



Australian Government

National Emergency
Management Agency

Submission to the Independent Review of Commonwealth Disaster Funding

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Submitted by: Hepburn Shire Council

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

Hepburn Shire Council (HSC) has significant experience with the Commonwealth disaster funding arrangements. Hepburn Shire welcomes the opportunity to provide feedback for the review. HSC has been impacted by seven major emergencies from weather events over eight years. Through DRFA, HSC has submitted claims for events since 2010, with a success rate of up to 97.5% for the 2021 Storm. HSC has consistently managed multiple grant funding streams from the state and commonwealth for disasters and Council business-as-usual operations.

Delivered primarily through the Flood and Storm Recovery unit, with the support of other Council business units, commonwealth funding support has been essential to Hepburn's disaster recovery efforts across relief and all five recovery domains. Hepburn's Emergency Management and Flood and Storm Recovery units have been involved in Relief Centres, Recovery Hubs, Recovery Committees, emergency works, and immediate reconstruction works while working through the various funding arrangements, claims management, reconciliation, and acquittals.

Overall, most grant funds are outcome-focused and discretionary. These other funding agreements will not reject claims based on incorrect GPS data, incorrect presentation of GPS data, discrepancies in road names in the Council's register versus what is listed on Google, whether a photo can capture the entirety of the damage of a very tall tree and the adjacent asset in the same photo or whether pizza is acceptable as a meal for residents. Rejections like this have financial consequences for smaller Councils like Hepburn, consuming time and effort that should be available to support other relief and recovery efforts.

For Hepburn, Commonwealth disaster funding support is a pass-or-fail effort and restrictive - heavily focused on evidentiary requirements instead of addressing the immediate needs of disaster-affected communities. The delivery model is inherently challenging as criteria for applications, records, timelines, and burden of proof with pre-incident evidence, and the process is not scalable or sustainable for multiple emergencies. The process does not reflect the "ask" on Council during and after an emergency. Delivering DRFA across the Council is not a permanent function but situational. It is a scaled-up response to an emergency, drawing on resources available at the time, with no guarantee of staff experienced in navigating the complexity of the process.

Delays in obtaining advances for emergency and recovery works and rejecting entire claims based on a single claim line are inefficient, placing Councils under undue financial pressure and impacting delivering





budgeted activities. Without experience in the claims process, eligible activities and supporting documentation needed, it is financially risky for Council to undertake immediate recovery works to ensure the community's safety due to the risk of work not being eligible for reimbursement. Many guidance materials refer to "may be considered eligible expenditure", where Councils are looking for definitive, historically informed decisions and precedents to submit claims. This supports prioritising works based on risk and community needs rather than the likelihood of the claim being accepted based on evidence.

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

Commonwealth funding can improve their assistance by:

1. Moving focus from just response and recovery to more long-term resilience projects. This will assist communities in being proactive when faced with a natural disaster. Disasters will impact infrastructure or environments already compromised that is likely known by the community but are cost-prohibitive to Council to upgrade or do mitigation works. The council acknowledges some shift towards this with the resilience grants program.
2. Incorporate "build back better" into all financial support. Clarify what is considered an appropriate recovery activity and what is not a recovery activity. This clarification will support Councils in commencing recovery as soon as response begins to an event. The council has experienced three major events in the past two years, which in some cases has resulted in multiple repairs being undertaken and eligible for DRFA reimbursement.
3. Approve "betterment" works on essential public infrastructure, where warranted, to current engineering standards to provide LGA's with more safe and robust public infrastructure. Including betterment will support recovery and mitigation, supporting climate adaptation. This can be achieved by implementing national standards for betterment that support consistent business cases and approvals for betterment works.
4. Enable Councils to determine whether to reinstate the asset or conduct betterment. Expanding the scope of restoring public assets and infrastructure will allow the Council to assess the best value for the community and all levels of government to minimise and remove duplication of repairs with repeat incidents. Councils are best suited to carry out assessments and determine whether to incorporate asset restoration to ensure the assets withstand the impacts of extreme weather events and the effects of climate change.
5. Service-level agreements on how long claims will take to assess claims, avoiding multiple iterations for claims when evidence is challenged. Reworking of claims costs all parties time and resources, a trade-off between working with the community and ensuring claims and their line items are approved. Assessors often reference best practices by councils; however, guidance on what is best practice is not provided.

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

Hepburn Shire Council (Council) has \$12,603,271.74 worth of claims from the June 2021 Storm, January 2022 Flood and October 2022 flood. A dedicated business unit comprised of permanent, contract, and part-time staff has been overseeing the Council's claims to DRFA since June 2021. With a 97.5% claim





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endorsement rate, the Storm and Flood Recovery team has nearly three years of experience in the disaster funding process and benefited from claims with the 2010/11 and 2016 flood events.

