Local Government Association Tasmania

Our Ref: TB | DJL

13 Aug 2026

Disaster Recovery Funding Framework Reform Team
National Emergency Management Agency
disastermanagementreform@nema.gov.au

Dear DRFA Reform Team,

LGAT submission to the Disaster Recovery Funding Arrangements reforms

Thank you for the opportunity to provide a submission on the Disaster Recovery Funding Arrangement reforms. This submission has been prepared by the Local Government Association of Tasmania (LGAT) on behalf of Tasmanian local government in collaboration with our members; all 29 councils in Tasmania.

LGAT is incorporated under the *Local Government Act 1993* and is the representative body and advocate for local government in Tasmania. Where a council has made a direct submission to this process, any omission of specific comments made by that council in this submission should not be viewed as lack of support by LGAT for that specific issue.

Please contact Tim Boyle if you have any questions or would like further information, at tim.boyle@lgat.tas.gov.au or 0437136798

Yours sincerely,

Dion Lester
Chief Executive Officer

LGAT Submission: Disaster Recovery Funding Framework

Introduction and key points

The Local Government Association of Tasmania (LGAT) welcomes the opportunity to provide feedback on the proposed Disaster Recovery Funding Framework (DRFF).

Local government plays a critical role before, during and after disasters. Councils own and maintain extensive public infrastructure, support community recovery, facilitate economic resilience, and are often the level of government most directly engaged with affected communities throughout the recovery process. As the frequency and severity of natural hazards increase with climate change, it is important that recovery funding arrangements are equitable, efficient, scalable and capable of supporting long-term resilience. Disaster funding reforms should not transfer additional costs, risks or responsibilities to councils without corresponding financial support and capability investment.

LGAT supports the broad intent of the proposed Disaster Recovery Funding Framework, including simplifying funding arrangements, improving national consistency, reducing administrative burden and strengthening investment in resilience and risk reduction.

LGAT strongly supports:

- Retention of funding for Counter Disaster Operations and other response and early recovery activities undertaken by councils, recognising their critical role in protecting communities and restoring essential services.
- The proposed Resilient Infrastructure Scheme and dedicated betterment funding. Reforms should support rebuilding infrastructure to more resilient standards, broaden eligibility where appropriate, and avoid arbitrary caps that limit effective risk reduction outcomes.
- Streamlining administration across the framework, including activation, claiming, reporting, audit and assurance requirements. Reducing duplication and adopting risk-based approaches will improve efficiency and allow councils to focus resources on recovery delivery rather than compliance.
- Continued and increased investment in disaster risk reduction. Future funding arrangements should provide greater certainty, support long-term regional approaches, and include dedicated local government capability funding to build the risk, resilience and asset information required for future investment decisions.

We support:

- Replacing the current financial-year threshold model with a simpler event-based activation approach. However, the proposed activation threshold for Tasmania is inequitable and would significantly reduce access to Commonwealth funding. Tasmania would need to incur approximately $2.85 per resident before Commonwealth assistance becomes available, compared with less than $0.50 per resident in larger states. It is critical there is a nationally consistent activation threshold that better reflects differences in jurisdictional scale and capacity.
- Nationally consistent, standardised recovery packages that improve clarity, consistency and flexibility while allowing jurisdictions to respond to local recovery needs. This should

include support for community recovery, environmental recovery and exceptional circumstances where impacts exceed standard recovery measures.

- A phased implementation process with appropriate transition arrangements. Councils and state delivery agencies will require sufficient time and resources to adapt systems, develop capability and prepare for the new framework

Specific Comments

Event-Based Activation Trigger Points

LGAT does not hold a specific position on the proposed 50:50 cost-sharing arrangement between the Commonwealth and states and territories. However, local governments should not experience any reduction in disaster recovery support as a consequence of revised intergovernmental funding arrangements. LGAT is concerned that reduction in Commonwealth disaster recovery funding will leave local government exposed to more costs, as such, any redistribution of costs between governments should not result in increased financial burdens being transferred to councils or disaster-affected communities.

LGAT supports replacing the current financial-year threshold model with a simpler event-based activation approach. However, the proposed $1.65 million activation threshold for Tasmania is inequitable and would significantly reduce access to Commonwealth assistance.

Tasmanian Government analysis indicates that, of the 16 events activated between 2018-19 and 2024-25, only five would have met the proposed threshold. Tasmania would have received approximately $13.2 million less in recovery assistance under the proposed activation and cost-sharing arrangements. If Counter Disaster Operations were excluded, only four events would have qualified and Tasmania would have been approximately $41.3 million worse off.

The proposed thresholds do not reflect differences in jurisdictional scale or fiscal capacity. Tasmania would need to incur approximately $2.85 per resident before Commonwealth assistance becomes available, compared with less than $0.50 per resident in larger states. LGAT therefore supports a nationally consistent, annually indexed per-capita activation threshold.

LGAT is concerned that the proposed activation thresholds are partly justified on the basis that smaller events should be managed by jurisdictions without Commonwealth support. This approach does not adequately recognise that climate change is increasing both the frequency and cost of localised weather events. In Tasmania, smaller-scale storms, floods and bushfires can have significant impacts on local government assets and communities despite not meeting proposed activation thresholds. Recovery arrangements should recognise the cumulative impact of increasingly frequent climate-driven disasters rather than treating these events as routine weather fluctuations.

