

Review of the NSW Reconstruction Authority Act 2022

Opening Statement - Kent Boyd General Manager Parkes Council for Central West Joint Organisation

All Australian Governments, State, Federal and local, are investing heavily in decarbonising Australia, which is admirable, however the established science indicates that the global temperature will rise despite everyone's best efforts, by how much is contentions, but there is no argument that temperatures will rise.

Rising temperatures will exacerbate weather extremes, this is now unavoidable and, in our view, demonstrable with recent disaster events.

For example, in November 2022 a weather cell passed over the Central West of NSW with catastrophic results. Towns such as Eugowra, Molong, Canowindra, Parkes, Forbes, Trundle and Condobolin had multiple dwellings inundated, multiple millions of dollars of infrastructure destroyed, and lives lost.

A specific example in Parkes helps to demonstrate the new magnitudes of these events... a new home was built 1.5m above the largest flood in recorded history and that home was inundated to a depth of about one (1) meter by the November 2022 event.

Consequential Issues and those based on experience include,

1. Government figures show ~97% of disaster funding is spent on response and recovery and only 3% on reducing risk.
2. Governments at all levels should consider concentrating on disaster mitigation and adaptation, in preference to disaster response. NSW Reconstruction should take a greater role in disaster mitigation and adaptation and should be resourced accordingly.
3. The NSW Reconstruction Authority Act 2022 should be configured to focus more on disaster mitigation and adaptation.
4. Drought should be recognised as a natural disaster at least from a mitigation/adaptation point of view.
5. All processes are slow. For example, in relation to the November 2022 events, the \$100m support package was announced, and very much appreciated, in October 23 (nearly a year after the event) and at the time of this report, none of the money has been release (nearly two years after the event). Systems need to be streamlined to allow early allocation of funds, in a consistent manner.
 - a. This can result in unnecessary stress to those who may ultimately be beneficiaries of the funding.
 - b. Where betterment funding is provided, it can result in the absurd circumstances when fresh repairs are demolished to allow installation of betterment/adaptation repairs.
 - c. Residents can be left in limbo, needing to make decisions on progressing repairs, accepting insurance payouts, implementing insurance repairs etc.
6. Insurance is a major issue, and legislation is required to control behaviour, albeit in the act or elsewhere.

- a. Some companies are fair and equitable, some prima facie seem harsh and unreasonable.
 - b. Often insurance agencies require occupants to attend multiple times with short notice, coordination is often poor.
 - c. Residents report after-event premiums appear to be unrelated to risk, instead are exorbitant and unaffordable by some insurance companies.
 - d. Disaster areas will be completely uninsurable and government intervention may be required.
 - e. NSW Reconstruction could help by defining the event, and determining the parameters which insurers use to accept or reject claims. Reconstructions adaptation/mitigation work should be used to manage risk and therefore insurance premiums.
7. During and post event data sharing is poor. A multiagency single-source-of-truth database would be a big improvement.
8. Development of Disaster Mitigation Plans is supported, however,
- a. Costs can not be shifted to Local Government
 - b. As many of these events are new, it will take long lead times to undertake the flood and disaster modelling, so the Disaster Mitigation Plans are meaningful.
 - c. Reconstruction should work with flood plain agencies, Councils and possibly SES to develop mitigation plans and response plans together.
9. Disaster Recovery Funding Arrangements (DRFA)
- a. Emergency works (first 3 months) seem to work well and allow councils to get in and make emergency repairs however reimbursement for this work is too slow, and evidence is not always available. Claims and evidence are expected during the extreme activity period. Council is expected to carry the cost until reimbursed. Clean-up and debris removal is not covered.
 - b. The following period ie Immediate Repair work (IRW - 3-6 months), required pre-event evidence, scope and estimated cost. Requires approval before work can commence, which is slow. Councils are highly criticised for not progressing repairs, while waiting for approvals, which can take considerable time.
 - c. Then the Essential Public Asset Reconstruction (EPAR 6months+). Heavily scrutinised. required pre-event evidence, scope and estimated cost. Requires approval before work can commence which can take up to 12 months. Councils are highly criticised for not progressing repairs, while waiting for approvals, which can take considerable time. Councils carry considerable cost.
 - d. The capacity of Councils to undertake emergency repairs, find pre-event evidence and lodge claims can be limited. Councils are only resources to "normal" levels, however in disasters, capacity needs to be very significantly increased.

