

Funding for Local Government Coastal Management and Protection

Discussion Paper – September 2019

Background

Half of South Australia's Councils are coastal.

Eight are located along the 80km metropolitan Adelaide coastline, from Sellicks Beach to St Kilda, with the remaining 26 spread around the vast, 5,000km regional coastline, from Eyre Peninsula, Spencer Gulf, Yorke Peninsula, Fleurieu and Kangaroo Island and Limestone Coast.

The combined Coastal Councils of South Australia are currently finalising arrangements to establish the governance and resourcing requirements for an ongoing united, collaborative advocacy voice to more coherently articulate coastal management issues facing local government. This initial 12 month project also aims to determine priority actions and provide a situation analysis for coastal management, in comparison to other jurisdictions.

One issue of critical concern to local Councils in SA is the need to find a more equitable and sustainable funding model to adequately manage the coastal task ahead.

All Councils are under increasing pressure to do more, with less. Coastal Councils have an additional responsibility to provide, manage and maintain a wide range of coastal assets that not only benefit local residents and ratepayers, but a much wider visiting population.

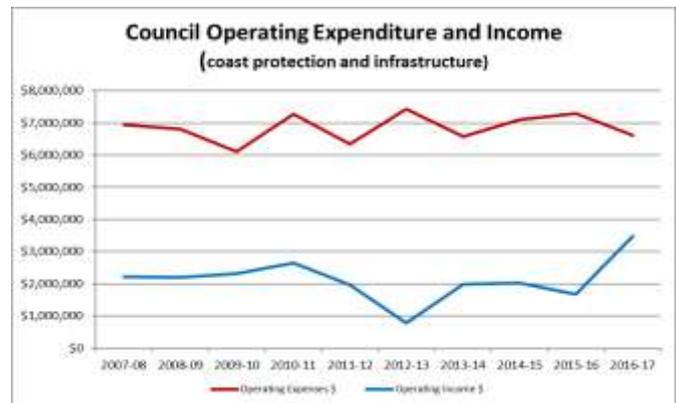
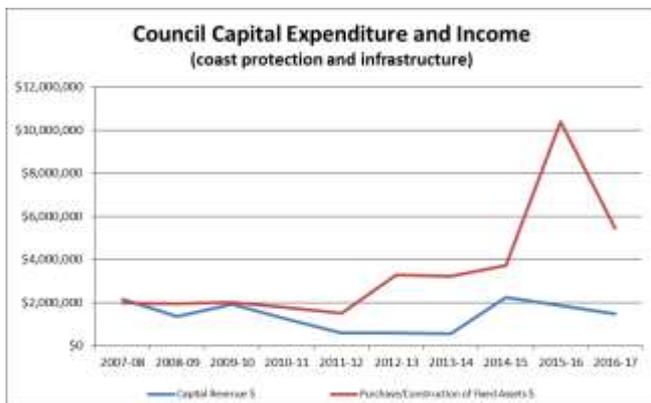
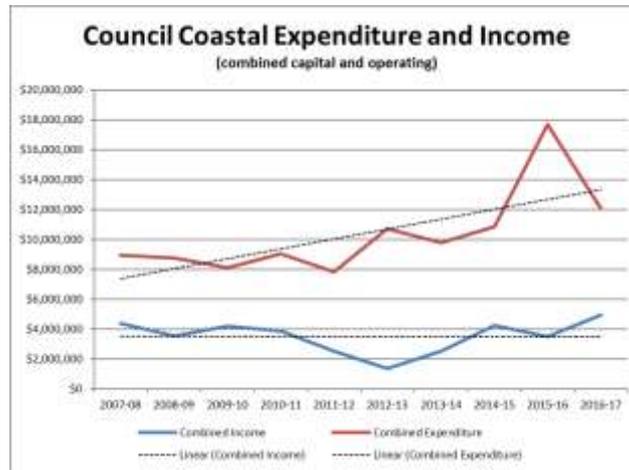
Regardless of their size or location across the state, Coastal Councils are facing the same issues and resourcing pressures, including: sand and beach management; cliff erosion; access management and signage; environmental management relating to weeds, shorebirds, revegetation and illegal dumping; dredging; growing need for protection infrastructure like levees, seawalls, groynes; maintenance and replacement cost pressures on recreational infrastructure like jetties, boat ramps; planning and development anomalies.

With a conservatively estimated \$200 million in coastal management and protection works required over the next decade¹ it is clear the current arrangements must change.

¹ Data from Council coastal management, adaptation, protection plans received to date – to be updated

Overview of Coastal Funding

Over the last ten years expenditure by Local Government on coast protection, management and infrastructure has nearly doubled², whilst the level of income to support this (ie grants) has remained largely static.



The level of operating expenditure incurred by Councils has remained at approximately three times any income to support this work, with capital works trebling since 2011-12, again with supporting income remaining static.

