms of whether it accurately reflects the information recorded in supporting documentation that was provided for my review. In this respect, I am unable to and do not express any conclusion as to whether:

- all relevant information was provided for assessment by QAO
- the Submission has been prepared in a manner and format, and includes all relevant or necessary information required to meet the needs of potential users of the Submission
- the outcomes achieved as disclosed in the Submission are considered appropriate, including whether they reflect all key decisions made, actions taken, and processes adopted.

My conclusion contained in this assessment is limited solely to the information that was provided electronically in the files listed in the tables above. Accordingly, I have not made an assessment of any additional electronic or hardcopy information that is lodged with the Submission that is not specifically listed and/or consistent with the files listed in the tables above.

While I have not expressed any conclusion as to the completeness of the information in the Submission, I reserve the right to provide comment on information which I believe should be included in the Submission as a matter of better practice. I have also not drawn any conclusions or provided any comment in relation to value judgements or matters of opinion expressed within the Submission.

Queensland Treasury Department has extended an existing agreement with Aon Risk Solutions (Aon) to undertake a reinsurance and catastrophe review for the State of Queensland. As Aon have separately concluded and reported on this review, I have not drawn any conclusions in relation to the processes undertaken and the results of the Aon review to the extent that they are included in the Submission.

Use of this Assessment

The Submission was prepared by Queensland Treasury Department and my assessment and conclusion on the Submission is for the purpose of satisfying the requirements of clause 4.6 of the Determination. I disclaim any assumption of responsibility for any reliance on this assessment to any persons or users other than the Queensland Treasury Department, or for any purpose other than that for which it was prepared.

Basis for Qualified Conclusion

The asset registers provided in the electronic files mentioned above contain details of all public assets and have not been refined to only identify essential public assets. The asset registers provided in relation to local government contain listings of roads and bridges only and do not contain other local government essential public assets. I have also been unable to ascertain whether the values of the assets that are recorded in these asset registers represent the current replacement cost of the assets. This is not in accordance with the requirements of clauses 5 to 7 of the Guide.

The NDRRA claim/loss histories provided for the years 1996-97, 1997-98 and 2002-03 regarding the costs of replacing or restoring assets damaged or destroyed as a result of natural disasters have not been refined to essential public assets only. There was also no information included in the Submission regarding costs attributable to specific assets (other than roads) for the period 1996-97 to 2010-11 where the cost of restoring or replacing an individual asset has exceeded \$1m. Accordingly, I am unable to, and do not, draw any conclusions as to the completeness and adequacy of the claim/loss histories included in the Submission for these matters.

The Submission does not contain details of any other capital that may be available to the State to fund the costs of replacement or restoration of essential public assets following a natural disaster which would not be counted as State expenditure for the purpose of clause 5.2.1 of the 2011 Determination. This is not in accordance with the requirements of clause 19 of the Guide.

The risk management document included in the Submission does not focus on the management of the financial risk associated with damage to, or destruction of, essential public assets as a direct result of a natural disaster. This is not in accordance with the requirements of clauses 20 and 21 of the Guide.

Qualified Conclusion

I have assessed the Queensland Treasury Department's Submission for compliance with the mandatory requirements contained in the *Guide to Submission Requirements*, clause 4.6 of *Natural Disaster Relief and Recovery Arrangements (NDRRA) Determination 2011* (the Guide). Based on my assessment, which is not an audit:

1. Except for the matters identified in the Basis for Qualified Conclusion paragraph above, nothing has come to my attention that causes me to believe that the Asset Registers included in the Submission do not comply with the requirements of clauses 5 to 7 of the Guide.