- e. A whole-of-government approach is required. The process could be streamlined by joint inspections of defects after events, and a collaborative approach.
 - f. The reimbursement arrangements are way to slow and can force council to borrow money to ensure they remain equitable. This is a significant issue.
 - g. Betterment is not included, this can result in an asset being repaired, then later betterment applied, which is inefficient and created public ridicule of all agencies involved. We would support upfront payments or a 28-day repayment.
 - h. Lack of pre-event evidence is often an issue. There needs to be a level of trust between agencies.
10. Disaster Recovery Funding Arrangements (DRFA) exclude repair to water and sewer assets. This is a major issue that need to ne remedied. As an example in the November 2022 event, some ~\$24m of damage to regional water and sewer assets occurred and there remains no mechanism for these to be repaired. In Northern Rivers however, NSW Government funded these directly.

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To whom it may concern

**Cabonne Council Submission to the Joint Select Committee
on the NSW Reconstruction Authority**

Cabonne Council thanks the Committee for the opportunity to provide the following submission to the Review of the NSW Reconstruction Authority Act 2022, noting that this is an extension of a submission provided by the Central NSW Joint Organisation.

In November 2022, the Central West – in particular the LGA's of Forbes, Parkes, Lachlan and Cabonne – was thrust into the world of disaster recovery following the impacts of AGRN1034.

Our natural disaster came at a time when Resilience NSW was under high levels of scrutiny and review, and just prior to the 2023 NSW State Election.

Cabonne Council and the Central NSW Joint Organisation is well placed to comment on the impacts and effectiveness of the NSW Reconstruction Authority Act, as right from the start, the four Central-West Councils have been the vanguards for its implementation at a local level.

Cabonne Council has worked very collaboratively and constructively with the NSW Reconstruction Authority over the past two years.

We have found, particularly the team leading recovery efforts on the ground, to be highly professional, assertive and proactive in working with both Council and our community.

In particular, we would like to acknowledge the work of the Central West Regional Delivery Team – most notably their Director, and the work of the Housing Taskforce in the delivery of the 'Caravans at Home Program' and 'Pods on Private Property Program'.

The November 2022 flood event was unlike anything our region had experienced before.

What made this event so extreme in nature was the events that also lead up to it. For context, from January 2020 to November 2022, the Cabonne LGA had 9 natural disaster declarations. Other Central West Councils also had significant natural disaster declaration during this period.

The catastrophic flood event of 13 and 14 November 2022 saw homes, businesses, livestock, rural properties, crops, machinery and infrastructure damaged, destroyed and lost across Cabonne.

Most devastatingly, the flood event also resulted in the loss of two Cabonne residents.

Across the Cabonne LGA:

- 5 towns were impacted, a number of localities, and many rural properties.
- More than 426 houses were impacted by the event.
- More than 120 pods on private property were utilised following the flood, with more than 100 still being utilised by local families.
- More than 100 businesses were damaged – representing nearly 10% of businesses across Cabonne impacted.
- 118 community assets were damaged or destroyed.
- Council has estimated that there was approximately \$90m of damage to our road network.
- 10,543 tonnes of waste was taken to our waste management facilities.
- The physical and mental cost of this flood event is difficult to quantify, and even harder to manage.

The sheer scope of the floods means we are yet to fully realise the long-term impacts on the environment, the economy, and the health and wellbeing of the community.

From a local perspective, on behalf of my Mayor and Councillors, Council is very proud of the resilience and determination demonstrated by so many across Cabonne, and the way that our communities have worked to support each other.

That being said, there have been many lessons learned as our Council has worked to recover from this flood event, and I am aware that many of these lessons were shared by the three other impacted Central West Councils.

From day one of the November 2022 floods, the NSW Reconstruction Authority (or Resilience NSW at that stage) was on the ground with Council, providing advice and guidance on recovery.

As a relatively small Council, with limited resources, and given the extent of damage across the LGA, we were highly reliant on the advice from NSW Reconstruction.

