



Australian Government

National Emergency
Management Agency

Submission to the Independent Review of Commonwealth Disaster Funding

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Consent option: Publish with name

Submitted by: Lismore City Council

Q1. What experience have you had with Commonwealth disaster funding support?

While we acknowledge the assistance provided by multiple government agencies at the State and Federal level in the immediate days, weeks and months following the events in March 2022, our experience as we move into a larger recovery and rebuild phase has been one of frustration. The complexity borne out of broad and insufficient guidelines, inconsistent application of the guidelines by multiple administering agencies, and lack of resourcing in these administering agencies, means that some fifteen months after the events we are still uncertain about what we will be provided.

A specific example that highlights the overall issue is the access to EPAR funding for Road and Bridge repair. We employed industry experts to prepare this submission and have invited independent technical review to ensure accuracy, and submitted the EPAR application for these assets in April 2023. To date we have received confirmation of eligibility for less than 5% of the P90 estimate of this submission. While we acknowledge that this submission is possibly the largest of its kind ever, the inability of administering agencies to scale and resource themselves leads to a lack of progress. Alarming, this means that any meaningful progress for the 140 Road and Bridge asset projects we need to deliver will occur later than two years post event.

Our experiences related to Category D assets is very similar.

Q2. How could Commonwealth funding support communities to reduce their disaster risk?

No response provided.

Q3. Please describe your understanding of Commonwealth disaster funding processes.

No response provided.

Q4. Are the funding roles of the Commonwealth, states and territories, and local government, during disaster events clear?

Navigating the role of State and Federal agencies with regard to funding has again been an experience of frustration. To answer your question specifically, the funding roles of agencies while possibly clear in theory are unclear in practice. At a broader level we feel that the multi-agency involvement, while well intended, has created confusion and inertia.





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For example, with regard to access to funding, we are currently dealing with significant fragmentation of effort, having to engage with Transport for NSW, NSW Public Works Advisory, the Northern Rivers Reconstruction Corporation (NRRC) and the New South Wales Reconstruction Authority. All of these State agencies are using different interpretation of the funding guidelines. Additionally, the NRRC has created an Infrastructure Coordination Office (ICO) that has no formal authority or accountability, however believes its role is to coordinate the local delivery of DRFA funding. We are currently experiencing active pushback from ICO with regard to getting set up for large scale local delivery.

We also believe the lack of clarity on funding roles currently presents a non recovery risk for our Council. Upfront, the guidelines for eligibility are broad and open to interpretation, making it difficult to confirm eligibility. In our experience, the State administering agencies often do not have the courage to confirm eligibility due to fear they will not be able to recover funding from DRFA themselves. The driver for this is possibly a disconnect between the very broad guidelines upfront and the fear of a hard nosed, accountancy driven audit at the end of the process.

Our suggestion to improve this is simply a system for Councils to deal with one administering agency, who in turn is the only State agency that works with DRFA.

Q5. Is there any further information you would like to provide?

Our modelling of the rebuild of all eligible assets suggests that at peak activity currently forecast for mid 2025, capital expenditure per month will exceed what our Council would normally spend in a year. Taking this into account, for an effective rebuild after a disaster of this scale:

- * we require access to working capital. The traditional model for DRFA funding involves a local government agency expending the funds and claiming a percentage of these funds towards the back end of delivery, and reimbursement of any remaining funds following an audit after delivery has been completed. This approach is inappropriate for the scale of the disaster we have experienced.
- * we also require a reimbursement schedule that removes the cashflow risk to Council. In addition to upfront working capital, the ability to be provided funding on cashflow forecast basis rather than arrears is the only way Council can manage cashflow risk.

