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National Emergency
Management Agency

Submission to the Independent Review of Commonwealth Disaster Funding

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Consent option: Publish with name

Submitted by: Foundation for Rural and Regional Renewal

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

FRRR has experience as a Commonwealth grant recipient and as a funder of community-led preparedness and medium to long term recovery, which often forms part of co-funding requirements, or fills gaps once government and NGO funding has wound down. FRRR's funding programs are collectively funded through grants and donations from philanthropy, business, and individuals.

As a grant recipient, FRRR is currently delivering.

- * One Preparing Australian Communities - Local Stream grant (\$981,782 Disaster Resilient and Future Ready - Burnett Inland Communities- Qld)
- * two Black Summer Bushfire Recovery Grants Program projects- \$1,369,800 (Strengthening capacity, cooperation & resilience of Shoalhaven's local NFPs-NSW) and \$1,310,246 (Investing in Rural Community Futures Bega – Resilience, Connection & Place- NSW).

Since its inception in 2000, FRRR has distributed more than \$58 million in grants supporting communities to respond, recover and prepare for disasters. Over 60% of FRRR's annual grant distributions are made to local community projects in a disaster context. From fires, to droughts, cyclones and floods dating back to Cyclone Larry in 2006, FRRR has been instrumental in supporting remote, rural, and regional communities across Australia in their preparedness and medium to long-term recovery process.

In FY2021/22, 62% (\$12.3M) of FRRR's grants were distributed to projects aiding preparedness or recovery efforts of community groups and not-for-profits.

It is with this experience, and observations of community-based needs, and funding gaps, that FRRR makes this submission.

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

Commonwealth funding could be better targeted to maximise the role local non-profits and community groups play disaster risk reduction, which is critically under-resourced. They hold knowledge, networks, expertise, and organisational infrastructure that is drawn upon in crisis yet not formalised to the extent that they can be effectively deployed throughout the disaster spectrum. Due to their capacity, they are often unable to compete for government funding, or secure funds through appeals and other fundraising activity, yet are expected to deliver complex outcomes. Their embeddedness, like local government,





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means that they are uniquely placed to sustain risk reduction activity and embed behaviour change at the hyper-local through to regional levels.

FRRR recommends:

- * A balanced investment approach to supporting social, economic, and environmental outcomes that reduce disaster risk. Ideally this is a balance of projects and initiatives that strengthen the capacity and capability of people, organisations, networks and systems, and local environment, in addition to and in ways that add resilience dividends to hard infrastructure.
- * Ensuring that local non-profits and community groups can access funding programs that are right-sized, broad in focus, and flexible. FRRR has expertise in delivering grant programs of this nature, along with evidence of their long-term impact, and would welcome a formal role in enabling this funding to strengthen impact that these organisations and groups can have in disaster risk reduction.
- * A national application process, not via state government bodies.
- * Longer time frames to deliver projects and initiatives, in recognition of medium- and long-term recovery and preparedness needs.
- * An increased length of time to apply, avoiding busy times of the year.
- * Consideration of a variety of approaches such as placed based design processes, collaborative multi-year granting and small grants to support modest but practical initiatives closest to the ground.
- * Enabling proportionate investment in core operations of small Not for Profit organisations who play an important role of disaster risk reduction efforts to mitigate community fatigue, capacity to apply, and capability to manage funds often present after a disaster.

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

While FRRR often relies upon published state and federal based DRFA funding explanations to determine funding duplication or gaps; broadly most grass roots community-based organisations find the funding environment detailed and complex.

Our understanding indicates:

- * The Disaster Recovery Funding Arrangements (DRFA) is a cost sharing arrangement between States/Territories and the Commonwealth. The DRFA is a Commonwealth determination. The arrangements enable the State and Commonwealth to provide financial assistance, to support certain relief and recovery measures following an eligible disaster, they do not cover all costs that may be incurred resulting from an eligible disaster.
- * The DRFA applies to natural disasters or terrorist acts only.
- * Recovery is a shared responsibility for individuals, households, businesses, and communities, as well as for all levels of government.
- * The DRFA process is akin to an insurance claim – to be reimbursed councils need to provide evidence and demonstrate eligibility.





