

TaRC Review of Productivity Commission Draft Report Recommendations.

Risk Register for: Productivity Commission Draft Report Recommendations		Initial Values				Comments	
Item	Productivity Commission Recommendation	Risk	Likelihood	Consequence	Risk Rating		
1	<b>General Comment:</b> The overall concept of the NDRRA is based on the principle of acting as a relative safety net for those with limited fiscal capacity.	The continued application of this foundation principle by the State and Federal Governments is endorsed unreservedly.					Comment only
2	<b>General Comment:</b> An Equity based approach to providing support, should lie at the heart of the Natural Disaster Relief Funding by the state and Federal Governments.	<p>Assistance should be provided to those in need, to those without the fiscal capacity to provide for themselves. State and Federal Government should only be considered as an alternative funding option when the fiscal capacity of the affected Local Governments have been exhausted. TaRC supports this view.</p> <p>Most Regional or remote Councils in Northern Queensland, where the prevalence of Natural Disasters is high, are not in a position to fund the cumulative costs associated with repairs required as a consequence of Natural Disasters. Large asset bases are required to support and service expansive local government areas. The areas and demands of the electorate are diverse. They include urban and rural residential, commercial, industrial, mining, farming and energy generation activities. (Reference is made to: <a href="http://www.cairnsinvestment.com.au/why-cairns/regional-profile-tablelands/">http://www.cairnsinvestment.com.au/why-cairns/regional-profile-tablelands/</a>). People in disaster prone areas are by necessity, resilient people. Similarly, it is not reasonable to suggest that the Councils have been inactive, or avoid employing mitigation measures, for the onset of these natural disasters. Tablelands Regional Council contributes significantly to disaster management within its region. To enable it to comply with the requirements of the Queensland Disaster Management Act, Council employs a full time Disaster Management Officer and a further officer on a fixed term contract. These officers coordinate and attend the local disaster management group meetings, prepare the required plans as well as community disaster plans and then are the front line response when a disaster occurs. All of these costs are covered by Council. In addition to these costs, Council officers undertake annual fuel reduction fires in accordance with its fire management plan, it deems out its drainage structures prior to the wet season, it ensures its staff are trained and equipped prior to the cyclone season to restore community infrastructure as quickly as possible. Councils also provide support, equipment and facilities to the local SES and Rural Fire Brigades. All of these costs and services are provided for and funded by the Councils. Council implements affordable, preventative measures to prepare for natural disasters.</p> <p>Whilst the recommendations are not specific in terms of the impacts on Local Governments, it is reasonable for the Commission to review the likely outcomes of their recommendations. Namely the likelihood of State Governments on-shifting the cost burdens created by the Draft Report onto Local Governments. This would ultimately result in the position where a number of Councils could not afford to fund the remediation works resulting from Natural Disasters. Whilst the bias towards preparation and mitigation works referred to in the Commission Draft report are ultimately sensible - one would question whether financial viability of such an approach has been considered or is universally applicable.</p>					Comment only
3	<b>General Comment:</b> An Equity based approach to providing support, should lie at the heart of the Natural Disaster Relief Funding by the state and Federal Governments.	It is expected that the highest cumulative impact of the changes resulting from adoption of the draft recommendations will be on the regional and remote Councils of North Queensland. Questions are raised as to whether the resolution of the assessment (to State level only) was too coarse to allow for consideration of highly affected and regions. Concerns are raised that the adoption of the Productivity Commission's draft recommendations will unfairly and unreasonably shift the cost burden to entities with lower fiscal capacities and levels of resourcing.					
4	<b>DRAFT Recommendation 3.1 (Point 1)</b> The Australian Government should reduce its marginal cost shifting contribution rate to disaster recovery outlays to 50 per cent under the Natural Disaster Relief and Recovery Arrangements	Fiscal Capacity: It is recognised that the Federal Government is trying to provide some clarity, and certainty around the Natural Disaster funding arrangements. Is the State in the position to absorb the additional 25% of the funding requirements which is sought to be absorbed by the Federal Government? The Federal Government has the greatest fiscal capacity and funding base, followed by the State, and then Councils. The redirecting the costs to lower level of governments, ensure financial abilities and capacities are expended, prior to request for assistance occurs currently. If the position of Council that there is no additional capacity to fund the consequences of Natural disasters in the short term. A more sustainable solution for all levels of government would be to provide a base level of support through the development of an ancillary fund, built up over a number of years, to provide funding for repairs and mitigation. The 3 year transition period is considered insufficient and a minimum of 5 years is recommended.	Organisational	Possible	Severe	Extreme	Significant Risks & Impacts Associated with Recommendation
5	<b>DRAFT Recommendation 3.1 (Point 2)</b> The Australian Government should increase the triggers for Australian Government assistance (small disaster criterion and annual expenditure threshold).	<p>The principles of equity, preparedness and self-sufficiency for natural disasters is endorsed. Cost shifting to entities with lower fiscal capacity (State and Local Governments) is not.</p> <p>As per the Federal Government's Concern - the size, frequency or damage potential of natural disaster are difficult to assess with any accuracy. Budgeting for this future latent risks and potential cost impacts on Councils (which are likely to be significant) is possible, but likely to be inaccurate. Artificially reducing the exposure of funding to each successive level of government by means of using benchmark costs etc. do not obviate the need or actual costs of repairing assets to an agreed standard of service. Ultimately the costs of initially funding the assets will lay with the respective Councils, with some form of subsequent recovery reimbursement from the State etc. If the levels of support are artificially set to maximum thresholds, by each level of Government, then the cost and risks are transferred to the next level of Government down. Ultimately, with Councils having no ability to artificially reduce their cost or risk exposures.</p> <p>Support is provided for the recommendation for additional autonomy for the expenditure of NDRRA support. This will allow for the prioritisation of works and repairs - to match the State, Regional or Local Government Area's specific needs. There is limited clarity as to how the increased autonomy would be administered from a Local Government Level, but the principles of autonomy and applied discretion for reconstruction works is supported. It is expected that the base for assessing the funding quantum will remain the build-up of damage reports by the local Councils, which are subsequently submitted to the State and Federal Government for approval. It is recommended that once the relevant funding levels have been set, that a review and prioritisation of the works (and potential betterment works) which vary from the original submission are provided for endorsement by the NDRRA administrators (e.g. QRA) - prior to works commencing.</p>	Organisational	Possible	Moderate	High	Significant Risks & Impacts Associated with Recommendation