Funding for coast protection works is managed through the South Australian Coast Protection Board. The board receives an annual budget allocation of approximately half a million dollars, of which around 75%, or \$350,000 is provided to Coastal Councils for priority works³.

Allocation of funds is based on a long-standing, rigorous risk assessment methodology that considers the public benefit of the project, anticipated likelihood and time criticalness, along with anticipated losses and consequences if the proposed project is not implemented. A co-contribution of a minimum 20% towards the cost is expected from Councils. Projects typically funded include levee banks, revetment and seawalls, general foreshore protection, flood mitigation works, erosion control, cliff stabilisation, groynes, regional beach replenishment, coastal settlement protection strategies.

² Data from Local Government Grants Commission codes 71, 72, 94, 2007/08 to 2016/17

³ Does not include ad hoc Ministerial budget commitments

A small amount (approximately \$50,000-\$100,000 per annum) is also allocated by the Coast Protection board for ongoing monitoring, data collection and coastal research initiatives. In addition, the State Treasurer currently holds \$2.02m in the Coast Protection Fund.

Separate to this, the South Australian Government has, for over a decade, fully funded - via the Adelaide/Mt Lofty Ranges NRM levy - the 'Adelaide Living Beaches' sand transfer scheme along the metropolitan coast. Prior to this, metropolitan beach management was fully funded through the Coast Protection Board, averaging approximately 70% of Board expenditure between 1975 and 1989, rising to over 90% of the budget in the 1990's⁴.

A new allocation of \$48.4 million has recently been announced by the Minister for Environment, comprising \$20 million for a short-term injection of additional sand for the metropolitan coast and \$28.4 million for the longer term completion of a sand recycling pipeline from Semaphore to West Beach, as well as sand dune restoration and revegetation in partnership with local councils and community groups.

Funding of this sand transfer initiative will come from the \$120 million Green Industries Fund, which is sourced from a levy charged on all rural and metropolitan Councils and private waste operators across the state for all waste to landfill.

In addition to coast protection, there are also a range of additional grant programs that support Council activities and facilities along the coast, including for example, the Boating Facilities grants, managed through the Department of Planning, Transport and Infrastructure. This program is funded through a levy collected on the registration, inspection or survey of marine vessels and held in the Marine Facilities Fund (\$8.7 million balance at 30/06/18).

Most of the boat ramps in South Australia are owned by local councils, who are responsible for making sure the facilities under their care are kept in safe working order. Exceptions to this include the North Haven, Outer Harbor, Garden Island, West Beach Adelaide Shores and Wirrina boat launching facilities, which are either privately or state government owned and managed.

Councils and community groups can apply for grant assistance to establish and improve boating facilities, including boat ramps; temporary mooring facilities or wharves; channel improvements; aids to navigation; or emergency marine radio services. Grant funding is conditional on the Council or grantee accepting on-going ownership, operation and maintenance of the facility. The annual allocation for 2018/19 to 2021/22 towards these projects is \$2.1 million. Funding assistance can be provided at up to 80% of the total project costs depending upon the strategic importance of the project when assessed against the SA Boating Facilities Strategic Plan.

⁴ Caton B; 2003: Coastal management Strategy for LGA

Other funding sources include the former \$2.25 million SA Recreational Fishing Grants programme (managed by DEW), which was available from 2014-2017 during the transition to the new Marine Parks system. This program assisted 107 projects to enhance recreational fishing, including jetty and wharf upgrades, access stairways and boardwalks, fishery restocking, breakwater and lighting, fish cleaning/cooking facilities, educational programs.

In addition to specific recurrent grant programs, by far the largest source of funding for coastal infrastructure and management come from ad-hoc Government commitments.

Following the 2016 storms for example, the State Government provided \$3.5 million⁵ to repair a number of recreational jetties, including state managed jetties and those under Council care and control, where costs were not covered by insurance.

More recently, \$20 million has been allocated towards repair of the state owned and managed Granite Island causeway and a commitment by the Liberal Party in the lead up to the 2018 state election⁶ of \$20 million to reinvigorate the Council owned Glenelg Jetty as a key piece of tourism Infrastructure. In addition, special budget allocations for large, priority coast protection works are often made, including for example, the 2017-18 contribution of \$600,000 towards the Wyomi Beach sea wall in Kingston and \$1.25 million towards Charles Sturt Council's \$5.2 million West Beach Rock wall.

Support for managing and preserving coastal biodiversity and landscapes rest mainly with the regional Natural Resource Management Boards (to be replaced by Landscape Boards). Following the introduction of the South Australian Natural Resources Management Act in 2004, the key source of state-based environment funding (including coastal) was, and remains, through NRM levies, which are collected by Councils on behalf of the State Government for allocation and expenditure by each regional NRM board. As such, the level of engagement, funding and support to Councils and communities around coastal management varies across the state.