2. Nothing has come to my attention that causes me to believe that the Submission does not include a complete listing of past eligible disasters that have previously been notified for NDRRA purposes as required by clause 8 of the Guide.
3. Except for the matters identified in the Basis for Qualified Conclusion paragraph above, nothing has come to my attention that causes me to believe that the NDRRA Claim/Loss Histories included in the Submission do not comply with the requirements of clauses 9-11 of the Guide.
4. Nothing has come to my attention that causes me to believe that the Submission does not include complete and accurate details of payments received under the NDRRA as required by clause 12 of the Guide.
5. For the reasons identified in the Limitation on Scope of Work Performed paragraph, I am unable to, and do not, express a conclusion as to the completeness and accuracy of any estimates of payments expected to be made in future years as required by clause 13 of the Guide.
6. For the reasons identified in the Limitations on Scope of Work paragraph, I am unable to and do not express a conclusion as to the adequacy of any present or proposed future insurance arrangements over essential public assets as required by clauses 14-17 of the Guide.
7. Nothing has come to my attention that causes me to believe that the Submission does not include adequate details of the interaction between States' managed fund arrangements and losses to essential public assets that are a direct result of a natural disaster and whether any payments from the managed fund in respect of such losses are State expenditure for the purpose of clause 5.2.1 of the 2011 Determination as required by clause 18 of the Guide.
8. Details in relation to any other capital that may be available to the State to fund the replacement or restoration of essential public assets following a natural disaster have not been included as part of the Submission as required by clause 19 of the Guide.
9. For the reasons identified in the Basis for Qualified Conclusion paragraph above, the information contained in the Risk Management document does not comply with the requirements of clauses 20 and 21 of the Guide.

Electronic Presentation of the Assessment of the Submission

This assessment relates to the Queensland Treasury Department Submission compiled in accordance with the 2011 NDRRA Determination. Where the assessment is included on the Queensland Treasury Department's website, the Accountable Officer is responsible for the integrity of the Queensland Treasury Department's website and I have not been engaged to report on the integrity of Queensland Treasury Department's website. The assessment refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from the Submission or otherwise included with the Submission. If users of the Submission are concerned with the inherent risks arising from publication on a website, they are advised to refer to Queensland Treasury Department to confirm the information contained in the website version of the Submission.

These matters also relate to the presentation of the assessment and Submission in other electronic media including CD Rom.



G G POOLE FCPA
Auditor-General of Queensland



Queensland Audit Office
Brisbane

QAO Independent Assessment of the Compliance of the Queensland Treasury Department Submission with the Mandatory Requirements as contained in the Commonwealth document: *Guide to Submission Requirements, clause 4.6 of Natural Disaster Relief and Recovery Arrangements (NDRRA) Determination 2011*

Guide item	Mandatory requirements	My approach to the assessment	Assessment conclusions
5, 6	<p>Asset Registers</p> <p>States are required to submit a complete essential public asset register, giving details of essential public assets [refer clause 3.6.1 of the 2011 Determination], split between roads and other essential public assets. Details required include:</p> <ul style="list-style-type: none"> • description of asset • location • estimate of replacement value. 	<p>Review the process taken to identify all essential public assets, consistent with the requirements of the 2011 NDRRA Determination.</p> <p>Review actions taken by the State to split these assets between roads and other essential public assets. Ensure final registers contain sufficient details as per Guidance document.</p>	<p>The Submission for the State of Queensland complies with the requirement to submit State asset registers. These asset registers reflect the public assets as insured by the Queensland Government Insurance Fund as well as the State's roads and bridges. The Submission does not comply with this requirement in the following areas:</p> <ol style="list-style-type: none"> 1. The asset registers contain listings of all State public assets but they have not been refined to essential public assets only. 2. It was not able to be ascertained whether the values provided for the assets contained in the asset registers represent the current replacement value of these assets.
7	<p>Asset Registers</p> <p>States are required to collate and submit a separate essential public asset register in respect of local government essential public assets [(refer 3.6.2 (a) (ii) of the 2011 Determination)] within their jurisdiction.</p>	<p>Ensure a separate state-wide local government asset register is included in the Submission.</p>	<p>The Submission for the State of Queensland complies with the requirement to submit local government asset registers. However, it does not comply with this requirement in the following areas:</p> <ol style="list-style-type: none"> 1. The asset registers contain listings of roads and bridges only and do not contain other local government essential public assets. 2. It was not able to be ascertained whether the values provided for the assets contained in the asset registers represent the current replacement value of these assets.

