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# Submission to the Independent Review of Commonwealth Disaster Funding

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

Fire to Flourish, led by Monash University, works with four partner communities across Victoria and NSW affected by the 2019/20 bushfires. In this submission, we foreground a community perspective. We hear some positive experiences regarding accessing available grants through a proactive service delivery system. However, many people speak of issues encountered throughout the process.

### **APPLICATION COMPLEXITY**

Application processes and eligibility requirements for Commonwealth disaster funding support were experienced as inflexible, onerous, confusing and distressing. Affected individuals often found they were ineligible for assistance, despite suffering significant tangible impacts. Application processes exacerbated stress and trauma, and many abandoned their attempt to procure much-needed recovery funds.

### **TIMING AND DURATION**

Communities require flexible funding to meet diverse, unique, and immediate needs in early recovery. The international humanitarian community therefore emphasises direct cash and voucher assistance to ensure people have freedom, dignity, and independence to decide their own recovery. This direct funding also supports rapid recovery of local businesses.

Communities shared that recovery funding needs to span longer timeframes. This misalignment further compounds issues affecting mental wellbeing for disaster survivors. E.g. Some recovery programs take months to become established and then suddenly end, with no continued investment for long-term recovery, risk reduction and resilience strengthening.

### **MISMATCH WITH COMMUNITY NEEDS**

Funding schemes often do not reflect the diverse needs of heterogeneous communities, with scopes typically too narrow to address self-identified priorities of affected communities. Communities felt that funding criteria are designed in response to predetermined assumptions about community needs. These assumptions are often based on aggregated data of households, health, income, and education, which skews understanding of populations and their distinct needs, leading to inadequate funding. E.g. Indigenous communities have different demographic profiles, low socio-economic status and account for larger parts of the population in areas with greater disaster risk.





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## EQUITY, FAIRNESS AND COMPETITION

Recovery funding is rarely evenly or equitably distributed. Access to support relies on people having the capacity, headspace, digital literacy and understanding of how to apply and describe their situation against identified criteria. Trauma can significantly impair people's ability to think, plan and function. Some individuals found it difficult to ask for help, stemming from their experience of systemic disadvantage, discrimination on grounds of race, stress, trauma, or low awareness of available support. Communities shared that being repeatedly asked to 'retell' their story while applying for support was retraumatising.

Community members were pitted against each other to compete for limited funding, increasing stress and fragmenting communities. Some people have louder voices and more access to information and resources than others, including through connections to government and other organisations with power. Grants are overwhelmingly awarded to community organisations with expertise in grant writing, further entrenching inequities.

Competition for general disaster funding tends to disadvantage Indigenous communities because: 1) cultural priorities are rarely served by disaster grants; 2) community-based organisations become overwhelmed and stretched during recovery as they become frontline workers, and 3) pre-existing hardship is exacerbated by difficulties in justifying repairs to housing and infrastructure that were already damaged.

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

Climate change demands a risk-informed, comprehensive approach to decision-making across sectors and governments. Communities shared that they are increasingly motivated to invest in initiatives that will reduce risk before the next event, support community preparedness, strengthen social cohesion and improve overall wellbeing. The current disaster funding arrangements are not designed to achieve such objectives; however, the Commonwealth has opportunity to lead via funding mechanisms that promote low-risk development, support risk reduction and preparedness, and enhance community resilience.

Disaster support should proactively invest significant funding directly in communities *ex ante*, particularly in those with high exposure to disaster risk and those experiencing systemic disadvantage. In contrast to current disaster funding focused on community survival, repair, and rebuilding, consistent and ongoing investment to strengthen local social, economic, environmental, and institutional resources and capacities in communities is needed. This will not only increase resilience to shocks and stresses, but also have the lasting benefits of supporting a community's proactive social, cultural, economic, and environmental engagement and well-being outside of disaster events. A focus on social capital, through strengthening community capabilities, networks, and social infrastructure, directly increases community capacities to face future crises and their agency in disaster risk reduction.

## PARTNERING WITH COMMUNITIES

Indigenous communities now have an ecosystem of peak organisations with deep knowledge of their sector and communities ranging from health, education, elderly, infants and children, housing, community governance, land and sea management, and more. Funding is needed to support these





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organisations to engage meaningfully and substantially with disaster risk reduction and resilience stakeholders and initiatives.

