



## Correspondence

### CORRESPONDENCE FOR INFORMATION

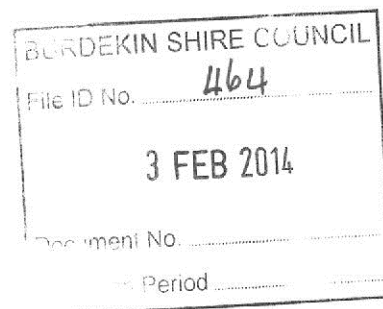
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Local Government Association Of Qld Ltd - LGAQ  
  
2013 LGAQ Annual Conference Resolution Late Motion 8.





30 January 2014

Cr Bill Lewis  
Mayor  
Burdekin Shire Council  
PO Box 974  
AYR QLD 4807



Dear Cr Lewis *Bill*

### 2013 LGAQ Annual Conference Resolution Late Motion 8

The Local Government Association of Queensland (LGAQ) held its successful 117<sup>th</sup> Annual Conference in Cairns between 21 – 24 October 2013, with over 350 delegates attending and representing each of the 73 Queensland local governments.

A total of 80 motions were passed at this year's Annual Conference, including the following that was submitted by your Council and supported by the North Queensland Local Government Association.

#### Disaster Management – Natural Disaster Recovery and Relief Arrangements

"That the Local Government Association of Queensland make representations to the Queensland Reconstruction Authority (QRA) and the Federal Government to pay Natural Disaster Recovery and Relief Arrangements (NDRRA) claims in full, regardless of the component costs (day labour and administrative overheads), where a council does the work for a cost that is equal to or less than the cheapest complying tender."

The following background information was considered by the LGAQ Policy Executive in the adoption of this late Annual Conference resolution.

*Under the NDRRA arrangements, works tendered to external contractors are usually funded in full. Works done by a council are not 100% funded by the grant, even if the overall cost is less than the external bid. After the disasters in 2011, work was plentiful and contractors' prices more than doubled. Councils could have done the work for less than half the price, but were penalised for doing so by having parts of their claims rejected.*

*Getting the best value for money should be a simple matter of awarding the works on price. If a council can complete the works for a cost equal to or less than the lowest complying tender, the council's costs should be funded in full, without arguments over day labour and administrative overheads. This would prove cost efficient for both the Federal and State governments, particularly in years when work is plentiful. The scheme would be simpler to administer and reduce administration overheads. Instead of large contractors reaping huge profits, the funds (including any profit) would be invested in regional Queensland to stimulate local economies, provide services, and drive regional development.*

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I have enclosed a copy of the response we received on 15 January 2014, from the Honourable David Crisafulli MP, Minister for Local Government, Community Recovery and Resilience. The LGAQ welcomes the State Government's commitment in streamlining Value for Money Pricing Model for local government.

The LGAQ will continue discussions with the Queensland Reconstruction Authority and will provide updates for local government as they eventuate.

Please let me know if there is any further action that you would like the LGAQ to take regarding this matter in the meantime.

Yours sincerely

Greg Hoffman PSM  
GENERAL MANAGER – ADVOCACY

cc: Mr Ken Holt, Chief Executive Officer, Burdekin Shire Council  
Cr Frank Beveridge, President, North Queensland Local Government Association



Hon David Crisafulli MP  
Minister for Local Government,  
Community Recovery and Resilience

Local Govt. Assn Qld  
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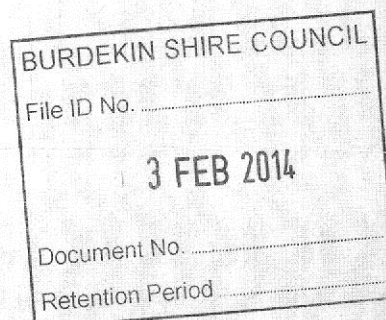
15 JAN 2014

Level 18 Mineral House  
41 George Street  
PO Box 15031 City East  
Queensland 4002 Australia  
Telephone +61 7 3234 1870  
Facsimile +61 7 3012 8901  
Email [localgovt@ministerial.qld.gov.au](mailto:localgovt@ministerial.qld.gov.au)  
Website [www.dlgcr.qld.gov.au](http://www.dlgcr.qld.gov.au)

Our ref: MC14/10 QRAIN/14/26

13 JAN 2014

Mr Greg Hallam  
Chief Executive Officer  
Local Government Association of Queensland  
PO Box 2230  
FORTITUDE VALLEY QLD 4006



Dear Mr Hallam

Thank you for your letter of 18 December 2013 about the 2013 Local Government Association of Queensland (LGAQ) Annual Conference and Resolution Late Motion 8 regarding Natural Disaster Relief and Recovery Arrangements (NDDRA) claims.

I acknowledge the LGAQ is making representations for NDRRA claims to be paid in full 'regardless of the component costs (day labour and administrative overheads), where a council does the work for a cost that is equal to or less than the cheapest complying tender'.

The Queensland Government wants to deliver cost effective and efficient processes that deliver value for money outcomes. The successful lobbying for a trial of Value for Money Pricing Model to allow the reimbursement of local government costs for 2010-11 and 2013 reconstruction programs is an example of this. Further, the Queensland Government continues to make representations to the Commonwealth Government for this trial to be extended for 2012 events.

The Commonwealth Government recently announced the Productivity Commission will be reviewing the NDRAA Guidelines. The Queensland Reconstruction Authority will be involved in this process and will be able to raise this proposal for consideration during the review.

I look forward to working with all councils as they get on with the job of delivering their reconstruction programs.

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