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# Submission to the Independent Review of Commonwealth Disaster Funding

**Response ID:** IRCDF\_1365\_113

**Consent option:** Publish with name

**Submitted by:** Queensland Reconstruction Authority

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

Queensland Reconstruction Authority (QRA) leads disaster recovery and resilience in Queensland. This includes managing and coordinating the Queensland Government's program of infrastructure recovery within disaster-affected communities, with a focus on working with Commonwealth, state and local government partners to deliver best practice administration of public reconstruction and resilience funds.

Queensland is the most disaster affected state in Australia and is susceptible to a variety of hazards including flooding, severe weather, cyclones and bushfires. Due to the frequency and scale of these disaster events, QRA has significant experience in administering Commonwealth, State and joint Commonwealth-State disaster funding programs.

Since QRA's inception, QRA has helped Queensland recover from 104 disaster events, and has managed a \$22 billion program of disaster recovery and resilience works. Currently, QRA is managing an active delivery program of \$7.2 billion, comprising works from 32 disaster events since 2019 across 76 councils, ensuring that funding programs are delivered effectively and efficiently.

QRA administers the Disaster Recovery Funding Arrangements (DRFA), on behalf of Queensland. This includes the administration of 'standard' Category A and B relief measures and 'non-standard' Category C and D measures. Queensland has delivered, or is currently delivering, the following Category C and D exceptional circumstances packages:

- \* 2018 Central Queensland Bushfires - \$12 million
- \* 2019 Monsoon Trough - \$242 million
- \* 2019 Queensland Bushfires - \$58.57 million
- \* 2021-22 Rainfall and Flooding - over \$2 billion
- \* 2022-23 Northern and Central Queensland Monsoon and Flooding.

Every disaster is different. Our experience is that DRFA is inherently flexible, enabling support to be tailored to community need, as well as providing opportunities to incorporate resilience.





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Queensland has shown how rebuilding impacted assets to a more resilient standard minimises the impacts of future disasters and avoids associated repair costs. Since the Queensland Betterment Fund was established in 2013, 531 projects across 70 local government areas have been approved, helping to create stronger, more resilient Queensland communities. From an investment of close to \$174 million in projects that have been re-impacted, we have seen approximately \$397.5 million in avoided reconstruction costs.

Certain asset classes once eligible under Category B, such as reconstruction of local government water and sewerage infrastructure and community and recreational assets, can only now be accessed through agreement between Premier and Prime Minister, reducing the speed in which such assistance can be provided.

QRA also administers non-DRFA disaster resilience funding programs, including:

- \* Queensland Resilience and Risk Reduction Fund (QRRRF) under the National Partnership for Disaster Risk Reduction (NPA DRR)
- \* Emergency Response Fund (ERF)
- \* Disaster Ready Fund (DRF)
- \* Protecting our Communities Program.

Queensland has been a key stakeholder in shaping current DRFA measures and engages regularly with the Commonwealth to ensure DRFA and disaster resilience funding programs meet community needs and expectations, and are delivered in effectively and efficiently.

The partnership between QRA, the Commonwealth and Queensland Governments, and our local government partners is pivotal to ensuring financial assistance helps communities prepare for, respond to, recover from, and ultimately build resilience to disaster events.

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

- \* Recommendation 1 – Investment in resilience funding programs should continue to increase and consider climate change risks to ensure Australia is well positioned to support to local communities now and into the future.
- \* Recommendation 2 – Investment decision making and funding programs should: be risk-informed; consider the capacity, needs and hazard exposure of communities; prioritise investment to lessen the highest disaster risks whilst seeking a broad range of benefits to communities; and focus on supporting regional, rural, remote and First Nations communities.
- \* Recommendation 3 – Opportunities should be sought to mainstream resilience-building goals in the DRFA, for example, by making betterment measures available to all Category B REPA programs.
- \* Recommendation 4 – Category B should be reviewed to include local government water and sewerage infrastructure and community and recreational assets as eligible, which could then enable Betterment of such assets.