Guide item	Mandatory requirements	My approach to the assessment	Assessment conclusions
8	<p>Eligible Disasters</p> <p>States are required to submit a complete list of past eligible disasters [refer clauses 2.1, 4.2 and 5.4 of the 2011 <i>Determination</i>] that they have previously notified for NDRRA purposes.</p>	<p>Review the process taken to identify all past eligible disasters as previously notified for NDRRA purposes.</p>	<p>The Submission for the State of Queensland complies with this requirement.</p>
9, 10, 11	<p>Claims/Loss history</p> <p>States are required to submit details of the historical costs of restoring or replacing essential public assets damaged or destroyed as a direct result of a natural disaster. This information is required in respect of the 15 financial years from to 1996/97 to 2010/11.</p> <p>The required information includes:</p> <ul style="list-style-type: none"> • Total expenditure incurred by the state in each financial year (before any NDRRA recoveries) split between roads and other essential public assets. • Estimated future expenditure (yet to be incurred) in respect of past natural disasters split between roads and other essential public assets. 	<p>Review the process taken to identify essential public assets previously damaged or destroyed as a direct result of natural disaster.</p> <p>Review the process taken to capture full costs of restoring and replacing essential public assets.</p> <p>Ensure an appropriate level of information is provided for each of the 15 years as required by the Submission.</p>	<p>The Submission for the State of Queensland complies with the requirement to submit a State claims/loss history for the previous 15 financial years from 1996-97 to 2010-11. However, it does not comply with this requirement in the following areas:</p> <ol style="list-style-type: none"> 1. The NDRRA claim histories provided for the years 1996-97, 1997-98 and 2002-03 regarding the costs of replacing or restoring assets damaged or destroyed as a result of natural disasters have not been refined to essential public assets only. 2. There was no information included in the Submission regarding costs attributable to specific assets (other than roads) for all of the financial years 1996-97 to 2010-11 inclusively where the cost of restoring or replacing an individual asset has exceeded \$1m. <p>No assessment has been made on estimated future state expenditures in respect of past natural disasters. This is an estimate which is specifically excluded from the scope of this assessment.</p>

Guide item	Mandatory requirements	My approach to the assessment	Assessment conclusions
	<ul style="list-style-type: none"> Detailed information on costs attributable to specific assets (other than roads) where the cost of restoring or replacing any individual asset has exceeded \$1m: <ul style="list-style-type: none"> description of the asset asset ownership (State or Local Government) name of the natural disaster date of the loss total cost of restoration or replacement amount already paid (broken down by financial year) amount yet to be paid. 		
12, 13	<p>Support received under NDRRA</p> <p>Each state is required to submit:</p> <ul style="list-style-type: none"> Details of payments received under the NDRRA in each of the 15 financial years from 1996/97 to 2010/11 in respect of restoration or replacement of essential public assets broken down by Natural Disaster. Estimates of payments expected to be made under the NDRRA in future years in respect of restoration or replacement of essential public assets damaged or destroyed as a direct result of a past natural disaster, again broken down by Natural Disaster. 	<p>Review process for identifying all payments received and expected to be made under the NDRRA arrangements.</p> <p>Ensure an appropriate level of information is provided for each of the 15 years required by the Submission, and includes requested details.</p>	<p>The Submission for the State of Queensland complies with the requirement to submit the support received under the NDRRA by the State for the previous 15 financial years from 1996-97 to 2010-11.</p> <p>No assessment has been made on estimated future state expenditures in respect of past natural disasters. This is an estimate which is specifically excluded from the scope of this assessment.</p>

Guide item	Mandatory requirements	My approach to the assessment	Assessment conclusions
14, 15, 16	<p data-bbox="231 1563 256 1872">Insurance arrangements</p> <ul style="list-style-type: none"> <li data-bbox="296 1451 695 1872">● Each State is required to submit details of its current insurance arrangements as they apply to essential public assets (details of any proposed/possible insurance arrangements, as a result of any recent approaches to the market which have not yet led to new insurance arrangements being finalised, should also be included separately here, if applicable). <li data-bbox="703 1451 879 1872">● Comprehensive analysis that supports the design of the State's adopted insurance strategy including any financial modelling that has been undertaken. <li data-bbox="887 1451 1402 1872">● Current commercial insurance information in respect of essential public assets: <ul style="list-style-type: none"> <li data-bbox="983 1451 1102 1834">– Full details of the most recent approach to the market including all policies and premiums offered. <li data-bbox="1110 1451 1230 1834">– Details of the policies in place for the current year and details of the essential public assets covered. <li data-bbox="1238 1451 1270 1834">– Policy expiry dates. <li data-bbox="1278 1451 1334 1834">– Any exclusions or sub-limits for natural disasters. <li data-bbox="1342 1451 1374 1834">– Deductible levels. <li data-bbox="1382 1451 1402 1834">– Limits of liability. 	<p data-bbox="312 846 368 1451">Confirm that there are no insurance arrangements currently in place.</p>	<p data-bbox="312 127 496 795">The State of Queensland currently has no insurance coverage for essential public assets against declared natural disasters. However, an extensive review of the State's reinsurance program has been undertaken by Aon Risk Services (Aon) and the results of this review have been included as part of this Submission.</p> <p data-bbox="536 127 632 795">No conclusion has been made in relation to the results of the Aon reinsurance review as this is specifically excluded from the scope of this assessment.</p>

