

Queensland Betterment Framework

Introduction

The Natural Disaster Relief and Recovery Arrangements (NDRRA) assist State and Territory governments with the additional financial burden as the result of a natural disaster. The NDRRA Determination 2012 (Determination) sets out the parameters required to access this assistance. In broad terms, the Determination allows the restoration or replacement of an essential public asset to its pre-disaster standard. The Determination also allows the restoration or replacement of the asset to a more disaster resilient standard than its pre-disaster standard; this is referred to as betterment¹.

Betterment is intended to limit the cost of rebuilding repeatedly damaged infrastructure by allowing essential public assets to be rebuilt to a more resilient standard where it is cost-effective to do so.

What is Betterment?

Betterment costs are the difference between the cost of restoring or replacing an essential public asset to its pre-disaster standard, and the cost of restoring or replacing the asset to a more disaster-resilient standard.

For example: if restoring an asset to its pre-disaster standard will cost \$5 million and restoring the asset to a more disaster-resilient standard will cost \$7 million, the betterment component would be \$2 million.

The National Partnership Agreement for Natural Disaster Reconstruction and Recovery (NPA) between the Commonwealth and State of Queensland established a method under which betterment can be fast tracked, where local government authorities (LGAs) can apply for betterment from the Queensland Betterment Fund.

¹ Determination 2012, 3.6.7, 3.6.8, Guideline 7

Queensland Betterment Fund

The Commonwealth and Queensland governments have created the Queensland Betterment Fund (the Fund) to provide a streamlined process for LGAs to pursue betterment projects relating to the January 2013 flooding (and any other agreed eligible events).

The Fund will be managed by the Queensland Reconstruction Authority (the Authority), rather than through the standard betterment process which requires both Commonwealth and State government approval for all projects in advance. The Commonwealth and Queensland governments have contributed \$40 million each to the Fund.

The Fund will be used by LGAs for projects where the total contribution from the Commonwealth and State does not exceed \$2 million (i.e. Commonwealth contribution of up to \$1 million and State contribution of up to \$1 million).

While the Authority will manage the Fund and will not need Commonwealth approval before proceeding with projects, these projects will be subject to State approval process including endorsement by the Minister for Local Government, Community Recovery and Resilience and governance arrangements outlined in the NPA. Accordingly, approved projects under the Fund are able to be selected for review by the Australian Government Reconstruction Inspectorate.

Projects will be selected by the Authority through a merits based process. LGAs are encouraged to contribute to the betterment cost. This contribution will be taken into account as part of the assessment.

Application and Assessment

The following methodology for evaluating proposals for assistance under the Fund seeks to provide cost effective means of improving community resilience with respect to reduced future expenditure on asset restoration, reduced incidents, injuries and fatalities during and after a natural disaster, and improved asset utility during and after a natural disaster. It is in the interest of all levels of government, the community and business, to limit disruption to asset users.

The methodology will provide a process to guide the preparation of business cases for betterment proposals. Assessments will involve a review of the merits of the project, which will be supported by quantitative and qualitative information on the costs and impacts of the project. The framework for the assessment is outlined below:

Project Information

Betterment proposals should provide a general description of the asset, its functional role, the disaster event which caused the damage, the impact to the asset and the historical record of impact from prior events.

Eligibility Criteria

Betterment proposals should demonstrate that the asset is eligible under the Determination as an essential public asset, is a local government owned asset damaged by an eligible event, and describe the relevant treatment and cost.

Betterment Proposal

Betterment proposals should detail the engineering solution and outline the effectiveness of the betterment proposal to mitigate the impact of future natural disasters. Alternative betterment proposals may also be included for assessment.

Proposed Cost of Betterment

Betterment proposals should provide a cost estimate of the betterment solution that allows an assessment of value for money and demonstrates reduced cost of possible future asset restoration and improved asset utility and safety for users during and after future natural disaster events.

Stakeholder Commitments

The proposal should also outline Federal, State or local government commitments to the project including funding agreements.

The submission process is aligned to the current process outlined in the Queensland Reconstruction Authority submission guide, the process is divided into four phases:

- Phase 1: Prepare submission
- Phase 2: Detailed planning
- Phase 3: Undertake project – monitor and report on project milestones; submit progress claims
- Phase 4: Project acquittal – finalise claim.

Notification on Approval

In line with paragraph 48 of the NPA, the approval of a betterment submission would be notified to the Commonwealth Minister Assisting on Queensland Floods Recovery.

Variation of Framework

A variation to this framework can be agreed at any time in writing between the Commonwealth Minister Assisting on Queensland Floods Recovery and the Queensland Minister for Local Government, Community Recovery and Resilience or their delegates.