



14 August 2026

Hon. Kristy McBain MP
Minister for Regional Development, Local Government and Territories
Minister for Emergency Management
Parliament House
Canberra ACT 2600
Email: minister.mcbain@mo.regional.gov.au

Submission to: disastermanagementreform@nema.gov.au

Dear Minister

Submission on proposed Disaster Recovery Funding Framework

The Southern and Hills Local Government Association (SHLGA) represents six councils across the Adelaide Hills, Fleurieu Peninsula and Kangaroo Island: Adelaide Hills Council, Alexandrina Council, Kangaroo Island Council, Mount Barker District Council, City of Victor Harbor and District Council of Yankalilla.

SHLGA supports the submissions and advocacy of the Australian Local Government Association and the Local Government Association of South Australia regarding the proposed changes to national disaster recovery funding arrangements.

Our region has experienced first-hand the devastating and long-lasting impacts of major natural disasters, including the catastrophic 2019–20 bushfires in the Adelaide Hills and on Kangaroo Island. This experience reinforces the importance of ensuring that Australia's disaster funding arrangements recognise the critical role councils play in response and recovery and, importantly, their limited financial capacity to absorb extraordinary disaster costs.

A stronger national framework must not increase the burden on councils

SHLGA acknowledges the increasing size, scale, intensity, cost and complexity of natural disasters and agrees that Australia's disaster recovery funding arrangements need to evolve in response.

We support the objectives of making disaster funding simpler, faster and more predictable; reducing unnecessary administrative burden; improving access to assistance; and increasing opportunities to rebuild infrastructure to a more resilient standard.

SHLGA also acknowledges that the proposed 50:50 funding partnership applies directly to the financial relationship between the Commonwealth and state and territory governments, rather than imposing a new contribution directly on councils.

However, SHLGA is greatly concerned about the potential downstream implications for local government if the new arrangements increase the financial exposure of state governments.

In South Australia, disaster assistance available to councils is primarily administered through the State Government. Any change that increases the State's share of disaster recovery expenditure therefore creates a risk that additional costs could ultimately flow through to





councils through increased co-contributions, tighter eligibility or reimbursement requirements, narrower definitions of eligible expenditure, or greater expectations that councils absorb costs from their own resources.

SHLGA is also concerned to ensure that proposed changes to thresholds for accessing Commonwealth assistance do not inadvertently disadvantage regional councils. While the Australian Government has indicated that the new framework will introduce a simpler threshold intended to deliver support sooner, the detailed operation of that threshold will be critical. A disaster that is relatively small in national or state expenditure terms can still have a profound financial impact on an individual regional council with a limited rate base and extensive infrastructure responsibilities. The new framework should therefore ensure that localised disasters remain eligible for assistance where their costs exceed the reasonable capacity of the affected council.

SHLGA seeks a clear commitment that the new framework will not increase the proportion of disaster response and recovery costs ultimately borne by councils and their ratepayers, and that South Australian councils will be no worse off under the new arrangements.

This is particularly important because South Australian councils already face significant financial exposure under existing disaster recovery arrangements. Previous analysis undertaken by LGA South Australia found that high reimbursement thresholds and limitations on eligible expenditure can leave councils carrying substantial unrecovered costs following disasters.

The reform of national arrangements should provide an opportunity to address these existing shortcomings - not compound them.

The Southern and Hills region understands the impact of natural disasters

The Southern and Hills region has experienced some of South Australia's most significant bushfires. The experience of the 2019–20 bushfire season demonstrates both the scale of the risks facing our communities, and the important role played by local government.

The Cudlee Creek bushfire burnt approximately 23,000 hectares across the Mount Barker and Adelaide Hills council areas and destroyed 81 homes. The two councils undertook extensive response and recovery activities including road clearing and assessment, restoration of road infrastructure, water carting, livestock disposal, waste removal, provision of emergency facilities, community communications and ongoing recovery support.

Councils' own works teams and qualified arborists undertook extensive work clearing dangerous trees and reopening local roads over a period of months. However, significant internal council costs associated with this work were not eligible for reimbursement under the existing arrangements.