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\* Recommendation 5 – Appropriate levels of flexibility should be designed into resilience funding programs to ensure local context, needs, risks and priorities and varying delivery methodologies can be accommodated.

\* Recommendation 6 – Negotiations on a future National Partnership Agreement on Disaster Risk Reduction commence as a priority to ensure no gap in funding at the cessation of the NPA DRR on 30 June 2024.

Understanding and meeting local needs must be at the heart of recovery and resilience funding. Communities that understand their disaster risks are better placed to deal with climate change risks and future disaster events. Disaster funding programs should consider all hazards, link to local needs and levels of disaster risk, focus on building long-term resilience, and ensure program requirements do not disadvantage rural, remote, and indigenous communities.

With the support of the Commonwealth, QRA has led the way in embedding resilience measures into exceptional circumstances packages, including Queensland's Betterment Fund and the Resilient Homes Fund. QRA commends the Commonwealth's shift in focus to better prioritise and invest in disaster resilience, as evidenced by support for resilience-focused initiatives in DRFA Category C and D programs and the Disaster Ready Fund, which provides increased investment and focus on systemic disaster risk reduction.

The QRRRF, under the NPA DRR, and its risk-based funding distribution model is highly valued in Queensland. Flexibility in how this funding can be administered facilitates jurisdictions' assessment of projects based on knowledge of local needs and enables funding of smaller projects that may not be eligible or appropriate for larger funds such as the DRF.

Through the extensive work undertaken in Queensland to understand local and regional resilience needs, including the development of Regional Resilience Strategies and Local Resilience Action Plans, QRA is well positioned to ensure local context is considered in program design. This includes aligning funding to community needs and considering councils' financial capacity to meet co-contribution requirements. With the NPA DRR due to expire on 30 June 2024, QRA strongly advocates for a new National Partnership Agreement to be negotiated as an immediate priority.

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

\* Recommendation 7 – Continue to adjust and streamline DRFA processes/requirements to ensure communities recover sooner, including:

- o Reviewing timeframes, eligibility and decision-making processes for Counter Disaster Operations, Immediate Reconstruction Works and Emergency Works

- o Simplifying the Australian Government Reference Number following quick-succession disasters, for example through merging of multiple events, or creation of a singular-spanning event

- o Identifying opportunities to shift NEMA's assurance focus from a retrospective review of completed Category C and D programs, to pre-emptive, collaborative review and refinement of eligibility requirements and assurance frameworks.





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- o Developing tailorable, credible, and tested off-the-shelf packages for resilience-focused Category C and D packages to expedite recovery assistance on-the-ground.

- \* Recommendation 8 – Streamline and standardise processes, timeframes, and reporting requirements across DRFA and non-DRFA programs, including:

- o reviewing audit requirements for resilience funding programs to ensure requirements are fit-for-purpose and reflective of the level of risk/funding; and

- o creating consistency in Guidelines, reporting requirements and templates to minimise administrative burden for all parties.

- o Review the allowable time limit (ATL) of 2 years and consider enabling additional flexibility to extend this timeframe for major events, particularly where extraordinary assistance (Cat C/D funding) has been agreed.

- \* Recommendation 9 – Better define administration fee requirements for Category C and D and resilience funding programs, and include a minimum baseline payment of 5 per cent to ensure appropriate and sustainable administration of funding programs.

To perform QRA's role in administering DRFA effectively, QRA has developed sophisticated systems for assessment and assurance processes. Approximately 150 staff are required to support the delivery of these processes, as well as an annual operating budget of over \$35 million, and an in-house, standalone grants management system that was designed primarily for Category A and B programs.

While Queensland has the systems, processes, knowledge and experience to effectively administer Category A and B measures, the bespoke nature of Category C and D packages, ERF and DRF makes their administration more complex.

