

LGAQ ANNUAL CONFERENCE MOTION – 2017

Submitting council / organisation	
Scenic Rim Regional Council	
Date of council / organisation resolution	LGAQ Policy Executive district
28 August 2017	2W
Number and title of motion	National Disaster Recovery & Relief Arrangements - Category D Criteria and Funding Levels
Motion	That the Local Government Association of Queensland seek target criteria and additional funding for Category D programs under the Natural Disaster Relief & Recovery Arrangements with the aim of increasing the level of funding directed towards infrastructure Betterment programs.
Background	<p><u>History of flooding in Scenic Rim</u> 1887 "The Big Flood" 1893, 1926, 1953, 1954, 1971, 1974, 1992, 2006, 2008, 2010, 2011, 2012, 2013 and 2017</p> <p><u>Repeated damage due to inundation</u> Council has seen the same assets suffer repeated inundation in recent years as a result of flood events. This has resulted in individual assets being repaired on repeated occasions without improved resilience unless those assets were repaired as part of a Betterment program administered by the Queensland Reconstruction Authority (QRA).</p> <p>Council's experience of Betterment programs is that they are effective. An example is the improved resilience of Murphy Road Bridge, Geiger Road and Sarabah Road achieved under the Betterment program following the Tropical Cyclone Oswald and Associated Rainfall and Flooding, 21-29 January 2013 event.</p> <p>During the March 2017 flooding event resulting from Severe Tropical Cyclone Debbie these assets suffered minimal damage and this is directly attributable to their more resilient construction achieved through the Betterment program.</p> <p>Another example are assets that Council had repaired with the assistance of the Queensland Government's Community Resilience Fund. Council received \$276,000 in funding for the Upper Coomera Road Culvert Upgrade, which had a total project cost of \$690,000. This asset suffered minimal damage during the recent floods.</p> <p>The above history of flooding shows that flood events are no longer viewed as irregular and the long-term cost of repairing the same assets over such frequent intervals is not sustainable.</p> <p>A key question to be asked is how much extra would various levels of government spend to achieve resilience?</p> <p>Council has asked itself this question and has identified a level of funding from its 2016-17 and 2017-18 budgets that it has quarantined for the purpose of undertaking complimentary works to improve resilience in conjunction with Category D assistance under the Natural Disaster Relief & Recovery Arrangements (NDRRA). The level of funding that Council will contribute will be matched with funding from the State and Federal Governments. This funding will be allocated to resilience activities such as stabilising road pavements where it has been shown from previous investment in such projects that the additional resilience achieved will save cost into the future.</p> <p>In addition to this, Council allocates around \$500,000 per annum to resilience</p>

LGAQ ANNUAL CONFERENCE MOTION – 2017

	<p>activities as part of a standard budget allocation. The Scenic Rim region can be impacted by high intensity pockets of rainfall causing severe damage to isolated assets that does not result in a trigger for NDRRA funding. Council invests its capital and maintenance budget in these areas using materials like foam bitumen stabilised gravels and Polycom to provide resilience to road pavements. Council has identified in excess of one hundred sites where these treatments would prevent the severity of pavement damage, however is not able to undertake these works under its normal budget. These smaller-scale projects are viewed by Council as priority resilience improvement projects.</p> <p>Preliminary investigation that Council has undertaken on assets damaged by Severe Tropical Cyclone Debbie has shown that the resilience or Betterment cost is likely to be double the cost of Restoration. However, it could be considered a sound investment if these assets have already been repaired in floods that occurred in 2006, 2008, 2010, 2011, 2012 or 2013.</p> <p>As can be shown from Council's above examples the additional investment is worth it if it can be shown that the asset becomes resilient in future flooding events as many assets will likely will only need to remain resilient for 1-2 flood events to achieve a full payback.</p>
<p>What is the desired outcome sought?</p> <p>What are the impacts (positive or negative) on local government?</p>	<p>Returning transport assets to full function after a flood event as quickly as possible is necessary to provide access for the community and the quicker this can occur the greater the economic benefit not only to the region but to the Queensland economy. This is achieved faster if assets are resilient during flood events and require less effort to repair after a flood event occurs.</p> <p>Council is seeking a higher level of financial investment from other levels of government for Category D assistance under the NDRRA with the aim of increasing the funding directed towards infrastructure Betterment programs. It is also seeking the development of a target criteria that can be used under the NDRRA to determine if the cost/benefit of investment in Betterment produces a greater economic return than investment in Restoration thereby allowing Betterment to become an integrated part of the NDRRA program.</p> <p>Council would like to see Betterment funding options provided under Category D assistance available in line with Restoration funding options provided under Category B assistance. If a Betterment option was available as standard it would assist with identifying a more resilient outcome immediately when assessment of damaged assets is occurring rather than being something that is dependent on whether funding is announced at a later stage under Category D assistance and then undertaking another assessment to identify Betterment opportunities.</p> <p>Ultimately, Council is seeking the alignment of Category B and D assistance under the NDRRA so that a Betterment outcome becomes a standard available option with the aim of reducing the level of financial assistance required from other levels of government into the future for the Restoration of transport assets after flood events and access for the community being restored more quickly.</p>
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LGAQ ANNUAL CONFERENCE MOTION – 2017

