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# Submission to the Independent Review of Commonwealth Disaster Funding

**Response ID:** IRCDF\_1328\_86

**Consent option:** Publish with name

**Submitted by:** Canberra Region Joint Organisation

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

The CRJO region covers 11 LGAs in SE NSW and the ACT. The region's population is approximately 750,000 covering a total area of 48,000km<sup>2</sup>. The CRJO provides a forum for councils, State agencies and other stakeholders to work together at a regional level.

The CRJO has undertaken extensive engagement work following the 2019-20 bushfires, extensive floods, storms, landslides and the pandemic impacting Councils across our region. This includes the CRJO Resilience Blueprint project which sets a pathway to improving resilience.

The CRJO engaged member Councils to produce a detailed evidence-based submission on the impacts of natural disasters on the local road network across the region. This work was submitted to the Australian Government inquiry into the impacts of severe weather events on the road network (Inquiry into the implications of severe weather events on the national regional, rural, and remote road network – Parliament of Australia ([aph.gov.au](http://aph.gov.au))). The review of the NDFA should take account of this evidence-based submission which highlights the new partnership required to deliver improved resilience and lower the future cost of natural disasters on the local road network

This submission identified challenges during and post natural disasters, including dealing with the current Natural Disaster Funding Arrangements. This work was shared with the broader LG sector at the NSW Roads Congress at NSW Parliament Theatre on 5 June 2023. We refer you to the Congress Communique supported by NSW Councils and the CRJO (IPWEA Resource - 2023 Local Roads Congress Communique | IPWEA (NSW) ([ipweansw.org](http://ipweansw.org))).

The CRJO is now preparing a holistic critical infrastructure resilience plan template for our 11 member Councils to help deliver a new level of community resilience across the region. This plan is being developed with all 11 member Councils, NSW Reconstruction Authority, Transport for NSW, Telecommunications providers and Essential Energy and aligns with the outcomes of the Royal Commission in National Natural Disasters, NSW Bushfire Inquiry and NSW Flood Inquiry.

Our Councils worked with State agencies through large disaster recovery operations where funding under the NDFA was provided to private individuals and households, not-for-profit organisations, primary producers and small businesses. Our region is grateful for the support provided across a wide range of challenges including the massive clean-up of damaged homes.





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In that regard we would make the following observations:

- i) the overall level of support from the State and Australian Government was excellent.
- ii) there were inconsistencies in the funds provided (eg the additional funding available to dairy farmers but not beef producers). This created inequity and anger adding to trauma. This review should pursue more equitable arrangements.
- iii) The \$500m Bushfire Local Economic Recovery Fund was not well directed to measures to improve future community resilience and safety, a major missed opportunity. Emergency Operation Centre teams hold a wealth of information about challenges to be overcome to keep communities safe. Priority should be given to funding actions to overcome those challenges.

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

We must utilise the lessons learnt from recent natural disasters to shape a new resilient future. This includes undertaking practical resilience improvement actions in a planned, pro-active and progressive way to mitigate natural disaster impacts before they occur.

We ask the Australian Government to better understand the context within which regional Councils operate. The vast networks of transport infrastructure under their care means that Councils are heavily dependent on external grants from the Australian and State Government. The inadequate quantum and uncertainty of base funding means Councils are unable to properly plan and deliver the pro-active network resilience (and road safety) changes needed with matched skills and capacity, whilst still delivering the myriad of other services their communities depend upon.

A paradigm shift in strategy and funding arrangements between levels of Government is essential with a greater reliance on longer term, more equitable, non-competitive and administratively efficient grants specific to the task at hand.

This would provide far more equitable, efficient and universal improvement outcomes across Australia than the current competitive grant approach.

A primary focus on elements servicing whole communities is particularly important including the critical infrastructure, major food retail and fuel supply resilience. Improving the resilience for our most vulnerable, such as those in our aged care facilities is also key and should be incentivised by Government.

There are many readily available solutions to mitigate damage to critical infrastructure and keep communities safer and more connected.

Lived experience of sending volunteers and professional response teams from our own community into high risk environments during response/early recovery to recover critical infrastructure and in response demonstrates the need to reduce the risk to these committed people. We owe them a safer future.

A more proactive approach will mitigate the broad economic cost, reduce mental trauma and adverse impacts on well-being as well as provide the whole of Government with vastly improved value for money and savings.





