

**Submission
No 55**

REVIEW OF THE NSW RECONSTRUCTION AUTHORITY ACT 2022

Organisation: Northern Beaches Council

Date Received: 17 June 2024

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Chair
Joint Select Committee on the NSW Reconstruction Authority
Parliament House
Macquarie Street
SYDNEY NSW 2000

Our Ref:
2024/377729

Dear Mr Barr

Statutory Review of the NSW Reconstruction Authority Act 2022

Northern Beaches Council (Council) welcomes the opportunity to provide comment on the review of the NSW Reconstruction Authority Act 2022 (the Act) to determine whether:

- a) *the policy objectives of the Act remain valid, and*
- b) *the terms of the Act remain appropriate for securing the objectives.*

Council is of the opinion that both the objectives and terms of the Act remain appropriate noting Council's limited interactions with the Act to date.

The matters that Council highlights below pertain less to the Act itself but rather to two critical functions that the Authority has responsibility for, namely Natural Disaster Relief Arrangements and disaster mitigation and adaptation planning.

Northern Beaches LGA

The Northern Beaches is a community of approximately 270,000 people within the northern Sydney region and while blessed with spectacular bushland and waterways, our LGA is highly exposed to a raft of natural hazards with current data indicating:

- Over 22,000 properties are affected by flood;
- 19,000 properties are bush fire prone;
- 63,000 properties exposed to moderate to high geotechnical risk, and
- close to 5000 properties affected by coastal hazards.

The recently released NSW State Disaster Mitigation Plan estimates that by 2060 the Northern Beaches will have the highest Total Average Annual Losses in NSW by 2060, with estimated losses of close to \$1 billion dollars per annum to the built environment alone. These predicted continual losses are an intolerable risk for our community, highlighting the urgent imperative to significantly bolster investment and sustained action on prevention, mitigation and adaptation measures in a time where disaster risk is increasing.

Natural Disaster Funding Arrangements

One of the principal challenges facing local government during the recovery phase is the disaster funding process referred to as the NSW Natural Disaster Relief Arrangements (NDRA) which is supported by the National Natural Disaster Relief and Recovery Arrangements (NDRRA).

There are four core issues with the current funding arrangements including:

1. *Proof of evidence*

The level of detail required to accompany a submission, particularly for emergency clean-up activities, is extremely onerous and does not contribute to recovery and to some extent hinders the process.

Under the current disaster funding arrangements, there is an expectation to have pre-condition information for every impacted asset, in addition to photographic evidence to support the emergency works undertaken. This level of detail is understandable for the rectification of infrastructure related items such as roads, bridges and the like where asset data may be more readily available, and numbers are generally limited. However, acquiring such detailed information for emergency works involving the extensive clean-up of debris, primarily trees and branches, is often very challenging, especially given the large number of individual tasks spread over extensive areas.

The practicalities of the current funding arrangements complicate the emergency response and recovery process, particularly given that councils rely heavily on contractors to undertake the vast majority of clean-up activities in these circumstances. There is concern regarding the reliance on contractors to provide additional evidence, particularly during adverse working conditions and when time is of the essence. These requirements significantly increase response and clean up time and add substantial cost for their services due to the data management requirements.

It is recommended that the Authority review the current imposing pre-condition and photographic evidence requirements to simplify the recovery process.

2. *Limitations to “Essential Public Assets”*

There are significant limitations in the eligibility of items classified as “essential public assets” within the current Disaster Recovery Funding Arrangements (DRFA).

Council has historically incurred significant disaster costs relating to what the community would value as critical assets such as community and sporting facilities, foreshore and coastal assets. However, due to the prohibitive nature of the guidelines, local government bears a significant financial burden due to the narrow revenue base from which to draw to cover these unexpected costs.

Many of these assets are critical to the recovery of a disaster affected community, particularly those assets that promote and restore social capacities.

Council urges the state government to critically review these current limitations with a view to expand the essential public asset criteria.

3. *Betterment funding*

The current disaster funding arrangements are heavily focussed on restorative activities in a like-for-like fashion, with only material changes necessary to meet modern standards.

