



Australian Government

National Emergency
Management Agency

Submission to the Independent Review of Commonwealth Disaster Funding

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Submitted by: Regional Australia Institute

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

In 2020, the Regional Australia Institute as part of the Intergovernmental Shared Inquiry Program, delivered several research reports focusing on businesses' experiences of natural disasters, identifying the most effective local, state and Commonwealth support to reduce exposure and aid recovery.

Access to these reports can be found here: https://regionalaustralia.org.au/Web/Web/Research-Policy/Shared_Inquiry_Program.aspx?hkey=605ccc56-9618-4c64-9276-42725e98a8e5

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

A key finding of RAI research points to a focus on structures and processes that enable a swift and flexible response to disasters rather than focus on the content of possible intervention as the most effective way to support communities.

Research also indicates a need for policy interventions that are preparatory rather than reactive, especially in relation to developing adaptive capacity in regions.

The RAI's research also emphasises the importance of local control over decision making, which has been a key tenant of ongoing discussions between the state and Commonwealth levels. For greater locally led decision making to occur, local communities need to have both the capability to meet recovery needs and the information. Businesses interviewed as part of the research said poor decisions about economic recovery often hinged on a failure of a systematic and thorough consultation with industry. In the absence of effective consultation, inappropriate rigidity in the criteria and processes to assistance occurred.

Decentralisation of government services, necessitates careful discussion on issues such as the extent of decision-making powers, the autonomy required, the design of governmental structures which can lead to a greater say or control of funding determination and the transfer of capability.

The Commonwealth government should use funding to help facilitate and support new frameworks and policies that allow local communities take clear and expedient action in both the aftermath of a disaster and in the planning for inevitable natural disasters in the future.





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The table of our Disaster Recovery and Resilience Policy Guide 2021 (<https://regionalaustralia.org.au/common/Uploaded%20files/Files/Policy%20Submissions/2023/RAI%20Regional%20disaster%20policy%20guide.pdf>) provides suggested strategies and programs which can be utilised to build business resilience. These recognise and seek to build upon the predictive factors of enterprise resilience of each phase of the 'Resilience Cycle' namely response, recovery, residual learning, and preparedness.

This table can also provide a recommendation of funding and what role it can play at each stage of the cycle.

FURTHER POLICY CONSIDERATIONS

- * Provide a regulatory framework and or/compensation to the corporate sector eg. Banks, insurance companies, essential transport companies and commercial leasing laws to provide fair services in times of disaster and recovery.
- * Creating the cap for disaster insurance premiums or developing a model that enables disaster insurance premiums to be capped.
- * Work with the States to fund and support localised planning capability.

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

No response provided.

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

RAI's research reports prepared as part of the 2020 Intergovernmental Shared Inquiry Program conclude that Australia's multilevel governance arrangements do not clearly articulate where different kinds of authority should be exercised.

RAI's report Regions, Work and Vulnerability – Regional Supply Chains/ Networks and Natural Disasters analysed experiences from developed systems of multi-level governance such as that of the EU plus information from multiple investigations into Australian disasters and specific insights from two South Australian case studies (the Barossa Valley's handling of a COVID cluster and lockdown and Kangaroo Valley's experience with bushfires).

The subsequent report found that while the Constitution outlines the balance of powers between the federal and state governments, ambiguity exists in key areas particularly when it comes to execution of programs. Similarly, there is ambiguity at the local and community level.

Stakeholders who participated in research identified clear hindrances to effective decision-making at any level, with consequences for businesses seeking control and autonomy over their course through disaster recovery. Stakeholders reported little evidence that decisions were being taken at the appropriate level or that there was a strategy for decision-making or a principle of 'subsidiarity' in operation. Their comments largely came from decisions made about both short-term financial supports to businesses during and in the immediate aftermath of disaster, and longer-term strategies for business recovery and development.





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The principle of 'subsidiarity', which emphasises place-centred decision making, is at the core of highly developed systems of multi-level governance like the EU.

Other key findings:

- * Businesses and communities were often frustrated by the lack of responsiveness of each level of government in the disaster recovery process. Business and local communities do not expect to have autonomous decision-making powers, but they do expect relevant and timely information and a legitimate role in decision-making and government stakeholders.
- * Local government has been most helpful when it has acted as a broker between businesses and institutions providing post-disaster support and funding.
- * Stakeholders noted an apparent duplication of responsibilities by state government and an apparent need to be seen to be 'doing something'.
- * The role of the Federal Government was generally seen to be limited to providing prompt resources to support other levels of government and organisations in recovery and reconstruction processes.
- * Each jurisdiction has dedicated agencies responsible for electricity, water, and telecommunications whose task it is to initiate repairs and to reinstate services – these do not need local input. However, once the immediate phase of recovery is underway, planning for future reconstruction and development brings into play quite different stakeholder perceptions of how decision-making responsibility should be balanced.

POLICY CONSIDERATIONS

- * The Commonwealth could play a role in clearly identifying the funding roles between Commonwealth, state and territory and local government which would aid in the speed, focus and preparedness for natural disasters.

The Commonwealth could also clearly define lines of responsibilities and linkages between the three tiers of government and government agencies and relevant non-government organisations across the ecosystem.

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

We thank the National Emergency Management Agency for the opportunity to contribute to the Independent Review of Commonwealth Disaster Funding.

Ensuring Australia's regions have a high capacity of disaster resilience is key to the overall sustainability and liveability of our regional communities who are almost always more adversely affected by natural disasters than Australia's urban population.

It is why when the RAI developed the Regionalisation Ambition 2032, a set of 20 targets to guide the prosperity of regional Australia over the next decade, we included a target to have 90% or more of regional Australia with a moderate to high capacity for disaster resilience. In 2022, this was measured at





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50%. We note the Treasurer's prioritisation of increasing the Australian Disaster Resilience Index score in the recently released Wellbeing Framework.

In 2020, the Regional Australia Institute as part of the Intergovernmental Shared Inquiry Program, delivered several research reports focusing on businesses' experiences of natural disasters, identifying the most effective local, state and Commonwealth support to reduce exposure and aid recovery.

As a result of this research, we recommend to the Review the following considerations to help better define the Commonwealth's role in Australia's disaster funding environment and to optimise Commonwealth investment to support a national disaster funding system.

* A key finding of RAI research points to a focus on structures and processes that enable a swift and flexible response to disasters rather than focus on the content of possible intervention as the most effective way to support communities. The recent decision by the Federal government to fast-track \$1.8bn to the states for disaster recovery is the type of flexible policy approach that is needed.

* Australia's multilevel governance arrangements do not clearly articulate where different kinds of authority should be exercised. While the Constitution outlines the balance of powers between the federal and state governments, on the application ambiguity exists. Similarly, there is ambiguity at the local and community level. The Commonwealth could play a role in clearly identifying the funding roles between Commonwealth, state and territory and local government which would aid in the speed, focus and preparedness for natural disasters.

* Research also indicates a need for policy interventions that are preparatory rather than reactive, especially in relation to developing adaptive capacity in regions. Currently preparing to manage future disasters is a process that has multiple partners who bring different voices and experiences to the learning process. While preparations should always be based on local experiences, the Commonwealth could take a central role in funding and sharing resources across the regions.

The research team and I are available to discuss any of the points made in this submission.

Kind regards,

Liz Ritchie

CEO

Regional Australia Institute

