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# Submission to the Independent Review of Commonwealth Disaster Funding

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**Submitted by:** Australian Red Cross

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

Australian Red Cross is part of the world's largest humanitarian network working alongside and embedded in communities, responding to disasters for over a century. We have a unique humanitarian mandate which means governments and other public authorities can benefit from a trusted, credible, independent and non-political partner with local-to-global networks.

Australian Red Cross is also one of the only recognised auxiliaries to public authorities in Australia mandated to work across all stages of disaster nationwide and has received past federal disaster funding. These funding sources are critical and ensure that despite being one of the most disaster-prone countries in the world, it is possible to prepare for, respond to and recover well from disasters.

However, these funding mechanisms can be strengthened to place communities at the centre:

Hard measures versus social infrastructure and social capital

While hard, structural, asset-based measures are valuable, there are risks in developing physical infrastructure to the exclusion of social resilience. Measures that build social capital, or the connections between people and communities that allow them to work collectively, share norms, and exchange information are of greater benefit, and will enhance resilience to all disruptions. Public funding arrangements often favour hard measures over social infrastructure, despite growing evidence that shows that a balance of investment in both is most effective. For example, in Japan in 2011 when a triple disaster occurred (an earthquake triggered a tsunami and the Fukushima nuclear meltdown). It demonstrated how \$250 billion USD invested in 40+ foot tall concrete seawalls disrupted local ecosystems, angered residents, and did little to save lives, while the intangible, social bonds in coastal communities helped people survive and thrive (Aldrich, 2023).

Scope and volume of funding

Climate change is classed as an existential threat and will result in more frequent and more intense disasters across Australia. There is growing public awareness that considerable change is needed to support people and communities to adapt to the humanitarian impacts of climate change. Evidence and Red Cross experience shows the current rate at which disaster resilience and recovery are funded is a fraction of what is needed (United Nations, 2022). Most funds are directed to post-disaster response and





recovery. While this has improved recently, additional investment in pre-disaster resilience measures is still required.

Consider the impacts of cumulative disasters

Many funding mechanisms are single-hazard specific and lack scope for cumulative or compounding disasters. The findings of our Drought Resilience Program showed that most people facing drought were experiencing at least one other type of significant hazard (flood, fire, heatwave, pandemic). People found it challenging when support was only available for one of the disasters they faced. The cumulative and multi-hazard nature of disasters will only grow more complex as climate change intensifies Australia's disaster landscape. Sustainable, end-to-end disaster funding will help address these challenges.

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

Greater focus on measurable impact and investment in pre-disaster resilience will assist. Currently between 3% and 10% of disaster spending occurs before disasters, compared to 90-97% in response and recovery (De Vet, 2019). Internationally, \$5 in every \$100 is spent before the disaster (DFAT, 2022). An even smaller proportion of these funds is directed to strengthening psychosocial wellbeing and social resilience.

For many, the most obvious methods of building resilience are through hard measures: firebreaks, levees and building more resilient homes. However, disasters do not just damage property or facilities. The economic costs of the social impacts of disaster (health, wellbeing, employment, education, safety issues) are at least double that of restoring physical assets (Australian Business Roundtable, 2021). The same report shows reducing the psychosocial impacts of disasters is linked to a faster, more equitable post disaster recovery. Greater investment in protecting social infrastructure and strengthening social capital would be more effective and efficient than the current emphasis on hard infrastructure and assets (Australian Red Cross, 2021).

The evidence is clear:

- \* Four in five people in Australia have experienced a disaster at least once since 2019 (Climate Council, 2023).
- \* NEMA's figures show that for every dollar spent on disaster risk reduction, there is an estimated \$9.60 return on investment (NEMA, 2023).
- \* People who are connected and participate in their community live happier, healthier and longer lives, and their neighbourhoods are better places in which to live (Aldrich, 2012).

Risk reduction programs focusing on individuals and families, such as education and awareness programs, are far less expensive to run than infrastructure projects and have significant, positive community benefits that can be realised immediately, including strengthened social cohesion and connection (Aldrich, 2015).