- * For Category A and B claims, councils submit claims within designated timeframes.
- * Claims are independently assessed by relevant state departments as the appointed DRFA assessors. Assessors work with councils to maximise claims within the DRFA guidelines.
- * Category C and D activated measures are overseen by relevant state departments against the same evidentiary requirements and agreed delivery timeframes.
- * DRFA is subject to a dual audit process: state and commonwealth, any ineligible expenditure or claimed expenditure lacking supporting documentation is not cost shared by the Commonwealth.
- * Category A and C/D are 50:50 cost shared.
- * For Category B – The states need to exceed Commonwealth set thresholds of own expenditure before the Commonwealth will provide support.
- * The DRFA should not be a deciding factor when responding to a disaster – in accordance with their emergency management responsibilities, Councils are required to ensure they are prepared for, and able to respond to natural disasters.
- * Category C and or D is only sought to be activated for significant events such as the Black Summer Bushfires and June 2021 Storm and Flood event.
- * Category C: Community Recovery Fund – grants/programs to restore social networks, community functioning and community facilities. Recovery grants for small businesses and non-profit organisations and primary producers. Aimed at covering the cost of clean-up and reinstatement (not compensation for losses), Grants can vary depending on event – based on recommendation from state departments and will vary by state.
- * Any costs relating to Betterment are to be excluded. All Betterment components should be identified early in the project, funded by council, and accounted for separately.

Source: Emergency Management Victoria

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

Based on anecdotal feedback from communities, it could be broadly stated that individuals, and small grassroots not-for-profit organisations find the current arrangements quite complex and challenging to navigate. In the midst of responding to a disaster, the complexity and uncertainty adds additional burden to incredibly challenging circumstances.

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

FRRR strongly believes that grassroots community organisations play a vital and often under-appreciated, and under-funded role in both preparedness for, and recovery from natural disasters to reduce disaster risk.

Outside of a disaster context, at a day-to-day level, community organisations play an amplified role in remote, rural, and regional settings where they are often service providers in lieu of or ancillary to local or state Government, or the private sector. This can range from general community services (many





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supporting vulnerable populations such as people living with disability or older people), to local tourism and economic development, healthcare, education, environmental or cultural activities.

We also know that remote, rural, and regional communities are disproportionately impacted by disasters. Recent research demonstrates they are "significantly more likely to have experienced flooding at least once since 2019 (61%) than people living in urban areas (38%). Similarly, country residents were more likely to have been affected by a bushfire at least once (49%) than people in urban areas (36%)". Climate Council Survey January 2023.

Because of relative isolation, community organisations in remote, rural, and regional Australia are often the first called upon in a disaster effort – for immediate relief – and remain supporting the community in its long-term recovery. They undertake diverse roles such as providing information, support, access to services or advocacy, as well as deeply practical things such as providing volunteer 'people-power' to activate local resources, maintain local community assets, fundraise on behalf of other groups and host local events. This means that an incredibly wide range of groups and organisations at a community level are part of the recovery / preparedness cycle – from informal unincorporated associations to larger not-for-profits. Each requires financial and in-kind support, and they are often the least able to access such support – both in capacity to do so whilst they are prioritising supporting their community, but also in awareness of what funding avenues are available to them. FRRR also believes that there is a need to more clearly recognise the savings these organisations create for government, reducing personal harm to individuals in a disaster event, and increasing their community's capacity to recover more effectively from disasters over the longer term.

FRRR welcomes ongoing conversations with the Commonwealth relating to a diversified funding model that facilitates a greater diversity, balance, geographic spread, flexibility, and tenure of support to community-based organisations that play a critical role in reducing risk in grass roots communities across Australia.