Notwithstanding these regional variations, the overall level of state funding into local environment management, including coastal, has declined significantly since the introduction of the NRM Act. For example, between 2008/09 and 2011/12, the regional NRM levy collected from communities across the state rose from \$20.9 million to \$28.8 million. Last year, it was \$46.6 million. In that same period, State Government funding into regions via the 'NRM fund' declined from \$15.5 million to \$7.9 million. It is now \$2.4 million.

⁵ PIRSA; 7 October 2016; Government to fund \$3.5 million repair of storm damaged jetties, marine infrastructure https://www.pir.sa.gov.au/alerts_news_events/news/regions_sa/government_to_fund_3.5_million_repair_of_storm-damaged_jetties_marine_infrastructure

⁶ Liberal SA; Reinvigorating Glenelg – Jetty and Foreshore Redevelopment

Whilst the Commonwealth – as the collector of over 80% taxation revenue - have also historically played a role in funding of coastal management, the level of contribution and focus has varied significantly over the years. The Howard Government's \$125 million 'Coast and Clean Seas' program (1996-2002) as part of the Natural Heritage Trust was arguably the most substantial and sustained investment into coastal management and included \$27.3 million for Coastcare, along with a range of local community capacity building, coastal monitoring and vulnerability assessment initiatives. The Coastcare program was designed around a small grant scheme, with community groups and Councils supported by a network of regional facilitators and a state coordinator. In South Australia the state coordinator position was funded by the state (through Coast Protection Board) and based within the Local Government Association.

Since that time, serious Commonwealth investment into coastal issues has been sporadic. From 2002-2008 Commonwealth funding was reduced and channelled through regional NRM bodies for allocation against regional priorities. From 2008-2013 funding and priorities were determined on national priorities and environmental hotspots, and included a strong focus on better understanding of vulnerability and building resilience to sea level rise and climate change risk. The view of the current Federal Government is that coastal management is 'a state issue'.

Discussion

Active and well considered investment into the coast - be it to provide asset protection, recreational infrastructure, environmental management – also contributes to a wider range of more intangible benefits including public health and wellbeing, local placemaking and liveability and ecosystem services. These benefits are often not often well considered or integrated under the various, disparate grant and funding streams.

Perhaps over-riding all of these considerations, the impact of climate change and sea level rise and resultant increasing storm surge, erosion and coastal flooding events must be more strongly integrated into future decisions about when, how and if, public funds should be invested into the coast, and who should be the beneficiaries when this occurs. Access to timely and robust monitoring data is critical to underpin such decision making and must also be appropriately resourced.

Whilst considerations about the relative share of public and private benefit from taxpayer funded investment are well documented, the increasing threat of harm arising from legacy decisions by all levels of government, necessitate a re-evaluation. Most critically for example, past decisions by planning authorities to approve private development in areas subject to coastal hazards are now being challenged, not just in this state, but across the nation and the globe. Similarly, providing 'safe' public access to the coast is becoming increasingly complex and costly for Councils.

Managing risk is now a rapidly escalating feature of coastal management for local government as much as is a focus on the benefits. This multitude of risk and benefit considerations add further weight to the need for a thorough review of coastal funding approaches and methodologies.

The 1995 South Australian/Local Government Accord on Coastal Management recognised there are both local and state benefits in sustainable coastal management, and that taken overall, these benefits are approximately equal⁷. Therefore expenditure by State and Local Government should overall, be approximately equal, with each sphere of government funding the tasks they can achieve most efficiently.

Two decades later, it is clear that Local Government is carrying the greater burden of coastal management as both State and Commonwealth Governments have shifted more costs and responsibilities to Councils, and reduced funding and resourcing to support this task.

Next Steps

As a priority, the current funding arrangements for coastal management must be reviewed and a new model developed that explores and takes into account current, emerging and best practice across other jurisdictions in relation to:

1. The roles and most appropriate cost-sharing and resourcing contribution towards future coastal management by all levels of Government (local-state-federal);
2. Establishment of a rolling, long-term forward program of works, rather than the current year to year and ad-hoc grant arrangements;
3. More streamlined funding mechanisms to encourage and facilitate multiple outcomes for our coast, including protection, tourism, health, recreational and environmental benefits) and minimise unintended or cumulative impacts;
4. Appropriate cost-sharing and proportion of public vs private benefit gained from investment of public funding into coastal management and protection
5. Principles and thresholds for triggering Government financial intervention/support vs default market/insurance driven response

This funding review will be a key focus of the SA Coastal Councils Alliance during the first half of 2020 calendar year and supported by the Metropolitan Seaside Councils, Limestone Coast, Eyre Peninsula, Southern and Hills, Legatus Group and Spencer Gulf Cites, along with the Coast Protection Board, Local Government Mutual Liability Scheme and LGA, and the Local Government Research and Development Scheme.

Contact: Anita Crisp, Coastal Councils Alliance Coordinator – 0427 609 404

⁷ Caton Environmental Planning; LGA Coastal Management Strategy August 2003