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Undertaking betterment work pre-disaster is far safer, better planned, better value and can be better integrated across infrastructure providers to achieve multiple benefits, with delivery better match to available resources and market capacity.

Undertaking the reconstruction work post disaster guarantees a higher adverse impact on community, is time constrained, full of delays, risk exposure and high losses to administrative costs. The high peak workloads post disaster:

- i) inevitably offers poorer value due to the peak demand for skills and resources and
- ii) extends for years post-disaster resulting in very high levels of fatigue within an already traumatised workforce.

Whilst the NDFA must remain as the primary safety net, we must find smarter ways to deliver resilience improvements in a pre-disaster setting for the benefit of all Australians.

Refer to Question 5 for further information.

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

DRFA funding provides reactive funding for reconstruction of essential public assets on a like-for-like basis as a safety net in support of the States.

The new competitive grant application processes to seek betterment is lengthy, leads to delays and is full of uncertainty with most requests being rejected, which is wasteful and demoralising.

The recovery works implemented on a like-for-like basis offer poor future resilience. This is despite the administering authority seeing the common sense in 'building back better' and wanting to say 'yes'.

This archaic system only serves to perpetuate poor resilience, future adverse impacts on community, first responders and early recovery teams at a higher cost to all levels of Government.

The Commonwealth must better understand that most regional Councils are unable to co-fund betterment works at the time of the recovery. Exceptions to this have occurred where other opportunistic grants (eg such as the recent LRCIP) are available to supplement disaster recovery works to achieve a far better outcome.

Consequently, the work designing, approving, tendering, bringing in specialist contractors from afar is not put to the best use. For instance, if you have a road that has collapsed and the adjoining area hasn't yet collapsed but is identified for resilience treatment, the work is often confined to the collapsed section, leaving the community at risk of repeat disconnection. The opportunity to achieve better value and future resilience is lost.

Despite this, LG is innovative and often finds ways to 'build back better' if the administering partner is willing to maintain an open mind and encourage improved future outcomes working within the existing guidelines. This positive direction can be greatly enhanced through the provision of new guidelines and modest additional funding from the Commonwealth and States offering greater flexibility to 'build back better'.

The way forward is:

- i) For the Commonwealth to:





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- a. provide regional Councils with adequate certain long term funding, specifically through Roads to Recovery and the Bridge Renewal Programs (refer NSW Roads Congress Communique for more detail)
- b. work with the States, ALGA and IPWEA to:
  - \* develop new DRFA guidelines inclusive of reasonable betterment options with speedy automated approval mechanisms and reduced administrative burdens
  - \* implement appropriate training in the new guidelines with Commonwealth staff present to impart knowledge, listen and learn from practitioners on-the-ground
- ii) in return Councils offer to:
  - a. maintain their own source funding in real dollar terms as a minimum (required now for R2R)
  - b. develop resilience plans for their infrastructure with a particular focus on those covered under the NDFA (roads, flood and stormwater structures) plus water, sewer, waste and critical buildings
  - c. agree to utilise a proportion of the increased annual Commonwealth funding to improving resilience in a pro-active, progressive way to mitigate future disaster costs to Government
  - d. develop robust sustainable workforce plans inclusive of cadets, trainees and apprentices in the relevant disciplines
  - e. pursue technology such as improved data capture systems and use of artificial intelligence (under trial now) to give Government greater confidence in the outcomes.

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

The roles of Commonwealth, States and Territories are outlined within the various documents available on-line such as:

Disaster Recovery Funding Arrangements 2018 ([disasterassist.gov.au](https://disasterassist.gov.au))

NDRRA Factsheet ([disasterassist.gov.au](https://disasterassist.gov.au))

NSW Disaster Assistance Guidelines 2021

Introduction – Restoration of Essential Public Assets ([nsw.gov.au](https://nsw.gov.au))

Natural Disaster Assistance Transaction Listing Factsheet March 2022 ([nsw.gov.au](https://nsw.gov.au))

Natural Disaster arrangements | Transport for NSW

The provision of disaster support to individuals, businesses and agricultural landowners, is undertaken direct by the States. The CRJO fully supports this as the desirable process and simply asks that recovery processes allow those impacted to be able to tell their story once and that your review leads to greater equity.

Local Government's main role is restoration of essential public assets as covered under Part B of the guidelines which is the primary focus of our response.