Commonwealth disaster funding should take a community-led approach that invites genuine and inclusive community participation, empowering communities to set priorities and lead action, with agency support and adequate funding. Communities have shared that there are few funding schemes available to support ongoing risk reduction activities. For example, the maintenance of community-owned infrastructure assets, and employing local staff to implement community-led development and disaster risk reduction projects. There is negligible capacity for communities to do this work voluntarily, especially during disaster recovery, so ongoing funding for these types of initiatives. Employing community members would also support people to stay local, further strengthening social and economic capitals that boost wellbeing and strengthen capacity for risk reduction and disaster resilience work.

A participatory approach needs to go beyond consultation on government-led programs, and beyond communication of risks and scenarios. Informing communities how risk will be reduced does not empower them to take ownership of risks they face or the process of reducing risks through local developments, programs, and other initiatives. Equally, asking communities to propose programs to reduce risk assumes that the risks that communities identify and attempt to reduce will match those already identified, in advance, by the state.

Instead, communities should actively participate in disaster management decision-making practices through a collaborative, partnership approach with government and other stakeholders. This would improve the articulation, understanding, calculation and prioritisation of disaster risks, and enable communities to be part of determining and co-designing risk management actions and evaluation mechanisms.

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

Commonwealth disaster funding is primarily reactive and ex post, providing support to individuals, businesses, and State/Territory governments after an event. Most national relief and recovery payments are provided for in the Social Security Act 1991 and effectively constitute survival money rather than investment in strengthening community capacity to prevent, prepare, recover and thrive in the long-term.

For these payments supported by legislation, an event must first be determined to be a 'major disaster' which 'has such a significant impact on individuals that a government response is required'. Reliance on the determination of 'major disaster' may not be appropriate in a context where frequent, compounding disaster events have cumulative effects on people and depleted local resources, and is changing community understanding of what is unusual or unexpected.

The Act provides for the Disaster Recovery Allowance and the Australian Government Disaster Recovery Payment. As legislated mechanisms, these payments are inflexible, limited in their scope of eligibility and focused on the short-term as a stop-gap measure. For recovery, disaster-affected communities require a form of support that is longer-term, more flexible and oriented to the whole community and individuals.





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To address longer-term recovery needs, the Commonwealth establishes funds through administrative arrangements at its discretion, with variable terms, criteria, and funding amounts. E.g. After the 2019-20 bushfires, the National Bushfire Recovery Agency was established and >\$2B was committed to the National Bushfire Recovery Fund. Payments are made to states towards approved programs, and directly to individuals. Its focus on bushfire recovery meant it did not address other crises that affected communities, such as COVID-19 or floods. The event-specific nature of these types of funds also means they do not provide for long-term investment and financial support, and these funds are not guaranteed to recur.

The Commonwealth also provides payments through the Disaster Recovery Funding Arrangements (DRFA), which enables the Commonwealth to enter into cost-sharing arrangements with State/Territory governments to provide emergency assistance for individuals, primary producers, small businesses, the repair of public assets, and whole affected communities, regions and sectors. States/Territories make payments to individuals and report these to the Commonwealth to claim reimbursement. The DRFA is not viewed as investment to strengthen community resilience but an accounting arrangement whereby the Commonwealth covers extra costs that exceed a State/Territory's provisions. The existence of DRFA signals that State/Territory governments need better financial preparation for future crises.

Commonwealth ex ante funding is provided through schemes such as the Disaster Ready Fund, the Disaster Risk Reduction Package and the Protecting our Communities (Disaster Resilience) Program. Most of this funding is directed to State/Territory governments and agencies and local governments as the institutions that actively work within a formalised disaster risk management framework.

Current funding arrangements, while beneficial directly or indirectly to communities, are designed to "do to" communities, rather than "with" communities. This results in community disenfranchisement and reinforced mistrust in institutions, as well as missed opportunities for investment in communities and partners to reduce disaster risks and impacts.

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

The roles of the different levels of government are not clear, especially to communities. The roles change depending on the funding mechanism; at times individuals can apply directly for Commonwealth grants, other times they approach state governments. There also lacks explicit and sustained funding for local governments, local businesses and community organisations to facilitate engagement with communities on disaster recovery and resilience. In addition, States and Territories enter into complex cost-sharing arrangements with the Commonwealth, with the accounting details opaque to the public.

The Commonwealth and State and Territory governments usually announce large recovery funds after a disaster event, but these are often perceived as abstract and meaningless by communities because: 1) the complex bureaucracy standing between large funds and individuals is overwhelming, and 2) the availability of funds after a disaster highlights the scale of funding not invested in community preparedness, risk reduction and resilience in advance. Disaster-affected communities already often feel disenfranchised and abandoned, and unclear funding arrangements further undermine confidence and trust in institutional players.