Standardised Packages

LGAT supports the introduction of nationally consistent recovery packages. A functional, standardised approach will improve clarity, reduce administrative complexity, and help ensure communities affected by similar disasters receive comparable support regardless of location.

LGAT particularly supports:

- funding for community recovery officers;
- mental health and wellbeing services;
- assistance for not-for-profit organisations;
- community clean-up activities;
- support for environmental recovery, including nationally significant natural assets; and
- flexibility for jurisdictions to activate packages based on local recovery needs.

Tasmania's nationally significant environmental assets, including the Tasmanian Wilderness World Heritage Area, can incur substantial recovery and protection costs following disasters. LGAT therefore supports a dedicated environmental recovery package and continued support for activities that protect these assets.

LGAT also supports retention of an Exceptional Circumstances mechanism. Standardised packages cannot anticipate every recovery need, particularly during severe or nationally significant events such as the 2016 floods and recent Tasmanian bushfires. Exceptional circumstances provisions should remain available where impacts exceed the scope of standard recovery measures.

Counter Disaster Operations

LGAT strongly supports ongoing recognition and funding of Counter Disaster Operations. Councils undertake critical response and early recovery activities that protect communities, restore access and enable recovery. Removal of support for these activities would place significant financial pressure on councils and reduce local emergency management capability

Resilient Infrastructure and Betterment

LGAT strongly supports establishment of a dedicated Resilient Infrastructure mechanism. Rebuilding infrastructure to its pre-disaster standard is increasingly difficult to justify where assets face repeated exposure to flooding, coastal erosion, landslip and other climate-driven hazards.

Tasmania has not participated in infrastructure betterment under the DRFA previously due to the complexity of the arrangements. We are therefore supportive of simplified streamlined processes to improve the resilience of built infrastructure.

The proposed betterment mechanism is one of the most significant reforms within the DRFF and should support investment that reduces future disaster losses and improves long-term resilience. LGAT also supports:

- expanding eligibility beyond traditional essential public assets where appropriate;
- consideration of community and recreational infrastructure;
- use of risk information to prioritise investment;
- pre-identification of assets suitable for resilient reconstruction; and
- clearer guidance on eligible betterment activities.

LGAT supports retention of existing provisions that enable immediate reconstruction and emergency works to restore access, public safety and essential services following disasters.

Importantly, LGAT does not support fixed percentage limits on betterment funding. The additional cost of resilience improvements varies considerably depending on the asset, hazard and location. Funding decisions should instead be based on demonstrated risk reduction, avoided future losses and whole-of-life value. In one example by Huon Valley Council, a business case for a resilient rebuild of a bridge over Dillons Creek compared costs of $155,000 (for like-for-like) with $341,000 for a resilient rebuild, an effective cost increase of 220%. Far in excess of the proposed 15%.

Streamlining Data, Reporting and Assurance

LGAT strongly supports reforms that simplify administration across the entire framework, including activation, claiming, reporting, audit and assurance processes.

Existing arrangements place a disproportionate burden on smaller councils and can divert resources away from recovery delivery. LGAT supports:

- reducing duplication between state and Commonwealth assurance processes;
- greater use of risk-based assurance;
- streamlined digital reporting systems;
- nationally consistent guidance and templates; and
- evaluation approaches focused on recovery outcomes rather than individual programs.

A key objective of the DRFF should be reducing administrative effort while maintaining accountability and transparency.

Risk Reduction – Future Disaster Ready Fund model

LGAT strongly supports continued and increased investment in disaster risk reduction.

Future funding arrangements should provide greater certainty than competitive grant programs and support strategic, long-term investment through regional and local government partnerships.

LGAT recommends a dedicated local government capability stream. As resilience and funding decisions become increasingly risk-based, councils will require support to develop:

- climate adaptation planning;
- risk and vulnerability assessments;
- asset exposure analysis;

- hazard mapping;
- resilience business cases; and
- workforce capability.

Without dedicated capability funding, councils with the greatest exposure and least organisational capacity may be disadvantaged in accessing future resilience investment.

LGAT encourages consideration of dedicated funding streams that recognise the disproportionate financial burden climate change is placing on local government. Without additional adaptation and resilience funding, councils will face increasing pressure to absorb costs associated with more frequent and severe disaster events.

Implementation and Transition

LGAT requests that implementation timelines recognise the practical realities facing jurisdictions and local governments.

The proposed reforms represent substantial changes to funding structures, reporting arrangements, infrastructure programs and administrative processes. Adequate lead times will be necessary to:

- update policies and procedures;
- modify systems and reporting tools;
- train local government staff;
- develop guidance materials; and
- establish transitional arrangements for events occurring during implementation.

Implementation timelines should recognise that councils will require time and resources to develop baseline risk, resilience and asset vulnerability information. If future funding arrangements place greater emphasis on risk-based investment decisions, a transition period of several years may be required to allow councils to establish the necessary datasets, systems and planning frameworks. Dedicated capability funding should form part of the transition arrangements