



Australian Government

National Emergency
Management Agency

Submission to the Independent Review of Commonwealth Disaster Funding

Response ID: IRCDF_1136_42

Consent option: Publish with name

Submitted by: Healthy Land & Water

Q1. What experience have you had with Commonwealth disaster funding support?

- * Successful applicant for 2017 disaster assistance package (NDRRA).
- * More recently, Healthy Land & Water was the successful recipient of funding from 2022 DRFA program to the value of approximately \$10M.

Q2. How could Commonwealth funding support communities to reduce their disaster risk?

No response provided.

Q3. Please describe your understanding of Commonwealth disaster funding processes.

- * The multiple flood events of late 2021 and 2022 resulted in a disaster activation of \$28.9M to support rehabilitation of flood-affected environmental assets to maintain healthy ecosystems and improve resilience for future disaster events.
- * The DRFA program is delivered in two stages.
 - Stage 1: Reconnaissance – consisting of assessment, planning and project design.
 - Stage 2: On-ground works – involving the delivery of works planned during Stage 1. On-ground works planned through this proposal include riverbank battering, pile fields and revegetation.

Q4. Are the funding roles of the Commonwealth, states and territories, and local government, during disaster events clear?

- * The way the Queensland Reconstruction Authority and the Australian Government National Emergency Management Agency come together to deliver this program is unclear.
- * There is differing information from the relevant agencies on what their respective roles and carriage of various components of the program is. This has made it challenging to successfully make suggestions for changes to improve how the program is delivered.

Q5. Is there any further information you would like to provide?

Please find a summary of key issues:

FINANCIAL (HIGH):





- * At cost delivery, does not allow for operational costs: While direct labour costs (salary, super, vehicle) are billable, indirect costs including overheads, indirect staff time, and administration costs, are ineligible.
- * At-cost delivery results in substantial financial losses to our not-for-profit entity: This means that to complete this essential work, we need to cross subsidise DRFA projects from other potential surplus generating projects (if this is possible). This means other programs are in essence needed to prop up the DRFA work.
- * We could be exposed to significant economic loss if projects are not completed as per the agreed program: The contract locks delivery partners into a lump-sum contract to roll out large, high-risk on-ground works based on a plan developed over 8-weeks. Subcontractor quotes are not able to be sought for this work, so there is a large degree of ambiguity in the cost estimates, which are subject to both changing environmental conditions in addition to material and labour costs.
- * Material costs driven by scarcity within the construction industry continue to rise at above inflation, making budgeting of on-ground costs difficult: There is a high potential for costs to change significantly between Stage 1 (reconnaissance) and when subcontractors are engaged.
- * Strict contractual conditions could, if not managed correctly, negatively impact delivery partners financially: The cost of monthly financial reporting includes a heavy administration cost, including provision of invoicing and timesheet evidence, the level of which is beyond usual contract requirements.

PROJECT (MEDIUM)

- * Time frames: Very tight time frames with little margin for error, within a highly complex and changeable natural environment, subject to increasing variability due to the impacts of climate change.
- * Timing: This program was released with an initial 12-month delivery timeframe. The ability to scope and deliver the type of major projects that this funding is targeted to is extremely limited. A two-year minimum is suggested.
- * Extremely long lead time: The DRFA program was released approximately 12 months after the first disaster event. Stage 1 Recon turnaround was very tight. Stage 2 finalisation has taken approximately 6 months. It will be approximately 2 to 3 years post the flood event before the works are on the ground.
- * Auditing and reporting requirements are extremely onerous: Audits typically require a sample of data to check for consistency. The requirement to provide each invoice for individual transaction checks by both the State and Federal Governments is inefficient.

CLEAR STEPS IN RIGHT DIRECTION

- * Splitting the program into Stage 1 Recon and Stage 2 delivery was good progress: In the previous program, there was a single call for proposals with approximately two weeks to respond. This current DRFA program has been able to be managed with far less risk than the 2017 NDRRA program.

