

Review of the operations of the NSW Reconstruction Authority regarding the NSW East Coast severe weather from May 2025

Mayor Darcy Byrne, LGNSW President Opening statement for hearing on 20 February 2026

Thank you for the opportunity to appear before this important inquiry in my capacity as President of Local Government NSW, the peak body for councils in our state.

At the outset, I would like to acknowledge all the agencies, councils, staff and volunteers who work so hard to keep us safe in the face of increasingly frequent and severe disasters.

I also need to acknowledge the extraordinary loss of property, both public and private, infrastructure and stock, as well of course as the tragic loss of life experienced too.

It's no small task and although councils seek improvements in the way NSW prepares for, responds to and recovers from disasters, we certainly recognise the tireless efforts of so many who are contributing to this task.

Local government has an essential role in emergency management and disaster recovery, but we require greater and more timely support from both state and federal governments.

With the exponential increase in disaster costs for local communities across NSW in recent years, there are many local councils and communities that will face financial crises if overdue funds don't flow urgently.

The local government sector is urgently calling for a more streamlined payment of claims to councils and a greater investment in long term resilience to avoid the impacts of disasters in the first place.

The massive increase in floods and fires across NSW has devastated many local councils and their communities. While the Reconstruction Authority is improving, the system for processing claims is inadequate with payments totalling hundreds of millions of dollars overdue to councils who are struggling with recovery.

In Minister Saffin regional communities have a proven champion who is fighting to fix this broken system and the need of these communities is urgent and cannot be ignored.

By way of example, MidCoast Council and Kempsey Shire Council are still awaiting the processing of claims of tens of millions of dollars each in the wake of the flooding events of May 2025.

In the MidCoast Council area the floods had an impact of \$226.5 million on Council Transport and Infrastructure. To date, Council has spent \$43 million on emergency and immediate reconstruction works on their transport network and has only received \$6.1 million from the NSW Reconstruction Authority.

In the nearby council area of Kempsey, there was a \$115 million impact, and that council has only received \$5.7 million in funding. As we approach the one year anniversary of these devastating floods, it's time recovery funding is paid in full.

We know the local government sector is facing some real challenges with financial sustainability – particularly in rural, regional and remote communities. Having these unpaid claims on the books threatens the financial viability of these severely impacted councils.

Too often we're seeing claims for funding getting bogged down in red tape – leaving these councils out of pocket – often by millions of dollars for months if not years on end."

This is grossly unfair – with councils facing a financial crisis that is absolutely not of their making. The harm from natural disasters is being compounded by bureaucratic delays.

LGNSW is calling for immediate improvements to funding, coordination and resilience planning to protect communities now and into the future.

We are calling for greater transparency from the NSW Reconstruction Authority in order to drive improvement. As a starting point, we want them transparently publish data clearly showing the number of applications received, how many have been approved and paid and also detail the decision and processing times.

We thank the committee for undertaking the review and we look forward to receiving your report and recommendations with a real prospect of improvement and progress.