QRA regularly consults with NEMA, provides feedback on improvements, and identifies and advocates for practical adjustments and streamlined processes to improve funding administration. This includes feedback through the DRFA Review, ongoing feedback through the DRFA Stakeholder Reference Group and QRA's submission to the Australian National Audit Office review into administration of DRFA.

Key feedback to date has included recommendations to significantly reduce undue administrative burden in administering these programs, adjustments to eligibility requirements, and improvements in the consistency and appropriateness of requirements for reporting, assurance and audit.

While non-DRFA funding programs involve a lower quantum of funding than DRFA programs, the differences in eligibility, co-contributions, scope and reporting requirements across non-DRFA programs significantly exacerbates administrative burden. Non-DRFA funding programs represent a significant investment of public funding and warrant the highest standard of probity in financial and project administration, functions which require specialist skill. An adequate administration fee to administer these programs is essential to provide certainty and sustainability in program administration.

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

- \* Recommendation 10 – Clarify roles and responsibilities of NEMA's Regional Support Officers to ensure NEMA's team and QRA's Regional Liaison Officers and Resilience and Recovery Officers are working in





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streamlined, complementary ways when engaging with local communities, especially when Queensland's Disaster Management Arrangements (QDMA) are in use.

\* Recommendation 11 – Enhance jurisdictions' capability to use and understand DRFA measures and non-DRFA programs through knowledge share workshops and the development of resources, such as an 'eligibility library'.

In Queensland, the role and responsibility of Commonwealth, state and local governments are well understood. The QDMA clearly articulates roles and promotes collaboration to ensure comprehensive disaster management through effective coordination of disaster risk planning, services, information and resources across all levels of government.

QDMA comprises four tiers: three levels of government – local, state, and federal – and a 'disaster district' tier between local and state government. Disaster districts enable efficient and effective operational service delivery to support local communities and address the size, complexity and diversity of Queensland. QRA works in close partnership with all levels of government to ensure communities have access to funding assistance before, during and after disaster events.

QRA's Regional Liaison Officers and Resilience and Recovery Officers are key to identifying and aligning eligible projects to Commonwealth funding programs. QRA officers often support local councils to develop applications, utilising their knowledge of local disaster risks and funding eligibility requirements, and identifying potential priority projects within Local Resilience Action Plans that align to funding programs.

As part of this engagement, local and state stakeholders have voiced a need for greater clarity and streamlining of funding roles and responsibilities. Specifically, clarity is sought on the role of NEMA's Regional Support Officers, program cost-sharing arrangements, and eligibility requirements. When there is uncertainty, coupled with sometimes overly complex processes, distress at the community level can be heightened, rather than alleviated. Improved understanding of roles and responsibilities, simplicity in programs and eligibility requirements, and ease of access to funding, are all critical to program success, recovery and resilience.

While QRA believes that the State government is equipped to meet the current expectations of key stakeholders in meeting disaster management needs, the reliance on funding support and expectations of support are increasing with more frequent disaster events. This includes the increased expectations around roles and responsibilities at the state and federal level to ensure there are adequate resources available to support ongoing recovery and resilience needs.

There are opportunities for the Commonwealth to respond to these challenges through ensuring there is sufficient clarity in roles and responsibilities, ensuring an adequate quantum of funding is available through relevant programs, and placing more emphasis on designing disaster risk reduction and resilience programs that acknowledge the risks of a changing climate to meet Australia's future state.

It would also be beneficial to maintain cross-jurisdictional stakeholder reference groups to continue to improve and discuss funding programs, and to develop and deliver relevant training programs for state and local governments to better understand roles, responsibilities, processes and programs.





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

Based on the evidence provided in response to each question, QRA would like to highlight that, ultimately, investment decision-making should be based on:

- \* a comprehensive understanding of current and future disaster risk
- \* cognisance of state and local needs, capacity and capability; and
- \* a deliberate and strategic approach to building resilience.

QRA would welcome an opportunity to discuss these recommendations, or to provide further context, examples and case studies that may assist the Review team's understanding QRA's position and proposals.