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6	<b>DRAFT Recommendation 3.1 (Point 3)</b> The Australian Government should provide state and territory governments with increased autonomy to manage relief and recovery expenditure in a way that reflects the preferences and characteristics of their communities.	The principle of having increased levels of autonomy is supported and would enable the State and Local Governments to use greater discretion in terms of the constrained NDRRA funds to identify and protect high priority infrastructure within their respective areas.					
7	<b>DRAFT Recommendation 3.2</b> If the Australian Government reduces the relief and recovery funding it provides to state and territory governments, it should increase annual mitigation expenditure gradually to \$200 million, distributed to the states and territories on a per capita basis. The amount of mitigation spending could be adjusted over time to reflect the imputed 'savings' from reduced relief and recovery funding.	<p>A provision of \$200M annually is admirable, but wholly inadequate to provide for mitigation measures for the State and Territories - even if the funding were matched by each of the States/Territories.</p> <p>In addition to this, distribution of this \$200M on a per capita basis is strongly opposed. The distribution of the mitigation measures should be on the basis of greatest need and benefit and should not be filtered initially by population.</p> <p>To give some perspective to this proposal, Queensland's Population is roughly 20% of the Nation (Source: <a href="http://www.abs.gov.au/ausstats/abs@.nsf/Web+Pages/Population+Clock?opendocument">http://www.abs.gov.au/ausstats/abs@.nsf/Web+Pages/Population+Clock?opendocument</a>). Under this arrangement Queensland would be due \$40M annually. \$40M dollars is equivalent to approximately 7-8km of arterial road in Cairns (not Highway Standard), or approximately 35km of 2 lane bitum an sealed road. If the state or territories were to double the available funds - these extents would double. This is clearly filtering the provision of mitigation moneys based on Population is not supported.</p> <p>Competitive open tendering/competition for the funds available based on the criteria outlined in the balance of Draft Recommendation 3.2 is supported.</p>					Comment Only
8	<b>DRAFT RECOMMENDATION 3.3</b> The Australian Government should publish estimates of the future costs of natural disasters to its budget in the Statement of Risks. It should also provision through annual appropriation for some base level of natural disaster risks that can be reasonably foreseen. For more catastrophic, less quantifiable risks, it is likely to be more efficient to finance the related costs if and when the risks are realised.	Noted					Comment Only
9	<b>DRAFT RECOMMENDATION 3.4</b> State, territory and local governments should further investigate non traditional insurance products for roads. Where they do not already do so, state, territory and local governments should compile and publish detailed registers of road asset condition and maintenance for all roads over which they have jurisdiction (and have these registers independently audited). This may help insurance markets to understand and price the risk. Consideration should be given to the Victorian model in this regard.	<p>Noted.</p> <p>The insurance premiums for residential property in North Queensland are approximately 2.5 times as high as other centres (refer: "Addressing the high cost of home and strata title insurance in North Queensland, Discussion Paper, dated 5 May 2014 by the Australian Government"). It is expected that this is due to the degree of natural disasters faced. Similar pricing differentials are expected for non-traditional assets, and are likely to be equally unaffordable. Questions are raised into the applicability of the Victorian Model to an area of extreme natural disasters (Far North Queensland).</p>	Financial	Likely	Major	Extreme	Significant Risks & Impacts Associated with Recommendation

