

Question on notice no. 171

Portfolio question number: AE19/171

2018-19 Additional estimates

Legal and Constitutional Affairs Committee, Home Affairs Portfolio

Senator the Hon. Ian Macdonald: asked the Department of Home Affairs on 18 February 2019—

CHAIR: So no figures yet and not for a while? That is understandable. Are you doing things for resilience of communities? A lot of communities come to me and say, 'The road has been washed away; it's likely to come under the recovery arrangements; but can you give us a bit more and then we'll build the road so the next flood won't affect it.' Is any work being done on resilience and abatement for damage in the future?

What's the state of play there?

Mr Cameron: Under the arrangements I mentioned just before, the disaster recovery funding arrangements, DRFA, state governments can work with us, the Commonwealth, under one of the categories of reimbursement—their category D, for betterment—for elements of reconstruction there that go to betterment. So it's open to a discussion between the Commonwealth and the states. In relation to what's happening in Queensland right now, I wouldn't want to anticipate a formal request, but we're certainly open to discussion about that.

CHAIR: Perhaps on notice, could you just tell me about the betterment? Is there a government policy? Is it possible to do that? The budget for disaster, as I understand, is open-ended. Whichever people qualify will be paid, whether or not it's budgeted for. But there is, obviously, a need to look at the dollars. But could you, on notice, just tell me what the arrangements are for betterment?

Mr Cameron: Yes, I'd be very happy to.

Answer —

State and territory governments (the states) are responsible for disaster recovery and reconstruction and have the flexibility and autonomy to make decisions around how, and to what standard they rebuild essential public assets.

To assist states with this burden, the Commonwealth provides financial assistance to the states in certain circumstances through the Commonwealth-state cost sharing arrangements known as the Disaster Recovery Funding Arrangements (DRFA). States are not bound or limited by the assistance measures identified in, or funding available under the DRFA.

Generally, the DRFA will contribute up to 75 per cent to restore or replace essential public assets (that are not operating on a commercial basis) such as roads, bridges and schools to their pre-disaster condition. The DRFA also incentivises states to deliver asset reconstruction projects more cost effectively. When efficiencies from reconstruction projects are realised, states can reinvest efficiencies towards natural hazard mitigation activities.

Under Category D of the DRFA, there is provision for betterment of essential public assets, where an act of relief or recovery carried out to alleviate distress or damage in circumstance are, in the opinion of the Commonwealth, exceptional.

For example, in March 2017, following Tropical Cyclone Debbie, the Australian Government agreed to cost-share 50-50 with the Queensland government, a \$41.8 million *Resilient Infrastructure (Betterment) Fund*. This provided funding to repair existing essential public assets to a more disaster resilient standard.