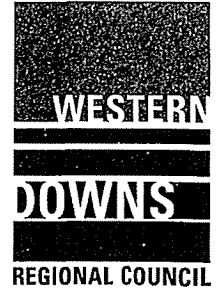


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21 October 2014

The Commissioner
Productivity Commission
Locked Bag 2
Collins Street East
MELBOURNE VIC 8003

Dear Sir

RE: SUBMISSION ON NATURAL DISASTER FUNDING ARRANGEMENT

Reference is made to the Productivity Commissions request for submissions on its draft report on Natural Disaster Funding arrangements.

The Commission has identified three funding options all of which have significant negative financial implications for Western Downs Regional Council (WDRC). Council supports the issues raised in a submission by the Local Government Association Queensland regarding this matter.

The following comments are also provided.

FUNDING APPROVAL AND PAYMENT

Significant damage to Council assets was experienced in the Town of Dalby in 2011. In the past, flooding has previously affected Dalby and WDRC had investigated mitigation options available that would improve flood immunity and provide more resilient infrastructure.

Approval was given by the Queensland Reconstruction Authority (QRA) to replace the damaged infrastructure on a like for like basis and Council used its own source revenue to provide extra funding to lever off NDRRA funding available to achieve a better outcome. The result was infrastructure that is less likely to be damaged in future events, the post clean-up activities will be more cost effective for future events and there has been a slight lowering of the height of the Defined Flood Event as a result of the additional works. While the outcome was achieved in the end, the process of funding acquittal was very challenging.

With the benefit of hindsight the following processes would be advantageous.

Council would be supportive of any payment for approved NDRRA funding to be based on the Asset Valuation for each individual Council. These figures are independently audited on an annual basis by the Queensland Audit Office and provide the real local cost for the replacement of Infrastructure in every region. Once any damage is assessed and a funding amount is agreed, it would be advantageous to have funding provided upfront. With the benefit of local knowledge, this simple process change alone will result in infrastructure more likely to withstand further damage in future events.

Obviously there would still need to be an acquittal process but instead of concentrating on individual damaged units of infrastructure, the focus could be moved to a more holistic view of the outcomes for the entire infrastructure network. For example a section of road may be replaced at a lower standard and another section improved to provide improved resilience or immunity. Overall a better network solution is provided.

MITIGATION

WDRC is supportive of the intent of the commission to focus more effort on mitigation rather than the standard response post disaster that often results in the same assets repaired time and time again.

WDRC is using recently completed flood modelling to investigate several projects such as Flood Levees in Dalby and Chinchilla that will be community changing should they proceed. The benefits will significantly outweigh the costs to these communities in the longer term when projects such as these receive funding and are constructed. Unfortunately funding options for these projects are limited, as is the ability of the local community to cover construction cost in the short term.

It is noted that Draft Recommendation 3.2 indicated that it is proposed to gradually increase funding on mitigation measure over time. The longer that extra funding for mitigation options is delayed, the longer the community will continue to be required to repair essential public assets again and again. WDRC requests that extra funding for mitigation options be available as a priority rather than through the delayed gradual increase as proposed.

PLANNING, MAPPING AND INJURIOUS AFFECTION

A number of planning, mapping and injurious affection matters have special application to WDRC where a number of our towns are subject to regular significant flooding.

Council has been active in carrying out extensive flood modelling using upgraded flood routing methodology and the latest increases brought about by changes to Australian Rainfall & Run-off. Following peer review and extensive community consultation the flood model and mapping has been adopted by WDRC and made freely available to the public.

Council's draft planning scheme includes flood mapping and a flood code with the potential to restrict land use to reflect flood categories. It is recognised that *Section 706 Limitation on compensation under ss 704 and 705* of the Queensland Sustainable Planning Act provides some protection from injurious affection claims in such instances. However there is some concern that the level of protection is insufficient and may be tested in the Planning and Environment Court where Council refuses or restricts Development Applications as a result of such land use changes.

WDRC supports Draft Recommendation 4.7 to repeal the provisions of the Queensland *Sustainable Planning Act 2009* for injurious affection.

Should you have any queries regarding this submission please contact Mr Graham Cook

Yours faithfully

**Phil Berting PSM
CHIEF EXECUTIVE OFFICER**