At the same time, Kangaroo Island experienced one of the most devastating natural disasters in South Australia's history. The 2019–20 bushfires burnt more than 211,000 hectares - almost half of the Island - destroying 87 homes and more than 330 other buildings.

For communities such as Kangaroo Island and the Adelaide Hills, disaster recovery does not end when the immediate emergency is over. Councils continue supporting their





communities, restoring infrastructure and managing the economic, environmental and social consequences for years afterwards, while continuing to deliver their normal services and maintain extensive asset networks.

These experiences demonstrate why disaster recovery costs cannot simply be treated as another pressure to be accommodated within ordinary council budgets.

Disaster funding is a financial sustainability issue

The proposed changes should also be considered in the context of the current House of Representatives Inquiry into Local Government Funding and Fiscal Sustainability.

The Inquiry is specifically examining the financial relationship between governments, the adequacy of existing funding mechanisms, local government's own-source revenue and the effect of emergency, disaster recovery and resilience funding on council financial sustainability.

Our central message to the Inquiry is that the contemporary responsibilities being placed on councils have outgrown the funding model available to support them. Councils are managing substantial and ageing asset networks, responding to population growth and changing community expectations, and absorbing increasing costs while operating with a very limited revenue base.

Natural disasters compound these pressures.

Every dollar a council is required to divert to unreimbursed disaster response and recovery is a dollar that cannot be spent renewing a road, maintaining a community facility or delivering another local service. For growth councils and asset-intensive regional councils with relatively small ratepayer bases, those trade-offs can be particularly severe.

Our existing financial relationships already result in a structural imbalance. Disaster funding reform should not make this financial imbalance worse.

Priorities for the new framework

SHLGA supports the broader local government sector's call for a disaster funding framework that recognises the financial capacity of councils and provides greater certainty about the assistance available following a disaster.

In particular, SHLGA seeks a framework that:

- **ensures councils are no worse off**, with no increase in the proportion of disaster response and recovery costs ultimately borne by councils and their ratepayers;
- **protects councils from unreasonable financial exposure**, recognising that the capacity of individual councils to absorb disaster costs varies considerably according to their size, rate base and infrastructure responsibilities;
- **provides equitable thresholds for accessing assistance**, ensuring that the new threshold arrangements do not disadvantage councils affected by smaller or localised disasters that nevertheless impose costs beyond the reasonable financial capacity of the affected council. Eligibility for assistance should recognise the financial impact of





an event relative to a council's revenue base and capacity to absorb recovery costs, rather than relying solely on the aggregate scale or cost of the disaster;

- **recognises the real costs incurred by councils**, including reasonable internal staff, plant and equipment costs where council resources are the most efficient and appropriate means of responding to an emergency;
- **provides clear and sufficiently broad eligibility**, including appropriate recognition of road and verge clearance, damaged vegetation, community infrastructure and the longer-term activities required to support community recovery;
- **reduces administrative complexity and uncertainty**, with clear eligibility requirements and funding arrangements that enable councils to respond confidently and funding to flow quickly following an event; and
- **supports resilient reconstruction**, enabling councils to build back better rather than simply restoring vulnerable infrastructure to its pre-disaster condition.

Conclusion

SHLGA supports reform that makes Australia's disaster recovery funding arrangements simpler, faster, fairer and better able to respond to the increasing scale and complexity of natural disasters.

However, reform must not transfer greater financial risk downstream to councils and communities with the least capacity to absorb it.

The Southern and Hills region understands from experience the enormous human, community and financial consequences of natural disasters. Councils are integral to the response, are often among the first organisations supporting their communities, and remain involved in recovery long after the immediate emergency has passed.

The new national framework should recognise this role and provide councils with greater certainty and protection from extraordinary disaster costs.

New arrangements must not leave councils and their communities carrying a greater financial burden. The measure of successful reform should be a stronger and more sustainable disaster funding partnership in which no council is worse off.

Thank you for your consideration.

Yours sincerely

Mayor Moira Jenkins
SHLGA President

cc. Ms Rebekha Sharkie MP, Member for Mayo
Mr Tony Pasin MP, Member for Barker
Mayor Dr Heather Holmes-Ross, LGA South Australia President