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Scenic Rim Regional Council	
Date of council / organisation resolution	LGAQ Policy Executive district
28 August 2017	2W
Number and title of motion	Financial Assistance Grant Identified Local Road Component
Motion	That the Local Government Association of Queensland request that the Australian Government consider increasing the level of funding for the Identified Local Road Component of Financial Assistance Grants and undertake a review of the local road distribution methodology.
Background	<p>A recent inquiry into the long-term financial sustainability of local government in Queensland conducted by the Queensland Parliament's Infrastructure, Planning and Natural Resources Subcommittee has clearly identified that the issue of vertical fiscal imbalance of the share of taxation revenues between federal, state and local governments in Australia is a key contributing factor to the challenge of local government achieving financial sustainability in Queensland. It is estimated that local government only collects 3.6% of all government taxes but is responsible for 36% of non-financial assets held by all spheres of government.</p> <p>This challenge also exists in all other Australian states and territories with the problem continuing to be exacerbated by declining levels of funding provided by other levels of government, lack of certainty about funding streams and decisions made by state governments to restrict local government funding levels, such as capping infrastructure charges in Queensland and capping general rate revenue levels in some other states.</p> <p>The fundamental problem is roads funding. The most recent Local Government National Report showed that local government's local roads are worth about \$75 billion and that local government has an annual local road deficit of about \$644 million per annum (or \$344 million after the \$300 million per annum Roads to Recovery funds are included).</p> <p>The imbalance is greater in Queensland and that is exacerbated by the financial assistance grants distribution between the states.</p> <p>It is estimated that Australia has about 810,000 kilometres of public roads with 650,000 kilometres (80%) of these local roads for which local government is responsible. About one-third of this network is sealed and two-thirds is unsealed (unformed, formed or gravel roads).</p> <p>Until 1990-91, the Commonwealth provided specific purpose grants to local government for local roads under the <i>Australian Land Transport Development Act 1988</i>. The grants were distributed on the basis of criteria in this Act. The October 1990 Special Premiers' Conference agreed that road funds would be untied with effect from 1 July 1991; that is, the conditions applying to road grants would be abolished and local government could spend the funds for any purpose. The untied grants are called identified road grants.</p> <p>In June 1991, the <i>Local Government (Financial Assistance) Act 1986</i> was amended to allow road funding to be added to financial assistance grants from 1995-96 and hence distributed on a per capita basis. But this would have been to the detriment of Western Australia, Tasmania, the ACT, the Northern Territory and Queensland. The</p>

LGAQ ANNUAL CONFERENCE MOTION – 2017

	<p>1995 Premiers' Conference therefore decided that local road funds would continue to be distributed on the basis of the criteria in the <i>Australian Land Transport Development Act 1988</i>. The effect of this decision has been to freeze the interstate distribution of identified road grants at the historical shares that applied in 1991-92 when grants were untied.</p> <p>General purpose assistance has been declining as a proportion of gross domestic product (GDP) since at least 1991-92. In the absence of action to change the situation, this trend will continue. The <i>Local Government (Financial Assistance) Act 1995</i> provides for the level of financial assistance grants and identified road grants to be increased annually in accordance with rates of population growth in each jurisdiction and changes in the consumer price index. This formula maintains the per capita value of assistance in real terms and places a 'floor' under the level of assistance. But the formula does not provide growth in the real level of assistance. Since GDP has grown faster, the level of general purpose assistance has fallen as a proportion of GDP. The Australian Local Government Association argues that the level of general purpose assistance should be increased and set at 1% of total Commonwealth taxation receipts. In 1999-2000, application of this proposal would have resulted in assistance of \$1.525 billion compared with actual assistance of \$1.265 billion.</p> <p>The Australian Government and State Governments continue to invest significant funds into the development of regional Australia because it is a major contributor to GDP. Regional Australia has a dispersed economy with a high reliance on logistics to facilitate economic growth. Both State and Local roads are a key contributor to enabling access and facilitating the distribution of products and, as such, are critical to the rate of GDP growth. Additional funding for these critical assets will assist to lift the rate of GDP growth in regional Australia and therefore benefit the Queensland and Australian economies.</p> <p>The Ipswich & West Moreton Regional Development Australia (RDA) branch has developed the <i>RDA Ipswich & West Moreton Regional Roadmap 2016-2020</i>. This roadmap has identified three key infrastructure priorities including transport and logistics infrastructure to support economic growth. A key risk identified in the roadmap is that poor quality roads and limited capacity bridges add time and cost to the transportation of regional goods affecting industry competitiveness.</p>
<p>What is the desired outcome sought?</p> <p>What are the impacts (positive or negative) on local government?</p>	<p>It is Council's view that the underlying level of funding available for road infrastructure must increase in order to assist with addressing the issue of local government financial sustainability and to facilitate economic growth in regional Australia. An increased level of funding for the Identified Local Road Component of Financial Assistance Grants is sought along with a review of the local road distribution methodology due to the fact that it has not been reviewed since 1991-92.</p>
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