In 2018, Australian Red Cross researched the complex factors shaping resilience and vulnerability in disaster-affected, culturally and linguistically diverse (CALD) communities. CALD communities are widely considered more vulnerable to disaster impacts due to unfamiliarity with Australia's physical and social environment, low English proficiency, poor awareness of local hazards, undeveloped support networks





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or previous traumatic experiences. While the specific circumstances of CALD communities can create heightened vulnerability to disasters' impact, many migrants and refugees display high levels of resilience, knowledge and coping capacities, often because of having overcome the significant challenges of migration and settlement in a new country. Emergency management strategies often overlook these strengths, for example in First Nations communities, which can be more effective at generating resilience than approaches centred on vulnerability. Adopting a strengths-based approach to disaster risk resilience building could better support communities to reduce their disaster risk (Australian Red Cross, 2021).

Building the social capital and psychosocial wellbeing of communities means they can more readily anticipate hazards, withstand adversity, recover faster, and reduce response and recovery costs. It will create jobs and make communities stronger, more connected and therefore better able to withstand future disasters (Australian Business Roundtable, 2013). It is a critical element in the disaster cycle, without which, recovery will take longer and be more costly.

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

Commonwealth disaster funding mechanisms could facilitate a more equitable distribution of funds across states and territories:

#### Expand eligibility requirements

Narrowly defined eligibility requirements are used to measure community need and to determine if funding will be applied but are not necessarily an accurate way to evaluate need (for example the number of burnt signs has been used as a pre-requisite for funding). Administering eligibility requirements in the current way enables asset restoration, but does little to restore community wellbeing, connection or security.

During COVID-19 Australian Red Cross supported people on temporary visas and those not eligible for mainstream support or exceptional measures. In another example, following recent floods, funding was available to everyone impacted, irrespective of visa type. By supporting all impacted people, rather than limited groups, governments address a range of needs and vulnerabilities and communities can work equitably together to overcome challenges.

Recommendation: Consider establishing a risk profile that assesses the health of the entire community.

#### Simplify administrative processes

Applications, reporting and tasks like invoicing can be unnecessarily complex. Sometimes small LGAs and organisations do not apply because of onerous requirements and limited capacity; as a result, some communities are missed altogether, despite significant levels of impact and need.

Recommendation: Simplify administration processes in consultation with communities.

#### Simplify reporting requirements

At times, reporting outcomes are vague and outdated. Reporting mechanisms and processes are unclear, and efforts to contact fund administrators for clarity can be unsuccessful.

Recommendation: Establishing systems that simply and consistently share outcomes will yield more meaningful, timely and accurate reports.





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#### Review communications processes

We often hear communities do not understand funding processes (i.e. eligibility, when funding will be released, how it will support communities). This information can be hard to find or unavailable in community languages.

Recommendation: Provide key information about funding in consultation with communities.

#### Amend co-contribution requirements

Co-contribution to funding schemes is a significant barrier for community organisations and non-profits. Even for organisations like Australian Red Cross, cost-of-living, COVID-19 and escalating disasters are eroding normal funding streams. There are fewer funds available at a time when need and demand for our services has never been higher and co-contribution precludes critical support reaching communities in need.

Recommendation: Consideration should be given to eliminating co-contribution requirements for not-for-profit, community and social service organisations.

#### Allow flexibility in funding usage

There are fixed expectations for how funding is applied in communities. (e.g. staff being unable to purchase glass coffee mugs because they are considered permanent assets, are obliged to purchase single-use cups). Permanent assets add value to communities, while recovery assets are at times, environmentally unsustainable. Communities having to provide photos to verify that whiteboard markers purchased with recovery funds are being used for recovery, is another example of a fundamental misunderstanding of community recovery.

Recommendation: Allowing fund recipients to determine and implement solutions alongside communities will have better results.

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

Facilitating community led initiatives:

One of the most important roles of the Commonwealth and state/territory governments is in embedding localisation: meeting locally identified needs, funding local activities, amplifying local stories, streamlining practices for communities and the organisations that support them, understanding and building on local strengths and overcoming local challenges. There are significant barriers preventing localised funding for community-based assets and community infrastructure that must be addressed.

Decision making seldom sits with community itself and a disconnect between community and government priorities is evident. Councils have minimal influence but bear the consequences of decisions they did not get to make. Local councils often lack the resources and capability to tackle disaster resilience building, response and recovery in a meaningful way without national and state resources. Where efforts are being made, they are often in isolation, off the side of desks, and communities miss the opportunity to realise the benefits of consistent approaches, innovation and shared learning across jurisdictions. This not only slows progress, but also likely means that communities experiencing the greatest vulnerability are left behind.