Guide item	Mandatory requirements	My approach to the assessment	Assessment conclusions
17	<p>Insurance arrangements</p> <p>Details of all uninsured essential public assets, including:</p> <ul style="list-style-type: none"> • Approaches made to the market to source insurance cover and the policies and premiums offered (if any); • Comprehensive analysis supporting the decision not to insure these assets including any financial modelling which has been undertaken. • If there have been no approaches to market, reasons to support this decision. 	<p>Review the process used to identify all essential public assets. Ensure that the details requested are recorded in the Submission and can be supported by the State.</p>	<p>The Submission for the State of Queensland complies with this requirement to the extent that the asset registers provided contain all of the State's public assets as well as the State's roads and bridges. There is currently no insurance coverage for the State's essential public assets against declared natural disasters.</p> <p>As mentioned above, the results of Aon's review of the State's reinsurance program have been included as part of this Submission. An assessment of these results has not been made as this is specifically excluded from the scope of this assessment.</p>
18	<p>Insurance arrangements</p> <p>Managed fund information:</p> <ul style="list-style-type: none"> • Details of interaction between States' managed fund arrangements and losses to essential public assets that are a direct result of a natural disaster; and • Specifically, whether any payments from the managed fund in respect of such losses are State expenditure for the purpose of clause 5.2.1 of the 2011 Determination. 	<p>Ensure that the details requested are recorded in the Submission and can be supported by the State.</p>	<p>The Submission for the State of Queensland complies with this requirement as it discloses that there is no interaction between the State's managed fund arrangements and losses to essential public assets that are a direct result of a natural disaster.</p> <p>A statement has been included in the Submission as follows:</p> <p>"...QGIF provides insurance cover for the State's assets, excluding roads and road infrastructure, however the Fund does not pay claims for losses to assets where the government department/agency is eligible for funding under the NDRRA guidelines..."</p>

Guide item	Mandatory requirements	My approach to the assessment	Assessment conclusions
19	<p>Insurance arrangements</p> <p>Other capital</p> <ul style="list-style-type: none"> Details of any other capital that may be available to the State to fund the costs of replacement or restoration of essential public assets following a natural disaster which would not be counted as State expenditure for the purpose of clause 5.2.1 of the 2011 Determination. 	<p>Ensure that the details requested are recorded in the Submission and can be supported by the State.</p>	<p>The Submission for the State of Queensland does not comply with this requirement as no details have been included of any other capital that may be available to the State to fund the costs of replacement or restoration of essential public assets following a natural disaster which would not be counted as State expenditure for the purpose of clause 5.2.1 of the 2011 Determination.</p>
20, 21	<p>Risk management information</p> <p>Each State is required to provide a statement of their risk management policy and strategy. The statement should focus on management of the financial risk associated with damage to, or destruction of, essential public assets as a direct result of a natural disaster.</p> <p>This statement should set out the State's risk management policy, including the rationale for its policy (within the context of clause 3.3.1a) of the 2011 Determination). It should also set out the strategy that the State adopts to give effect to its risk management policy, again including rationale.</p>	<p>Ensure that the statement provided is appropriately focused, and agrees to approved risk management policy and strategy.</p> <p>Ensure the statement includes details requested by the <i>Guidance</i>.</p>	<p>The Submission for the State of Queensland complies with the requirement to submit risk management information. However, the risk management document included in the Submission does not focus on the management of the financial risk associated with damage to, or destruction of, essential public assets as a direct result of a natural disaster.</p>