Despite this goodwill, I would note the following concerns in relation to the effectiveness and practical application of the Act:

- **Council's hold the burden of financial risk**
 - Regardless of the intent of the Section 10 of the Act, and further work regarding the introduction of tripartite agreements, Councils are often left holding and managing the financial risk in relation to immediate reconstruction and recovery from natural disasters.
- **Impact of funding claims and delays**
 - Delays in assessing funding claims – particularly when led by other agencies or requiring approvals through the National Emergency Management Authority - takes too long, is layered in bureaucratic red tape, and results in significant payment delays.

- The “de-centralisation” of processing claims is inefficient and ultimately hurts community. As the lead delivery agency, we would like to see the NSW Reconstruction Authority lead the claims process. This would ensure a more appropriate and timely interpretation of the Australian Disaster Recovery Framework and the interrelation between Federal and NSW processes streamlined.
- **Better assistance for Councils**
 - Despite use of language in the Act relating to “building capacity” and “providing support” Councils and local community members are often left having to find more capacity. Ideally, consideration of a concierge-style service to assist Council’s in navigating funding options and working through the complexities of understanding the Essential Public Asset claims process (including the acquittal processes).
 - Councils generally operate at peak of capacity due to ongoing financial sustainability issues. Disasters happen and Councils asked to lift to find more capacity. The Act focuses on provision of cash funding, but there is a gap in service delivery. Again, practical assistance with additional support staff – trained in disaster response – perhaps embedded and on loan would be valuable.
- **Equity in Program Delivery**
 - The Cabonne LGA and Central West region has experienced some of the unintended consequences – both good and bad – of lessons learned from recovery in the Northern Rivers. A consistency in the application of funding measures in future events would be greatly appreciated across the state. There are significant funding gaps between what has been provided in the Northern Rivers versus what has been provided in the Central West, even on a population comparison basis.
 - Rather than re-designing guidelines and delivery of programs, such as the Community Assets Program and the Resilient Housing Program, it would be advantageous to have fit-for-purpose programs substantially designed, resulting in quicker roll-out to community.
- **Alignment with the NSW Recovery Plan/State Emergency Management Plan**
 - The Act appears to be silent on alignment with the NSW Recovery Plan, although does clarify responsibility around the State Emergency Management Plan (under the *State Emergency and Rescue Management Act 1989*).
 - Further clarity is required between the way that the Act applies to NSW Reconstruction, and how it aligns with the NSW Recovery Plan and the State Emergency Management Plan.

- During a disaster, there is not always clarity on who is the key lead agency or at what point that is passed from SES (in the case of floods) to NSW Reconstruction Authority, and then to Council. Coordination of multiple agencies (e.g. the Department of Communities and Justice, who led the evacuation centre during our flood event) – meant that key provisions such as food for community members fell to the community and Council to try and coordinate.
- **Local Approach to Resilience and Preparedness required**
 - A key element in the Act is the delivery and integration of State and Regional Disaster Mitigation and Adaptation Plans.
 - Ensuring that any resilience and preparedness measures are meaningful and deliver the best possible outcomes for community requires a much more localised approach. Whilst Council appreciates the intentions for Regional Disaster Risk Reduction Plans, and regionalised/catchment Disaster Adaptation Plans, natural disasters have very localised impacts. There is significant concern that in adopting a regional approach, the localised impacts of disasters and subsequent mitigation measures will be lost or de-emphasised.

Generally, the Act, as piece of Legislation is quite effective. However, there is difficulty in the application of some aspects of the Act.

The November 2022 floods has left affected Council's feeling that there is a disproportionate emphasis on audit, compliance with guidelines, and regulatory processes. The intent of the Act is and should be focused on community, recovery, and delivering meaningful outcomes.

As stated by the Cabonne Mayor, Kevin Beatty and Chair of the Central NSW Joint Organisation, *"Where the red tape ends, there recovery will begin!"*

We know that unfortunately, these climatic events will likely happen again, and we hope that some of the outcomes of this inquiry result in improvements for the next community that is impacted by natural disasters.

It is vital that governments at all levels, agencies and communities work together to design solutions that better protect people, homes, businesses and communities from the increasing threat of natural disasters.

For further information please contact Council via, [REDACTED].

Regards,

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