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One way to address this is to strengthen links between funding bodies and local communities. Fund administrators and policymakers should undertake regular site visits to connect with what is happening on the ground before and after disasters. They need to be more strongly embedded, with a presence alongside communities, helping simplify funding arrangements and as a result, benefitting from the value of local insights and greater ability to support community driven approaches. Resourcing community resilience work will help guide decision-makers on local needs in a response, and in recovery. Australian Red Cross, as auxiliary to public authorities in the humanitarian field, operating nationwide and widely trusted among communities can support governments in this work.

#### Timelines

People are seldom ready to undertake recovery actions in the first or second year following a disaster. 21% of people affected by the 2009 Victorian bushfires are still experiencing PTSD and depression more than ten years later (University of Melbourne, 2020), which demonstrates the need for long-term support. Even those who are not suffering PTSD or depression will often need several years to recover from the disaster.

A good example of this is the rebuilding of houses. Many incorrectly believe that housing rebuilds are solely dependent upon the availability of tradespeople, costs and time. But people are often obliged to rebuild while grappling with a variety of other disaster-related challenges (loss of loved ones, behavioural problems, relational strain, insurance, etc.). Decisions once considered simple become difficult and take time.

Like individual recovery, we also know that community networks need a long time to be effectively re-established. Commonwealth funding arrangements and policy should recognise this by ensuring recovery funding is available over multiple years.

#### Royal Commission Findings

We recommend the Commonwealth continue to implement the recommendations from the Royal Commission into Disaster Arrangements, particularly on harmonisation of data governance, standards and sharing, as well as delivery of services and financial assistance – especially promoting recovery services that facilitate resilience.

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

##### Supporting marginalised communities

Disasters do not affect everyone equally, and across Australia we need to prioritise an inclusive approach, so that people who have been marginalised and placed at risk can benefit in culturally safe, systematic and meaningful ways. Some individuals or communities face barriers to developing their own resilience.

We recommend taking a risk and capacity-based approach. This helps determine who might be at risk and the capacities they have to deal with those risks, such as health status, connection to Country, community and place, financial and physical security and access to knowledge. For example, recent Australian Red Cross pilot programs included groups representing Culturally Linguistic and Diverse Communities (CALD) and youth and these helped to inform the Emergency Resilience in Culturally and Linguistically Diverse Communities report, published in 2021. Additionally, in the 2022 NSW floods,





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members of our First Nations Recovery Team supported Aboriginal and Torres Strait Islander communities in disaster-impacted locations. The culturally safe response they provided resulted in the emergence of a greater number of First Nations communities seeking our help.

#### Standing costs

Not-for-profit organisations are not funded in the same sustainable way that many response organisations are. They are expected to stand up volunteers and various functions with no ongoing support for capacity and capability between disasters, and in an increasingly compliance-driven environment, the costs of supporting a standing volunteer workforce are growing.

To better support communities to build resilience in preparing for and adapting to extreme weather events caused or exacerbated by climate change and to reduce the impacts of disasters, including a healthier recovery, organisations such as Australian Red Cross need government support to ensure trained, ready-to-deploy volunteers and staff able to scale-up, immediately respond, support long-term recovery, address psychosocial needs of communities, and help with preparedness planning.

#### International insights on disasters

Red Cross and Red Crescent National Societies, including Australian Red Cross, are auxiliary to the public authorities in the humanitarian field. This specific and distinctive partnership entails mutually agreed roles and responsibilities, in peacetime and during armed conflict, and is embedded in international and national instruments. In Australia, this mandate is outlined in the Royal Charter and may include supporting the government in the delivery of activities relating to emergency management, international humanitarian law, restoring family links in situations of conflict and other emergencies, and health and social services.

Through this link to other national societies, we can both draw on experiences and learnings from the international disaster management space to benefit Australia, and share lessons from Australia back to the wider network to inform improved policy and practice beyond our borders. We would be pleased to draw on this network to provide further insights from other countries should this be of use.

For further information, or to access links to any cited documents, please reach out to Marilee Campbell, [macampbell@redcross.org.au](mailto:macampbell@redcross.org.au) or Angela Lemme, [alemme@redcross.org.au](mailto:alemme@redcross.org.au).

