



THE HON MICHAEL KEENAN MP
Minister for Justice
Minister Assisting the Prime Minister for Counter-Terrorism

MC16-000083

Mayor Troy Pickard
President
Australian Local Government Association
8 Geils Court
DEAKIN ACT 2600

ALGA MAIL
ITEM No:
DATE RECEIVED: 8.4.16
FILE No:

04 APR 2016

Dear Mayor Pickard 1/04

Thank you for your letter of 24 September 2015, received by my office on 4 January 2016, regarding resolutions passed by the National General Assembly of Local Government in June 2015.

On 5 November 2015, the members of the Law, Crime and Community Safety Council, agreed to continue the investigation of a new model for the provision of recovery funding for the reconstruction of essential public assets, based on upfront damage assessments and pre-determined reconstruction costs. The Australian Government is continuing to work on developing this model over the coming months in close consultation with states and territories (states). The model will focus on giving states more autonomy to deliver practical reconstruction of assets. The Australian Government is also considering the other recommendations contained in the Productivity Commission's report into natural disaster funding arrangements.

The Australian Government recognises that changes to disaster recovery funding have significant implications for state and local governments and does not intend to implement the extent of cuts to recovery funding recommended by the Productivity Commission.

The Australian Government funds disaster mitigation and preparedness initiatives through two exciting programs. The National Emergency Management Projects (NEMP) program funds projects that will deliver and support major, national emergency management capability and development activities. The objectives of the program include enhancing natural disaster resilience for Australia, and supporting natural disaster capability activities, which deliver significant results for the national emergency management sector.

The National Disaster Resilience Program (NDRP) enables the Australian Government to contribute to mitigation projects and to provide funding to states to invest in disaster resilience funding. In recent years, the Australian Government provided \$12.3 million for the National Flood Risk Information Project to improve the quality, availability and accessibility of flood risk maps in Australia. The Australian Government also funds work under that National Work Programme for Flood Mapping to develop a range of technical resources to improve the quality and consistency of flood mapping in Australia.

The Australian Government also contributes \$26.1 million annually to states through the National Partnership Agreement on Natural Disaster Resilience (NPA). The NPA supports states to invest in natural disaster resilience projects to address their highest natural disaster risks. The Australian Government is currently negotiating with states to continue funding for this important programme.

To assist states to clean-up and recover after a natural disaster, the Australian Government also provides funding for recovery activities through the Natural Disaster Relief and Recovery Arrangements (NDRRA)—including reimbursement of up to 75 per cent state of expenditure on personal hardship and distress funding, the repair or replacement of essential public assets (such as roads), and low-interest-rate loans to small businesses, farmers, voluntary non-profit bodies and needy individuals. Since 2010, the Australian Government has contributed over \$9 billion to states under the NDRRA program.

In respect to the motion requesting changes to the guidelines for NDRRA Categories C and D, I note that they are already quite broad, and Category C already includes provision to provide grants to primary producers aimed at covering the costs of clean-up and reinstatement. Each request is assessed by the Prime Minister on a case-by-case basis.

In respect to day labour, the Australian Government has offered all states a temporary exemption to the standing labour provisions under the NDRRA. This exemption will enable local councils to seek assistance to fund the use of their own workforce to undertake disaster reconstruction works on local government-owned assets where there is assurance that the use of council labour will be better value than engaging external contractors.

The temporary nature of this exemption to the day labour rule recognises that the long-term solution to a range of existing restrictions, including day labour, is to move to an upfront recovery funding model, as proposed by the Australian Government, in the context of broader disaster funding reforms. This would provide a greater level of flexibility for state and local governments to spend recovery funding in a manner most suitable to local needs.

Finally, I refer to the motion regarding drought assistance. The Australian Government provides programs to support farm families and businesses in hardship. These programs are administered by the Department of Agriculture and Water Resources, and any queries relating to those programs should be made to the department directly.

As you may be aware, drought was removed from the then Natural Disaster Relief Arrangements (NDRA) in 1989. Following the removal, a taskforce was established that noted that drought could not be objectively or universally defined. A number of reviews undertaken since then have consolidated the approach that drought requires a very different response than other natural disasters and the Australian Government is not considering a change to this position at this time.

The relevant officer for this matter in the Attorney-General's Department is Aaron Verlin, Assistant Secretary, Disaster Recovery Branch, who can be contacted via email at aaron.verlin@ag.gov.au.

Thank you again for writing on this matter.

Yours sincerely



Michael Keenan