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General Details						Initial Values		
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10	<p><b>DRAFT RECOMMENDATION 3.6</b> The Australian Government should:</p> <ul style="list-style-type: none"> <li>cease reimbursement to state and Territory governments under the Natural Disaster Relief and Recovery Arrangements for relief payments for emergency food, clothing or temporary accommodation and assistance to businesses and primary producers (including concessional loans, subsidies, grants and clean up and recovery grants)</li> <li>reduce the amount provided under the Australian Government Disaster Recovery Payment (AGDRP).</li> </ul> <p>The Australian Government Crisis Payment may provide a reasonable benchmark in this regard.</p> <ul style="list-style-type: none"> <li>legislate the eligibility criteria for the AGDRP and the Disaster Recovery Allowance and make these not subject to Ministerial discretion.</li> </ul>	<p>The reduction or cessation of NDRRA for relief payments for emergency food, clothing or temporary accommodation and assistance to businesses and primary producers (including concessional loans, subsidies, grants and clean up and recovery grants) is not supported. It is considered that primary producers provide services and products to the wider community in one of the most volatile industries and deserve support by that wider community benefiting from their endeavours. It would appear counter-intuitive to remove the support (from Government) to these most in need, at their time of need. Again, the focus of the Draft report appears a little myopic in that it doesn't appear to adequately consider the impact that these proposed cost-saving measures have. One would expect that the cost-savings by removing or reducing these supports are minor, and the impact on those affected significant.</p> <p>The reduction to the amount provided under the Australian Government Disaster Recovery Payment (AGDRP) - is not supported.</p> <p>Support is provided for the recommendation to 'legislate the eligibility criteria for the AGDRP and the Disaster Recovery Allowance and make these not subject to Ministerial discretion.'</p>	Political	Almost Certain	Major	Extreme	Significant Risks & Impacts Associated with Recommendation	
11	<p><b>DRAFT RECOMMENDATION 3.8</b> The Commonwealth Grants Commission should revisit its assessment of 'average state policy' and accompanying accountability requirements for natural disaster policies once the Australian Government has announced its decision regarding relief and recovery funding arrangements.</p>	Noted				Comment Only		
12	<p><b>DRAFT RECOMMENDATION 4.1</b> When collecting new natural hazard data or undertaking modelling, all levels of government should:</p> <ul style="list-style-type: none"> <li>make information publicly available where it is used for their own risk management and/or there are significant public benefits from doing so</li> <li>use private sector providers where cost effective, and use licencing arrangements that allow for public dissemination. Where there are costs involved in obtaining intellectual property rights for existing data, governments should weigh up these costs against the public benefits of making the data freely accessible</li> <li>apply cost recovery where governments are best placed to collect or analyse specialist data for which the benefits accrue mostly to private sector users.</li> </ul>	<p>The principle of transparency, accessible information, knowledge sharing are all supported.</p> <p>Risks: Intellectual Property rights and agreements: Most levels of State and Local Government have a large quantities of natural disaster and risk information available. These have been collected over a long period of time to meet specific needs, through development applications or strategic planning endeavours. Not all of the documents have the IP rights assigned to the Governments to allow direct publication of the information. Obtaining these can be time-consuming and expensive - without surety of success. For the collection of future information, Draft Recommendation 3.7 is supported.</p> <p>Local Councils in Queensland are required to comply with State Planning Policies relating to natural disasters e.g.: establishing relevant planning Schemes (in particular Queensland's State Planning Policy (SPP 103 - <i>Mitigating the Adverse Impacts of Flood, Bushfire and Landslide</i>) and more recently, the Single State Planning Policy (released June 2014) both refer and require development of assets with due regard to Natural hazards, risk and resilience. These documents are required to be updated regularly and provide a summary of the best information to date held by the Councils in relation to their LGAs. These documents are considered adequate to circulate the best information and Planning for Natural Hazard Mapping in each LGA.</p>	Organisational	Possible	Moderate	High	Possible Risks & Impacts Associated with Recommendation	

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13	<p><b>DRAFT RECOMMENDATION 4.2</b> State and territory governments, local governments and insurers should explore opportunities for collaboration and partnerships. Partnerships, for example, could be formed through the Insurance Council of Australia and state based local government associations (or regional organisations of councils). Consideration could be given to the Trusted Information Sharing Network model, and involve:</p> <ul style="list-style-type: none"> <li>governments sharing natural hazard data that they already hold and undertaking land use planning and mitigation to reduce risk exposure and vulnerability</li> <li>insurers sharing expertise and information (for example, claims data) to inform land use planning and mitigation</li> <li>collaboration to inform households of the risks that they face and adequacy of their insurance to fully cover rebuilding costs, and to encourage private funding of mitigation through incentives such as reduced premiums.</li> </ul>	<p>As noted above (Response to Recommendation 4.1) - Council's already undertake extensive Natural Hazard, land use planning, risk reduction and vulnerability planning for the development of their Planning Schemes. Indeed, they are required to under: - SPP 1.03 - Mitigating the Adverse Impacts of Flood, Bushfire and Landslide and more recently, the Single State Planning Policy (released June 2014). Both of which refer to and require land use planning to be undertaken to mitigate the risk exposure and vulnerability to Natural Events.</p> <p>Caution is recommended with development of reliance on the information provided by insurers (for example, claims data) to inform land use planning or selection of suitable mitigation measures. Insurers, are skilled in insurance matters and are not the appropriate persons to refer to for informing or developing hazard maps.</p> <p>The intent of the integration of information and collaboration is supported, but, only with a balanced view to achieving a better or more complete picture than the existing. The data that can be provided by insurers will only represent the number of claims in the area. The 'applicability' or 'representativeness' of the data for use as a validation tool may be questionable if the full facts and circumstances for each case are not known or assessed. Insurers already have every opportunity to provide the information suggested in Draft Recommendation 4.2 to Councils - without need for further layering/bureaucracy.</p> <p>In terms of determining the cause or selecting the most appropriate mitigation options - Councils would endorse the use of suitably qualified and experienced professionals to provide advice (Engineers, Planners, Builders, Valuers etc.) as opposed to reliance on insurers.</p> <p>As per above - individuals and companies already undertake a risk assessment discussions with insurers annually. They are best placed to assess their particular circumstances with insurers to develop tailored premiums. It is not the responsibility of Councils or Governments to be involved in providing insurance advice of any sort to individuals/households or business (directly or indirectly). Any distortion of the insurance market by a requirements or influence of Government policies is not supported. On this basis, Council would not support a collaboration model to "inform households of the risks that they face and adequacy of their insurance to fully cover rebuilding costs, and to encourage private funding of mitigation through incentives such as reduced premiums." This Council would recommend that policy holders make themselves aware of the risks, through the information that is publicly available, and consult with suitably qualified and experienced professionals (Engineers, Planners, Builders, Valuers etc.) if further information or advice is required.</p> <p>If the insurance Council of Australia could guarantee that reduced premiums would result as a consequence of mitigation measures undertaken on an individual level, and to what extent - then, it would be suggested that this information be made available to policyholders - such that informed decisions could be made.</p>	Organisational	Possible	Major	Extreme	Significant Risks & Impacts Associated with Recommendation		
14	<p><b>DRAFT RECOMMENDATION 4.3</b> State and territory governments should hasten implementation of the Enhancing Disaster Resilience in the Built Environment Roadmap, including reviewing the regulatory components of vendor disclosure statements. Furthermore, the Land Use Planning and Building Codes Taskforce should consider possibilities for regular, low cost dissemination of hazard information to households by governments and insurers (for example, the work of the Insurance Council of Australia to develop natural hazard ratings at a household level).</p>	Noted- Comments as per Draft Recommendation 4.2	Organisational	Possible	Major	Extreme	Significant Risks & Impacts Associated with Recommendation		

