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Dam Safety Consultation 2019
Building System Performance
Ministry of Business, Innovation and Employment
PO Box 1473
Wellington 6140

Emailed to: damsafety@mbie.govt.nz

To the Dam Safety Review Team,

ICNZ submission on Proposed Regulatory Framework for Dam Safety

Thank you for the opportunity to submit on the Proposed Regulatory Framework for Dam Safety, outlined in the paper released by the Ministry for Business, Innovation and Employment (MBIE) in June 2019.

ICNZ represents general insurers who insure about 95 percent of the New Zealand general insurance market, including about a trillion dollars' worth of New Zealand property and liabilities. A number of our members provide insurance coverage for dams and their related property in New Zealand as well as liability coverage for dam owners. We note New Zealand has experienced a number of dam failures where insurance claims have been paid.

The Insurance Council engaged with MBIE in 2018 when it was developing the current proposals outlined in the current paper and provided details of the typical insurance coverages' that were available for dam owners as well as the types of insurance coverages that were available for the construction of dams.

At that time, we expressed support for the need for improvements in the regulation that governs risk assessment processes for dams such as engineering designs, geological conditions reports, maintenance reports, environmental impact assessments, monitoring and operations reports, quality assurance procedures, and health & safety procedures. We note much of this relates to the initial engineering and construction of a dam rather than to ongoing dam management, which is the subject of this proposed regulatory framework. Therefore, while we support the current proposals we also encourage further review of the regulatory process for dam construction, with consideration being given to international best practice.

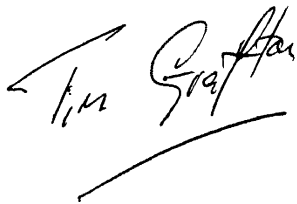
The proposed regulatory framework for post construction dam safety appears to provide sensible improvements to the current provisions and fill some important gaps. Increasing national consistency is also welcomed. We do not have comments to make on the detail of the proposals.

We have identified one issue that is critical to ongoing dam safety that we feel is important to raise and that concerns the outdated National Seismic Hazard Model (2010). The National Seismic Hazard Model underpins the seismic performance of the Building Code, and the Building Code in turn governs dam safety. We note the National Seismic Hazard Model was last updated from data and modelling produced by GNS up to 2002. Since then GNS has identified significantly changed seismic hazards that includes new information on a number of significant faults including the Alpine Fault and the Hikurangi Subduction Zone.

It is important that MBIE make urgent provision to update the National Seismic Hazard Model and then apply this to a revised Building Code. An updated National Seismic Hazard Model should have open access to allow insurers to better understand and manage their infrastructure and property risks. New Zealand does not want to be in the position of undertaking investment in new buildings and infrastructure with out of date seismic information. This equally applies to construction and ongoing maintenance and monitoring of dams, which can have high consequences should they fail.

If you have any questions, please contact our Insurance Manager on (04) 495 8005 or by emailing john@icnz.org.nz.

Yours sincerely,



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Chief Executive



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