



THE HON MICHAEL KEENAN MP
Minister for Justice

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Mayor Dr Felicity-ann Lewis
President
Australian Local Government Association
8 Geils Court
DEAKIN ACT 2600

Dear Mayor Dr Lewis

Thank you for your letter of 25 August 2014 to the Attorney-General, Senator the Hon George Brandis QC, seeking the Australian Government's response to motions arising from the 20th National General Assembly of Local Government. The Attorney-General has referred your correspondence to me, as I have portfolio responsibility for emergency management.

As you are aware, a Productivity Commission inquiry into natural disaster funding arrangements is currently underway to examine the full scope of national expenditure on natural disasters. In particular, the Commission has been asked to provide options for achieving an effective and sustainable balance of natural disaster recovery and mitigation to build the resilience of communities.

The effectiveness of all aspects of the Natural Disaster Relief and Recovery Arrangements (NDRRA), including Categories C and D as requested by North Burnett Regional Council, is within the scope of the Commission's inquiry.

The Productivity Commission has recently released its draft report on natural disaster funding arrangements, which is available at <<http://www.pc.gov.au/projects/inquiry/disaster-funding>>. The Commission has invited public submissions on the draft report by 21 October 2014, and will also be holding public hearings at various locations determined by participant demand. This consultation will inform the Productivity Commission's final report to Government at the end of 2014.

I note that the Australian Local Government Association has already provided a submission to the inquiry detailing local governments' concerns regarding the current disaster funding arrangements, including concerns specific to the NDRRA, and I encourage you to continue to engage in the inquiry process. Further details on how to respond to the draft report or register your interest in appearing before a public hearing are available on the inquiry's webpage.

With respect to the motion submitted by Mitchell Shire Council on the National Insurance Affordability Initiative, you will likely be aware that the Government has ceased funding this initiative, as per the 2014-15 Budget. Funding support for disaster mitigation is, however, one of the key focuses of the Productivity Commission inquiry into natural disaster funding arrangements, and the inquiry's report will inform the Government's approach to mitigation funding options.

Finally, with regard to the motion moved by Etheridge Shire Council concerning drought assistance, I have received the following advice from the Department of Agriculture, which is responsible for drought policy.

The Government understands the toll drought takes, not just on Australian farmers and farm businesses, but on our rural communities more broadly. A new national approach to drought programs has been in place since 1 July this year. This approach replaces the 'Exceptional Circumstances' arrangements and focuses on encouraging farmers to prepare for and manage the effects of drought and other challenges.

One of the Australian Government's key contributions to reform is the Farm Household Allowance—an allowance paid fortnightly to eligible farmers or their partners in hardship, at a rate equivalent to Newstart Allowance. Under the new approach, the Australian Government does not make drought declarations; the Farm Household Allowance is available to support farmers facing hardship, including drought.

There are also a number of other assistance measures available to support farmers and farm businesses in rural Australia build a strong and resilient agriculture sector, including the Farm Finance concessional loans scheme, Rural Financial Counselling Service and Farm Management Deposits scheme. Farmers don't have to be in drought to access this support. There is additional assistance for farm families and businesses in drought affected areas, including drought concessional loans, emergency water infrastructure rebates, pest management funding and additional mental health and social support services.

The action officer for this matter in the Attorney-General's Department is Samantha Ward who can be contacted on 02 6141 2912.

Thank you again for writing on this matter.

Yours sincerely



Michael Keenan

14 OCT 2014