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15	<p><b>DRAFT RECOMMENDATION 4.4</b> State governments should:</p> <ul style="list-style-type: none"> <li>clearly articulate the state-wide natural hazard risk appetite in land use planning policy frameworks</li> <li>provide local governments with guidance on how to prioritise competing objectives within land use planning</li> <li>provide local government with guidance on how to integrate land use planning and building standards. Consideration should be given to Victoria's Integrated Planning and Building Framework for Bushfire in this regard.</li> </ul> <p>Furthermore, local governments should publish the reasoning behind development assessment decisions.</p>	<p>The first point of Draft Recommendation 4.4... "clearly articulate the state-wide natural hazard risk appetite in land use planning policy frameworks" is already articulated in Queensland through the suite of State Planning Policies. Local Councils in Queensland are already required to comply with State Planning Policies relating to natural disasters when developing or changing Planning Schemes. In particular Queensland's State Planning Policy (SPP 1/03 - Mitigating the Adverse Impacts of Flood, Bushfire and Landslide) and more recently, the Single State Planning Policy (released June 2014) both refer and require development of assets with due regard to Natural hazards, risk and resilience. Both Policies have clearly articulated levels of unacceptable risk. Minimum acceptable levels of risk are considered within these policies. Whilst a specific reference to natural disasters is not articulated, the cumulative effect of the minimum required standards are considered sufficient. For example, there is no reference to a risk tolerance for cyclones, but the same outcome is achieved by employing the minimum standards for flooding (Q100 flood levels) and the wind code requirements (specific maps identified areas of increased design requirements i.e. in areas where high level winds (or cyclones) are expected). These State Policies and Guidelines coupled with the Current engineering Standards and considered to adequately deal with point of Draft Recommendation 4.4.</p> <p>Draft Recommendation 4.4, Point 2. "provide local governments with guidance on how to prioritise competing objectives within land use planning". This Recommendation is NOT supported. This statement appears to ignore - The Sustainable Planning Act (2009) An extensive State Planning Policy Framework, in place within Queensland, numerous State referral agencies (to which development applications are referred to), the state interest checking process required to be undertaken for any planning schemes being developed or modified, Statutory guidelines for the development of Infrastructure, local government planning schemes or the roles and responsibilities of the Planning and Environment Court. Extensive consultation and 'guidance' is provided by a range of Governments, Policies and legal frameworks for land use planning and the related competing objectives.</p> <p>Draft Recommendation 4.4, Point 3. The recommendation is NOT supported - As per Comments for Point 2. In addition to the comments relating to land-use above, the Building Code of Australia (BCA) provides the framework against which an assessment of the proposed building structures may be assessed (e.g. minimum requirements for floor levels in relation to the Q100 flood level etc.).</p> <p>Draft Recommendation 4.4, Point 4. The recommendation is NOT supported. Each Development Application submitted to Council is assessed by Town planners and engineers against the minimum standards. Once the assessment is made, Town Planners are required to provide a written report, detailing recommendations and the rationale behind each decision made. So in this regard, the planning report provided to Council for each Development Application already EXPLICITLY STATES the reasoning behind Development Assessment Decisions.</p>					Comment Only	
16	<p><b>DRAFT RECOMMENDATION 4.5</b> The onus is on state governments to ensure that local governments in their jurisdiction are sufficiently resourced to effectively implement their land use planning responsibilities. State governments should review the adequacy of local governments' resources and capabilities, and provide further resources and support where they are not adequate.</p>	<p>Whilst the intent of this Draft Recommendation is noble - practically it is difficult to define what "sufficiently resourced" is, and what costs are associated with providing a sufficient level of resourcing. In large Councils with diverse needs or capability requirements, the level and type of expertise is likely to fluctuate with circumstances (market forces/natural disasters etc.) that are out of the State's and Local governments control. The exposure to costs for the State is uncapped. The options for resourcing councils with insufficient levels of resources are unclear (would there be sufficient resources to fill these capacity gaps, and with whom? Given the smaller, regional Councils are likely to be the most exposed in this regard, is there a skills base sufficient to meet the obligations suggested by Draft Recommendation 4.5?)</p>					Comment Only	
17	<p><b>DRAFT RECOMMENDATION 4.6</b> State governments should provide additional support and guidance to local governments that addresses the extent of local governments' legal liability when releasing natural hazard information and making changes to land use planning regulations.</p>	<p>Guidance and Frameworks: As per previous comments for Draft Recommendation 4.4</p> <p>Support is provided for an arrangement where additional legal advice was provided by the state to assess the "extent of local governments' legal liability when releasing natural hazard information and making changes to land use planning regulations"</p>	Organisational	Unlikely	Minor	Low		
18	<p><b>DRAFT RECOMMENDATION 4.7</b> The provisions in the Queensland Sustainable Planning Act 2009 for injurious affection should be repealed.</p>	Noted and Agreed					Comment Only	
19	<p><b>DRAFT RECOMMENDATION 4.8</b> State and territory taxes and levies on general insurance should be phased out and replaced with less distortionary taxes.</p>	Noted and Agreed					Comment Only	

