



3 June 2014

Submission to the Productivity Commission Enquiry into Natural Disaster Funding Arrangements

Kiama Council welcomes the opportunity to make a submission to the above enquiry.

The importance to Local Government of the funding for Natural Disaster Relief and Mitigation cannot be understated. Local Government is the level of government responsible for the vast majority of public assets, in particular roads, and has the least available resources to be able to accommodate the impacts of natural disaster and the implementation of mitigation measures.

It is therefore imperative that there be no reduction in assistance to Local Government, through whatever measures are implemented in the review of the current funding arrangements.

The occurrence of Natural Disasters and their effect on our communities is increasing almost on an annual basis. The impact of Climate Change is considered to be having a considerable influence on both the frequency and scale of these events. Local Government is the closest level of government to the community and inevitably the community looks to their local Council for solutions. This has been accommodated to a large extent by the current funding arrangements however there are a number of issues which Council would like to raise as suggestions for consideration of an improved system.

Betterment

In many instances the betterment provisions within the current arrangements provide a poor outcome and do not address the mitigation aspirations of the enquiry. They are not effective in encouraging recovery that develops resilience and reduces the cost of future disasters. For example, Council has experienced several situations where road subsidence has been caused as a result of poor drainage and structural design.

ALL CORRESPONDENCE

GENERAL MANAGER

PO BOX 75

KIAMA NSW 2533

ADMINISTRATION

CENTRE

11 MANNING STREET

KIAMA NSW 2533

CONTACTS

PHONE: 02 4232 0444

FAX: 02 4232 0555

council@kiama.nsw.gov.au

www.kiama.nsw.gov.au

ABN: 22 379 679 108

...../2

Council has experienced difficulty obtaining approval for the reinstatement of the road by properly addressing these design issues because of the betterment clause. It makes no sense to put back what was there and wait for the next disaster event to take the road out again.

In other words mitigation should be built into the repair so that it doesn't happen again. In most situations the cost/benefit of such action would go without saying.

Mitigation

A Risk Management approach to Natural Disaster is a worthy objective, however having regard to the wide extent of Local Government managed infrastructure the cost/benefit of carrying out full risk assessment and identifying mitigation measures for all of its assets is doubtful. Most Local Councils know their area well enough to identify their significant infrastructure risks without going to the expense of such a process.

Funding of mitigation is an important component of the whole natural disaster solution however, this should not be at the immediate expense of current relief funding. Whilst mitigation should be encouraged it will only be able to be implemented over a significant period of time and as such there should be a phasing in of additional mitigation funding and a reduced level of relief funding only if mitigation is ultimately found to reduce the cost of relief.

Funding

The current method of funding Natural Disaster to Local Government via the States and Territories adds an unnecessary level of cost and reduces the efficiency of the process. Considerable time is attributed to the approvals process through the State which impacts on the response and repair times.

A funding model by which the Federal Government directly funds Local Government, similar to the very successful Roads to Recovery Program, would provide increased efficiencies. This provides further support for the constitutional recognition of Local Government.

Yours faithfully

Bryan Whittaker
Director Engineering and Works