This approach is highly restrictive and eliminates the opportunity for councils to adopt a resilience/adaptation-focused strategy in the design and rebuilding process for asset repair, to reduce the repeated impacts of future disasters.

As such, we urge the Authority to establish a Betterment Fund that enables the future-proofing of critical assets to increase the resilience and durability of the infrastructure, making it less vulnerable to future disasters. This represents a significant cost saving opportunity by reducing the cost and duration of future recovery efforts and will assist in meeting the overarching objects of the Act.

4. *Forward funding and claims assessment timelines*

The assessment and assurance process for claims places a significant financial burden on councils. Northern Beaches Council's experience is that claims take around 3 years to be assessed and paid, leaving the Council out of pocket millions of dollars during this period.

The forward funding by Transport for NSW of road repairs following the 2022 floods has been a successful arrangement under AGRN 1012. Northern Beaches Council received a \$5 million advance payment towards the program which relieved the financial pressure associated with this flood event.

We recommend the NSW Government streamline the assessment process and provide additional resources to undertake the claims assessment along with forward funding reconstruction costs.

Disaster Mitigation and Adaptation Planning

Council supports the approach outlined in the NSW State Disaster Mitigation Plan (SDMP) and the soon to be prepared Disaster Adaptation Plan (DAP) framework.

Whilst the current and future disaster related losses have been identified in the SDMP, what will become increasingly evident is the inability of local government to fund necessary mitigation and adaptation activities.

To put this into context, Northern Beaches Council has identified approximately \$200M worth of flood mitigation projects alone. This does not include mitigation works for other hazards. Further, these costs are anticipated to grow exponentially with the compounding nature of climate change factors such as sea level rise, increasing rainfall intensities and prolonged hot and dry periods.

It must be recognised that Local Government is responsible for a range of functions and as such must balance the needs of the community with a narrow revenue base - a base that is subject to state-imposed restrictions (rate pegging). Whilst grant funding will cover some of the cost, there remains a significant financial burden on local government to fund the remainder, well beyond our capacity to do so. Adequate financial support, not dependent on co-contributions or reimbursement models, is essential.

Council understands that the Authority is able to assist local Councils with various activities relating to prevention, preparedness, recovery, reconstruction and adaptation activities. Council recommends the creation of a comprehensive, ongoing resource and grant funding program, specifically for local government that enables councils to deliver mitigation and adaptation actions through the provision of resources, financial support and information.

With respect to the creation of the DAPs, it is important that the Authority compel critical infrastructure owners/operators to engage and participate in a meaningful way to ensure all identified risks, vulnerabilities and necessary adaptation actions are thoroughly assessed and incorporated into the DAPs (particularly where local government is preparing the DAPs).

Furthermore, Council notes that Part 4, Division 3 of the Act requires that 'relevant entities' and 'planning authorities' must have regard to the SDMP and any relevant DAPs. Council is strongly supportive of these requirements and, in the current context of extreme housing supply shortages, urge the Authority to ensure that this consideration extend to, and be enacted by, relevant State government agencies, policies and strategies.

Summary of Recommendations

1. Review the proof of evidence requirements under the NSW Natural Disaster Relief Arrangements, with a view to increase efficiency and reduce the financial and resource burden on local government as well as the departments that assess these claims.
2. Expand the criteria for Essential Public Assets under the NSW Natural Disaster Relief Arrangements to include other critical community facilities and assets that are omitted from the current arrangements.
3. Establish a Betterment Fund under NSW Natural Disaster Relief Arrangements that supports resilience and adaptation outcomes.
4. Develop a local government resource and grant funding strategy to enable local government to deliver mitigation and adaptation actions through the provision of resources, financial support and information.
5. The NSW Reconstruction Authority compel critical infrastructure and facility owners/operators to engage and participate in the development of local and regional Disaster Adaptation Plans.

Thank you for the opportunity to provide comment on the *NSW Reconstruction Authority Act 2022*. Should you require any further information or assistance in this matter, please contact my office on [REDACTED].

Yours faithfully

[REDACTED]

Todd Dickinson
Director Environment & Open Space