



**SENATOR THE HON LINDA REYNOLDS CSC
ASSISTANT MINISTER FOR HOME AFFAIRS**

Ref No: MC18-018028

Mayor David O'Loughlin
President
Australian Local Government Association
8 Geils Court
DEAKIN ACT 2600

Dear ^{David} Mayor

Thank you for your correspondence of 2 August 2018 concerning certain resolutions of the National General Assembly of Local Government held in June 2018. Your correspondence has been referred to me as the Assistant Minister for Home Affairs as the matter falls within my portfolio responsibilities.

The Australian Government recognises the importance of minimising risks to Australian communities from natural disasters, and building safer and more resilient communities for when disasters occur. We are committed to ensuring communities are supported following a disaster, and that we work closely with the states and territories to ensure the recovery arrangements facilitate this support.

In terms of Resolution 34, the level of Commonwealth assistance that is calculated by assessing a state's eligible financial year expenditure against a thresholds based system remains unchanged in the new Disaster Recovery Funding Arrangements 2018 that will commence nationally on 1 November 2018.

Regarding Resolution 35, Category B of the current Natural Disaster Relief and Recovery Arrangements (NDRRA) Determination 2017 and the Disaster Recovery Funding Arrangements 2018 enables jurisdictions to rebuild essential public assets that have been damaged by an eligible disaster. Parks and recreational facilities are not generally considered to be essential public assets under Category B as they do not constitute integral infrastructure for the normal functioning of a community.

However, this does not preclude a jurisdiction from seeking the agreement of the Government for a particular asset to be deemed eligible under Category B, or for such assets to be rebuilt under Category C where the impacts of an eligible disaster on affected communities warrant additional assistance.

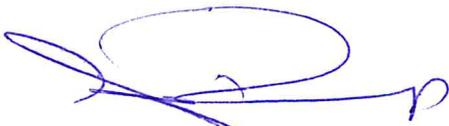
In relation to Resolution 36, on 1 July 2017, the Government introduced the NDRRA Determination 2017. The NDRRA addressed concerns raised at the state level by providing clarity and guidance on the interpretation of certain eligible measures and definitions, and also addressed administrative inconsistencies identified in the NDRRA Determination 2012 Version 2. The revisions included providing clarity and guidance on the NDRRA Determination 2012 Version 2 definition of an eligible undertaking by defining what constitutes a nominal charge well below the cost of production.

It is important to remember when assessing the eligible undertaking requirements that a state or local government agency may not automatically be an eligible undertaking for the purposes of the NDRRA. The assessment is based on how the state or local government agency operates the essential public asset. This process is applied by all states when determining whether disaster damaged assets are eligible under the NDRRA.

I note your concerns regarding Resolution 37 and 37.1. Please note that these matters fall under the portfolio responsibilities of the Prime Minister, the Hon Scott Morrison MP, and the Attorney-General, the Hon Christian Porter MP, respectively.

Thank you for raising this matter.

Yours sincerely



LINDA REYNOLDS

26 / 9 / 2018