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20	<b>DRAFT RECOMMENDATION 4.3</b> Insurers should provide additional information to households regarding their insurance policies, the natural hazards they face and possible costs of rebuilding after a natural disaster. This work could be led by the Insurance Council of Australia to ensure consistency in the provision of information across insurers.	Noted.						Comment Only	
21	<b>DRAFT RECOMMENDATION 4.10</b> All governments should put in place best practice institutional and governance arrangements for the provision of public infrastructure, including road infrastructure. These should include: * stronger processes for project selection that incorporate requirements for cost-benefit analyses that are independently scrutinised and publicly released * consideration of natural disaster risk in project selection * a clearer link between road user preferences and maintenance and investment decisions.	A thorough and robust assessment criteria for project selection is Supported  <i>Note: Cost-Benefit-Analysis (CBA's) are required by a number of other funding bodies as part of the funding applications. In each of these - it is noted that the sole reliance on the CBA as an investment decision tool may not be suitable - as benefits for road construction and/or upgrades are sometime difficult to define absolutely, and rely on intangibles, which are hard to assess at the time of the CBA (safety improvements, reduced maintenance requirements, defined economic impacts - increase in tourist or commercial traffic etc.)</i>						Comment Only	
22	<b>Specific Issue:</b> Funding for reconstruction of essential public assets based on assessed damage and benchmark prices	Estimates of asset reconstruction costs may be achieved using benchmark costs. There actual costs for reconstruction can vary significantly based on market forces, availability of materials and or services. Funding purely on benchmark prices is too simplistic and is not supported. <i>(As an example - if the event is small - the cost variation to normal contract construction costs are likely to be small, if the event is large (e.g., TC Yest), or there is a large demand on services within a locality due to a competing interest (e.g., Proposed \$8.2B Aquis development in Cairns - which demand high levels of engineering and construction services) - will distort the contract cost to the high side, due to the latent demand for services. Funding on historical benchmark costs will underestimate costs. An alternative would be that if only benchmark unit rates are to be used to assess funding - then there should be a de-coupling of the approved works and funding. Allow State and Council's to undertake the work as they see fit up to the value approved.</i>		Financial	Likely	Moderate	High	Significant Risks & Impacts Associated with Recommendation	
23		Damage to Essential Public Assets which are not able to be repaired due to funding/costing considerations resulting from the recommendations made - will result in a lower standard of serviceability of the assets		Stakeholder	Likely	Moderate	High	Significant Risks & Impacts Associated with Recommendation	
24		Assets which are damaged - and which remain damaged as a consequence of the inability of States/Local Governments to undertake the required work due to the increased financial demands - may pose a risk to the users of the assets.		Safety	Possible	Minor	Medium	Possible Risks & Impacts Associated with Recommendation	
25	<b>Specific Issue:</b> Streamline what is considered eligible expenditure	Clarification as to what is considered eligible expenditure needs to be clarified. Additional Exclusions from the current eligible expenditure will additionally lead to the cost burden being transferred from the Federal to the State and Local Governments. Clarity is sought on the proposed "Streamlining" of eligible expenditure.		Financial	Possible	Minor	Medium	Possible Risks & Impacts Associated with Recommendation	

# Productivity Commission Draft Report

## Historical NDARRA Program Costs

NDARRA Program	Value of the Program	Completed (Y/N/C)	Total Program Value
FY 10/11	\$ 31,920,180.90	Y	15,960,090.45
FY 11/12	\$ 57,151,955.44	Y	3,575,977.72
FY 12/13	\$ 33,273,938.78	N	3,273,938.78
FY 13/14	\$ 2,800,000.00	N	2,800,000.00

## Reconstruction Costs

NDARRA Program	Total Program Value	Current Funding Model		
		Federal	State	Local
FY 10/11	\$ 15,960,090.45	73%	25%	0%
FY 11/12	\$ 3,575,977.72	\$ 2,610,969	\$ 865,009	\$ -
FY 12/13	\$ 3,273,938.78	\$ 2,438,670	\$ 835,269	\$ -
FY 13/14	\$ 2,800,000.00	\$ 2,100,000	\$ 700,000	\$ -

Proposed Funding Model		
Federal	State	Local
30%	30%	0%
\$ 7,981,000	\$ 7,981,000	\$ -
\$ 1,737,989	\$ 1,737,989	\$ -
\$ 1,639,780	\$ 1,639,780	\$ -
\$ 1,400,000	\$ 1,400,000	\$ -

Expected Funding Model		
Federal	State	Local
30%	20%	20%
\$ 7,981,000	\$ 3,990,500	\$ 3,990,500
\$ 1,737,989	\$ 868,994	\$ 868,994
\$ 1,639,780	\$ 819,890	\$ 819,890
\$ 1,400,000	\$ 700,000	\$ 700,000
Average Cost (incl. FY 10/11)	\$ 8644.28	
Average Cost (incl. FY 10/11)	\$ 1,960,977	

## Preliminary Costs

NDARRA Program	Current Arrangements	
	Small Events Other s (State Trigger)	Trigger Point
FY 10/11	240,000	\$ 1,777,360.00
FY 11/12	240,000	\$ 1,026,360.00
FY 12/13	240,000	\$ 1,155,000.00
FY 13/14	240,000	\$ 1,283,980.00

Expected Arrangements		
Small Events Other s (State Trigger)	Trigger Point (Local)	TotC IMPACT
\$ 2,000,000.00	\$ 200,000	Low
	\$ 500,000	High

### Financial Impact Scenarios

SCENARIO	UGA Reconstruction Cost Assumption	UGA Trigger Point Assumption
LOW IMPACT	0%	At par amount
HIGH IMPACT	2%	Increased to cover a portion of the State's increased small event criteria. Assume \$500K max.