The differentiation between the roles of the Commonwealth and States is often not well understood. The Commonwealth should partner with the States and professional organisations such as IPWEA State





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Divisions to undertake further education, ideally with combined representation from all three levels of Government, with regular updates.

The current levels of proof required by the Commonwealth from the States has created a risk averse culture to recovery at all levels of Government. This ultimately leads to an overly bureaucratic and administratively cumbersome approach to gaining approvals to commence work, often delaying commencement of essential restoration works and reconnection of communities. This can lead to higher costs due to the need to assess alternate solutions against restoration of existing assets which are obviously unsuitable for restoration.

Some positive advancements in recent years include:

- i) Ability to build back a modern equivalent (eg replace a timber bridge with the concrete bridge of the same function)
- ii) Ability to combine damage from multiple events into one administrative action (typically the last event). This was essential as individual Councils had thousands of damage sites and up to 12 natural disaster events within a short period of time.

However, there still remains no effective mechanisms to allow efficient decision making and adequate funding to 'build back better' (see bridge example below). Understandably the Commonwealth is reluctant to provide an 'open cheque book' approach to this challenge. This can readily be addressed through more comprehensive guidelines which identify, encourage and fund betterment within defined categories and cost limits with speedy approval mechanisms and reduced administrative waste.

In NSW, there remains two systems known as the 'opt-in' and 'opt-out'. Some Councils have been reluctant to 'opt-in' due to the unreasonably high upfront costs associated with the new formula. This should be resolved working with the States, LGNSW and IPWEA NSW/ACT by developing an agreed fairer universal system applicable to all NSW Councils allowing Councils the flexibility to utilise day labour resources and equipment to accelerate recovery. This will also provide better value, especially in regional areas where contractors are in short supply.

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

We support the recommendations in the CRJO submission to the inquiry on the severe weather impacts on roads and the NSW Roads Congress Communique (IPWEA Resource - 2023 Local Roads Congress Communique | IPWEA (NSW) ([ipweansw.org](http://ipweansw.org))).

These recommendations offer a win/win with a new watershed partnership between the Australian, State and Local Governments. One with:

- i) a more sustainable level of funding for regional Australia by doubling Roads to Recovery and indexing this annually.
- ii) where Councils could then commit with certainty to planning and delivering a safer and more resilient future by progressively improving the resilience of their local road networks in line with a newly drafted Roads to Recovery Statement of Intent, and to developing the matched skills and capacity to deliver those outcomes.

The Australian Government can drastically reduce the impacts of natural disasters by:





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- i) Co-funding the development and implementation of local mitigation plans including critical infrastructure resilience plans (covering Council infrastructure, telecommunications, power supply and highways).
- ii) Addressing the known legacy challenges across all critical infrastructure
- iii) Focussing on the funding and resources needed to ensure on-going maintenance rather than just the capital cost of improvements so infrastructure and non-infrastructure arrangements are in a ready state when disasters occur.
- iv) Co-funding the acceleration of power supply resilience. This will not be achieved alone by user pay models. Poor power supply resilience adversely impacted telecommunications (85% of losses), water supply systems, sewerage schemes, waste facilities, response (particularly food, fuel supply and aged care), business and the broader community. Solutions can be as simple as replacing a few timber power poles with resilient composite or steel power poles.
- v) Co-funding the hardening of telecommunications infrastructure but taking a more holistic approach including power supply, asset protection zones & safe access (as funded at Mt Wandera, Morya NSW).
- vi) Co-funding water supply and sewerage scheme resilience works, particularly power upgrades and where required, relocation of treatment plants/pump stations out of floodways.
- vii) Working with the State Governments to deliver improved highway resilience and to fully implement recommendations 31 & 32 of the NSW Bushfire Inquiry (not yet achieved).
- viii) Working with State and Local Governments to identify where private property is too high a risk to remain by implementing a State co-funded voluntary buy-back scheme. For instance, there are opportunities to remove extremely remote high risk properties and convert these to National Parks. Taking a more holistic approach can help address aligned national objectives and could offset the works required to keep our transport routes and other critical infrastructure safer. A lack of agility post-bushfires meant people rebuilt in extreme high risk areas, rather than the Government sensitively acquiring the then vacant blocks, giving people a way out.
- ix) Making better use of evolving technology, disaster modelling and warning systems
- x) Improving planning and delivery of new developments and infrastructure to take account of natural disasters.