HSC values the funding arrangements and supports robust processes that ensure public monies are spent and acquitted properly. There is a significant burden in "building" the claim, "coordinating" the works, "compiling" the documentation, and "managing" timelines and deadlines for submission.

Administratively, the financial documentation, pictures, data, records, and estimates are manually intensive and resource-heavy. This complexity requires ongoing engagement and consultation with all stakeholders to clarify eligibility criteria for the funding categories - critical to the overall processes but requires sustained ongoing management.

At times, the challenge of the process is in its design, where the balance is heavily focused on assurance (through various evidentiary requirements) rather than efficiency, which is a barrier to reconstruction works and recovery. It is pass-fail instead of working towards. There needs to be better alignment with how the processes are designed and implemented for local governments. A more streamlined evidence and claims process that better reflects the emergency context in which work is undertaken. Claims need to be assessed, and the totality of evidence considered.

Looking at the funding arrangements, systems, and processes as a service model, there are many opportunities for improvement. An end-to-end review is required to identify barriers and challenges administrating claims and recovery works for the Council, streamlining multiple processes that support both the Council in delivering recovery works and assessors to ensure the appropriate use of public monies from the commonwealth and in-kind from the Council.

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

The arrangement of roles is straightforward but broad, lacking detail into the "how" and "what" are the roles and responsibilities at each level of government in the process. As arrangements change or are modified - sometimes mid-way through an event - greater clarity on responsibilities, roles, reporting lines, escalation pathways, approval criteria, and rejection criteria is needed. This is compounded by historical changes of funding sources, reporting requirements, and authorising bodies over time, with information coming from multiple agencies.

As these arrangements are only activated when there is an emergency, they should be aligned to local, state, and federal arrangements for emergencies as they sit separately from now. Greater clarity of roles and responsibilities will enable better situational awareness, issue management and advocacy across state and commonwealth levels. Overall program performance benefits as trends and challenges become visible to levels of government that can effect change.

Additional clarity between practice and guidelines of how the Council works with their assessor and how the assessor delivers its service. Using the like-"insurance claim" model needs to be expanded to a customer support, service-desk approach to claims management where assessors are business partners rather than gatekeepers of information. This supports embedding assessors in state, regional and local emergency management structures, ensuring line of sight of various recovery environments and escalation to regional and state recovery committees. Assessors need to give a final determination on queries rather than defer and follow up for further guidance.





Experiences with insurance agencies and their assessors post-disaster involve regular dialogue and engagement where the assessor can provide authoritative advice and determination without escalation for most of the queries. This would reflect an arrangement where Councils are supported to have the highest claim acceptance rate possible because the assessors weigh the on-the-ground realities for Councils before and after an emergency.

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

Hepburn Shire Council welcomes the opportunity to provide the Independent Review of the Commonwealth Disaster Funding the following input to consider:

1. The service model, system and processes need to reflect the priorities during and after the emergency - the safety of the community instead of a data-heavy focus on claims processing.
2. Greater line-of-sight by Commonwealth and State on the ask of Council to meet the assessors' requirements for full reimbursement. Within Council, DRFA claims management is often an ad-hoc, surge service delivery. Temporary shared and contracting arrangements lead to developing systems and processes whilst delivering the claims management function.
3. Focus on being a service desk, with a customer-service approach to building best practices for Councils.
4. Surge assessor workforce as major state-wide emergencies create significant demand for assessor availability with one assessor servicing multiple councils. Review assessor resourcing or an alternative service model to facilitate DRFA, claims, and endorsement processes.
5. If the process is akin to an insurance claim, the responsibility for assessing claims must be consolidated to a department or organisation whose function and responsibility are closely aligned to best practices in claims management for each claim category.
6. Improved engagement and consultation so there is better consideration of the operational impacts on LGAs when system-wide guidelines are changed.
7. DRFA arrangements impact all recovery environments following a disaster. Delegated officers and assessors representing DRFA, either through NEMA or ERV, should be part of the various recovery forums activated post-disaster. This integration would streamline queries and claim-related concerns.
8. DRFA is a permanent capability - develop and invest in training and other collateral that supports Councils when an event occurs. Councils do not maintain a permanent readiness to undertake the DRFA process, so they must scale up and deliver with resource constraints.
9. Exploring off-the-shelf technology options to consolidate the entire process. Web-based applications integrated with photo capture, GIS, and reporting would create an automated, user-designed process. This would allow Councils to easily reference and capture work packages with the assessors to clarify any issues. Councils across Victoria use Crisis Works for EM.