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## COMMUNICATION ABOUT AVAILABILITY AND ACCESS TO GRANTS

Many community members were not aware of the different funding and grant options available to them for disaster recovery. Without a central register or streamlined funding portal of available grants, many never managed to apply for grants they were eligible for. People that did explore funding options were often met with a congested case support system and were often still concerned about eligibility. The effort of seeking financial assistance in times of stress and vulnerability was often experienced as retraumatising and became such a burden that many just gave up.

## INFORMATION SHARING BETWEEN GRANTING ORGANISATIONS

While engaging with various government agencies and departments, it became clear to many grant-seekers that data and information were not being shared across disaster recovery organisations. Privacy concerns, while essential to best practice approaches, paradoxically caused coordination issues between agencies. Retelling stories and constantly justifying their predicament had many community members reliving their trauma, which further strained their persistence with the inefficient system. Currently, the system is designed to reactively respond to individuals that meet specific criteria, rather than one that could proactively disburse funds to people known to be affected and eligible.

For example, individuals were required to provide Centrelink with details regarding assets and payment assistance received (e.g., insurance payouts), which in turn impacted on fortnightly pension payouts. The disaster payments would recalculate pension benefits, and if individuals did not organise a change within a short period, they would risk not receiving benefits altogether. In effect, the system further entrenches pre-existing disadvantage at a time of critical need, increased uncertainty and vulnerability.

## COMMUNITY GRANT SCOPE AND ELIGIBILITY

People involved with community organisations or informal groups that attempted to access community-level recovery funding report confusion regarding application processes and eligibility. Processes are onerous and bureaucratic, making them out of reach for many small community organisations. Eligibility, in terms of the types of groups that can apply and what funding can be spent on, is also unclear.

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

Fire to Flourish is trialling and scaling innovations to enable community-led resilience while addressing systemic disadvantage. The stories and aspirations we hear from our diverse partner communities have common threads, including the need for mental health recovery support, employment opportunities for young people, a holistic approach towards community regeneration, and embedding caring for Country in resilience practice. Consistent experiences also include whole groups within communities left out of recovery processes, particularly Indigenous people.

Participatory granting is a central innovation we are trialling with partner communities. This describes a non-traditional approach to granting whereby affected stakeholders (e.g. community members) are given decision-making ability around one or more aspects of the granting process.

Aligned with the challenges of current funding arrangements presented in this submission, traditional granting typically has funder-developed, rigid eligibility criteria which can entrench and amplify disadvantage and limit the funding reach within affected communities. Participatory granting deliberately seeks to shift power, so that intended beneficiaries play a leading role in determining





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granting parameters and governance processes such as reporting and evaluation, ensuring that those most affected are at the centre of decision-making.

Participatory granting focuses on relational approaches to community funding that value grantees as agents of change in their communities and advancing democratic and civic participation, thereby providing avenues for capability building and collective learning. It has emerged in response to wider critiques about the politics of philanthropy and waning trust in government and other institutions. Evidence shows that participatory granting can build agency, trust, transparency, and accountability within the granting process, and can increase the impact of funding in community.

While several international organisations are embracing participatory granting, it remains a fledgling practice in Australia. Across the disaster sector, there is keen interest in Fire to Flourish's participatory granting model. We are taking a flexible, place-based approach, aiming to strengthen relationships and community leadership capabilities, while maintaining focus on extending funding to those traditionally excluded from resilience grants, including marginalised cohorts, individuals, and unincorporated groups.

The evidence generated, lessons learned, and models refined through Fire to Flourish will provide insight into new possibilities for Commonwealth funding schemes that address the challenges and flaws of the current disaster funding environment and mechanisms.

In addition to granting, Fire to Flourish is investing in community scaffolding, including capability and leadership development; processes that bring people together to develop and implement shared resilience priorities, brokering connections with agencies, service providers and other organisations to grow trusting and collaborative partnerships, and establishing the DisasterWISE Communities Network. This long-term and multi-faceted support and investment directly into the social capital of community is already resulting in transformative impacts in terms of recovery, preparedness and broader resilience strengthening.

There is an opportunity for the Commonwealth to develop an ongoing and consistent funding scheme that invests directly into community leadership, capabilities, and networks to improve recovery outcomes, reduce disaster risk and strengthen community-led resilience action. Fire to Flourish would welcome an opportunity to partner with NEMA on advancing selected outcomes of its review.