### Event Scenarios

#### Financial Impacts - Average Event (TC Ita)

SCENARIO	UGA Reconstruction Cost Assumption	UGA Trigger Point Assumption	UGA Construction	UGA Construction	Net Financial Impact on TC RC
LOW IMPACT	\$	\$ 121,252	\$	\$ 121,252	
HIGH IMPACT	\$ 3,990,023	\$ 500,000	\$	\$ 1,434,628	\$ 3,183,395

#### Economic Impacts - Average Event (TC Ita)

	Direct	Indirect	Total
Output	\$1,161,136	\$243,733	\$1,404,869
Value Added	\$375,920	\$436,336	\$812,256
Employment	4	4	8

#### Financial Impacts - Extreme Event (TC Yasi)

SCENARIO	UGA Reconstruction Cost Assumption	UGA Trigger Point Assumption	UGA Construction	UGA Construction	Net Financial Impact on TC RC
LOW IMPACT	\$	\$ 121,252	\$	\$ 121,252	
HIGH IMPACT	\$ 3,990,023	\$ 500,000	\$	\$ 4,990,023	\$ 4,368,791

#### Economic Impacts - Average Event (TC Yasi)

	Direct	Indirect	Total
Output	\$1,368,732	\$1,368,073	\$2,736,805
Value Added	\$1,421,833	\$1,660,783	\$3,082,616
Employment	46	45	91



## ECONOMIC IMPACT ASSESSMENT - TaRC - High Impact (Funding Model Changes), Average Event (e.g. T.C. Ita)

### Impact Assessment Model - Inputs

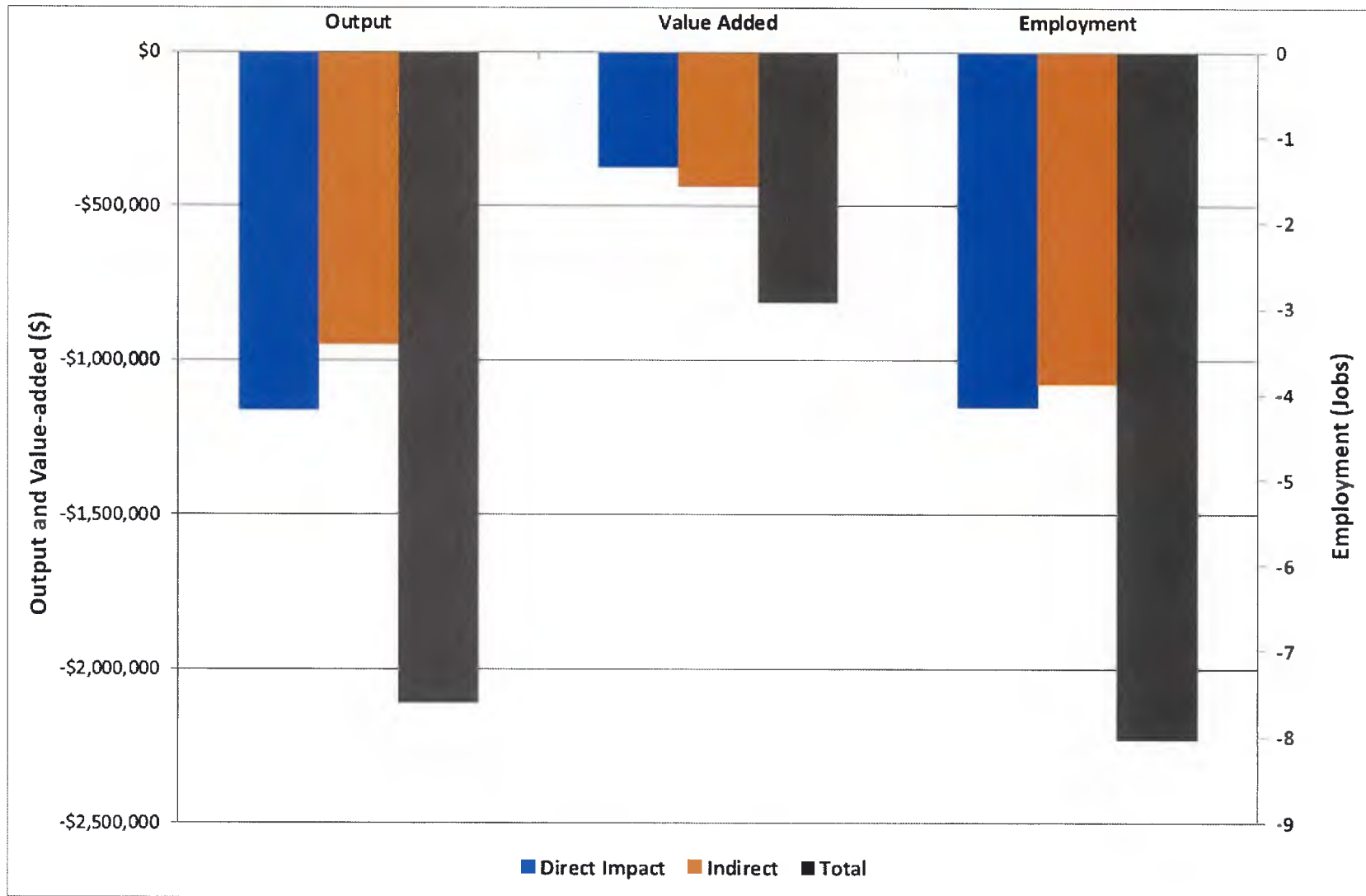
Only enter values in UNDERLINED cells and clear contents before starting

<u>(Please Choose from Drop Downs Below)</u>		<u>Project Data</u>	<u>(Please Enter Amount)</u>
Type of Impact Assessment ->	<u>Expansion/Contraction of Industry</u>	Amount of Spend or Turnover ->	<u>1,163,396</u>
Industry Level ->	<u>1 Digit</u>	Number of Employees ->	
Industry ->	<u>Construction</u>		

ECONOMIC IMPACT ASSESSMENT - TaRC - High Impact (Funding Model Changes), Average Event (e.g. T.C. Ita)

