



21 October 2014

Natural Disaster Funding Arrangements
Productivity Commission
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Dear Commissioners

Submission to the *Natural Disaster Funding Inquiry with reference to the Draft Report Sept 2014*

The Local Government Association of Queensland (LGAQ) is pleased to provide this submission to the *Natural Disaster Funding Inquiry Draft Report, September 2014*. The LGAQ has also registered its interest in participating in the public hearings to be held in Queensland.

The LGAQ supports the Productivity Commission's work to investigate matters relevant to this Inquiry and to recommend approaches to prioritising disaster funding needs and funding options that will reinstate infrastructure to meet needs across all communities. However, the submission details the LGAQ's concerns about a number of recommendations in the Draft Report. These recommendations not only have the potential to seriously threaten the financial viability of many of Queensland's local governments but also deny communities hit by natural disasters the opportunity for timely reconstruction, impacting their social and economic sustainability.

Queensland's 77 councils manage \$76 billion of non-financial assets, with an average of \$1.8 billion of assets being added to local governments' asset base each year for the past 6 years (ABS 5512, 2013). Local government provides, manages and maintains this asset base on behalf of communities, and this significant contribution supports regional and the national economies.

Road assets are a key component of this asset-base. Queensland councils manage over 150,000 kilometres of road network and bridges, with an estimated value of \$43 billion. Queensland councils spend over 33% of their annual budgets to maintain these assets, which in 2011-12 amounted to over \$2.7 billion. The 2013 *National State of the Assets Report* (Australian Local Government Association) provides an overview of local government road assets across Australia.

Over the last six years, over \$5.4 billion of local government assets have required reinstatement as a result of natural disasters. The Queensland Government Budget Paper, *Queensland's Natural Disasters 2013/14* provides a profile of Queensland natural disasters over the last decade and their cost.

Queensland local government makes a substantial contribution to disaster relief, recovery and management. This includes direct resourcing and financial support for reconstruction works, provision of personnel and ongoing participation in local disaster management processes (including risk assessment exercises using ISO 31000, National Emergency Risk Assessment



Guidelines and other standards as part of State and National systems), and additional in-kind support and assistance.

The LGAQ is pleased to provide this submission and to make any further contributions sought by the Commission. I am happy to discuss any of the matters raised in the submission and can be contacted

Yours sincerely

Greg Hoffman PSM
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