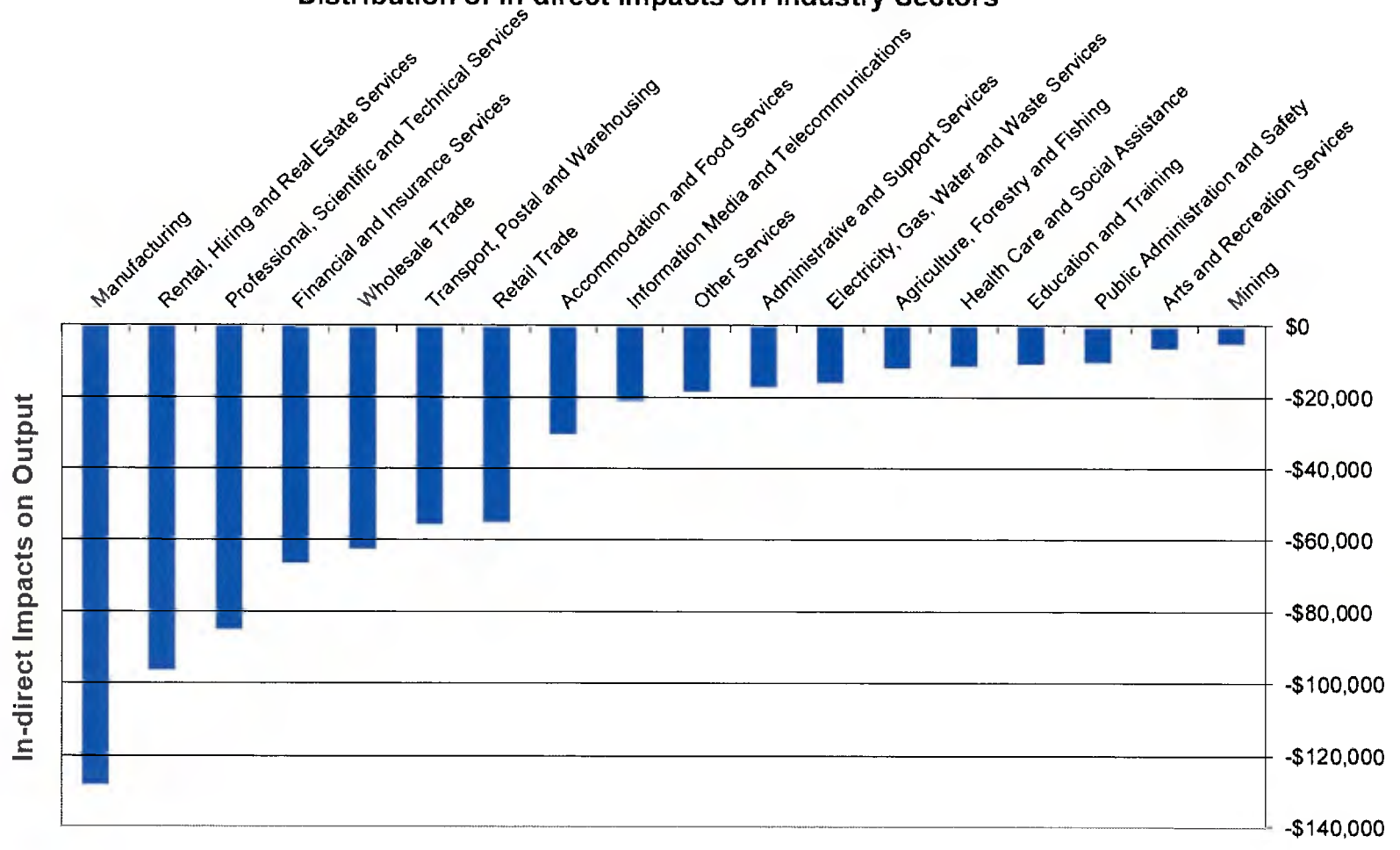
	<i>Direct</i>	<i>In-direct</i>	<i>Total</i>
<i>Output</i>	<u><i>-\$1,163,396</i></u>	<u><i>-\$949,635</i></u>	<u><i>-\$2,113,031</i></u>
<i>Value Added</i>	<u><i>-\$375,980</i></u>	<u><i>-\$436,930</i></u>	<u><i>-\$812,910</i></u>
<i>Employment</i>	<u><i>-4</i></u>	<u><i>-4</i></u>	<u><i>-8</i></u>

ECONOMIC IMPACT ASSESSMENT - TaRC - High Impact (Funding Model Changes), Average Event (e.g. T.C. Ita)



ECONOMIC IMPACT ASSESSMENT - TaRC - High Impact (Funding Model Changes), Average Event (e.g. T.C. Ita)

Distribution of In-direct Impacts on Industry Sectors



ECONOMIC IMPACT ASSESSMENT - TaRC - High Impact (Funding Model Changes), Extreme Event (e.g. T.C. Yasi)

Impact Assessment Model - Inputs

Only enter values in UNDERLINED cells and clear contents before starting

<u>(Please Choose from Drop Downs Below)</u>		<u>Project Data</u>	<u>(Please Enter Amount)</u>
Type of Impact Assessment ->	<u>Expansion/Contraction of Industry</u>	Amount of Spend or Turnover ->	<u>4,368,791</u>
Industry Level ->	<u>1 Digit</u>	Number of Employees ->	
Industry ->	<u>Construction</u>		

ECONOMIC IMPACT ASSESSMENT - TaRC - High Impact (Funding Model Changes), Extreme Event (e.g. T.C. Yasi)

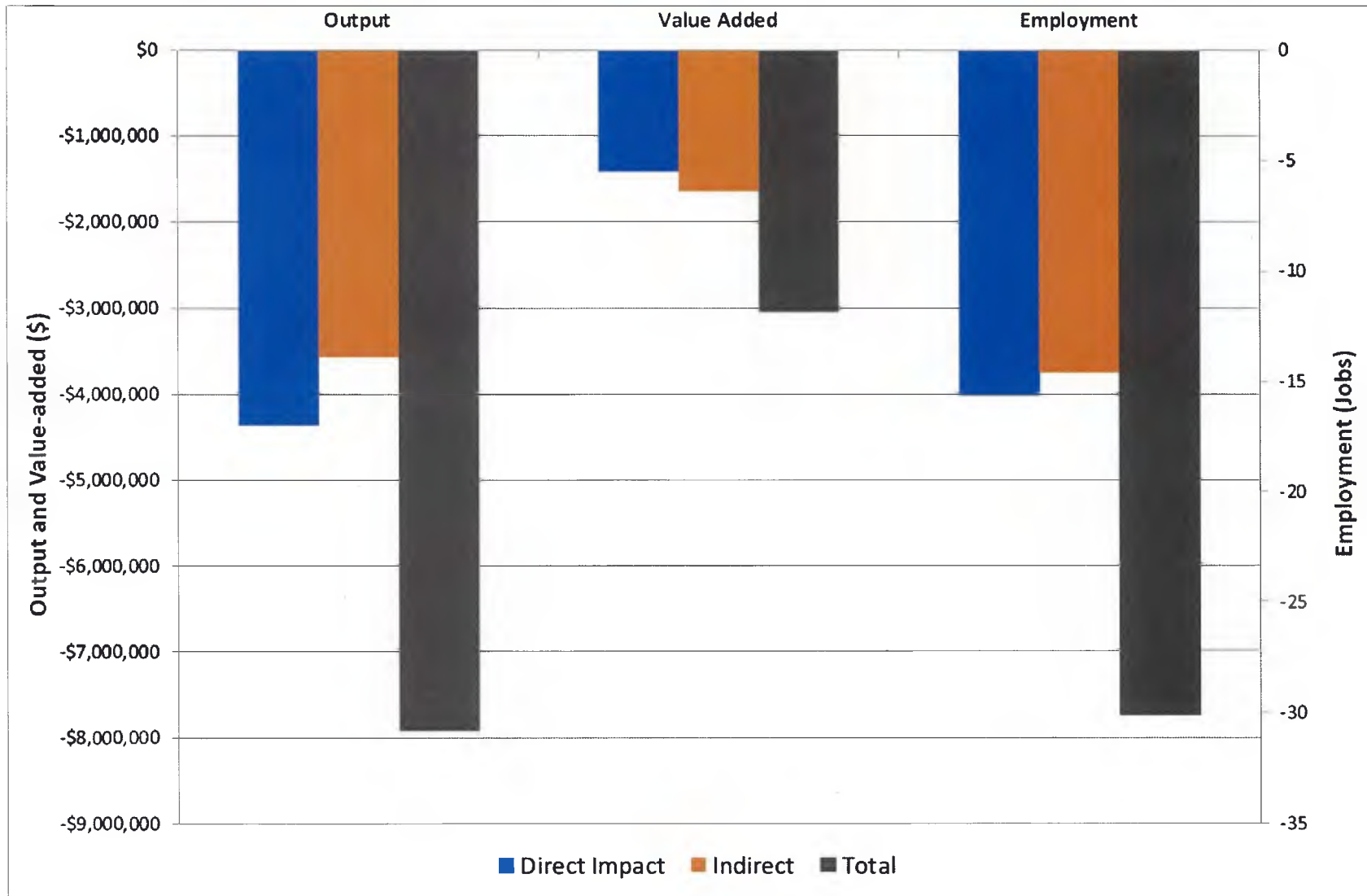
Impact Assessment Model - Output (Summary)

	<i>Direct</i>	<i>In-direct</i>	<i>Total</i>
<i>Output</i>	<u>-\$4,368,791</u>	<u>-\$3,566,073</u>	<u>-\$7,934,864</u>
<i>Value Added</i>	<u>-\$1,411,883</u>	<u>-\$1,640,761</u>	<u>-\$3,052,644</u>
<i>Employment</i>	<u>-16</u>	<u>-15</u>	<u>-30</u>

ECONOMIC IMPACT ASSESSMENT - TaRC - High Impact (Funding Model Changes), Extreme Event (e.g. T C Yasi)

	Direct	Indirect	Total
<i>Agriculture, Forestry and Fishing</i>	\$0	-\$44,420	-\$44,420
<i>Mining</i>	\$0	-\$19,075	-\$19,075
<i>Manufacturing</i>	\$0	-\$482,672	-\$482,672
<i>Electricity, Gas, Water and Waste Services</i>	\$0	-\$60,302	-\$60,302
<i>Construction</i>	-\$4,368,791	-\$902,663	-\$5,271,454
<i>Wholesale Trade</i>	\$0	-\$234,930	-\$234,930
<i>Retail Trade</i>	\$0	-\$206,816	-\$206,816
<i>Accommodation and Food Services</i>	\$0	-\$115,010	-\$115,010
<i>Transport, Postal and Warehousing</i>	\$0	-\$209,423	-\$209,423
<i>Information Media and Telecommunications</i>	\$0	-\$79,594	-\$79,594
<i>Financial and Insurance Services</i>	\$0	-\$250,249	-\$250,249
<i>Rental, Hiring and Real Estate Services</i>	\$0	-\$362,616	-\$362,616
<i>Professional, Scientific and Technical Services</i>	\$0	-\$319,913	-\$319,913
<i>Administrative and Support Services</i>	\$0	-\$64,454	-\$64,454
<i>Public Administration and Safety</i>	\$0	-\$38,152	-\$38,152
<i>Education and Training</i>	\$0	-\$40,371	-\$40,371
<i>Health Care and Social Assistance</i>	\$0	-\$42,498	-\$42,498
<i>Arts and Recreation Services</i>	\$0	-\$23,864	-\$23,864
<i>Other Services</i>	\$0	-\$69,050	-\$69,050
<b>Total</b>	<b>-\$4,368,791</b>	<b>-\$3,566,073</b>	<b>-\$7,934,864</b>

ECONOMIC IMPACT ASSESSMENT - TaRC - High Impact (Funding Model Changes), Extreme Event (e.g. T.C. Yasi)





ECONOMIC IMPACT ASSESSMENT - TaRC - High Impact (Funding Model Changes), Extreme Event (e.g. T.C. Yasi)

Distribution of In-direct Impacts on Industry Sectors

