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Submission to the Independent Review of Commonwealth Disaster Funding

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Submitted by: New South Wales Council of Social Service

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

The NSW Council of Social Service (NCOSS) has worked with social service organisations supporting their communities through many recent crises including floods, COVID-19 and bushfires.

NCOSS is the peak body for the social service sector in NSW (refer Q5 for details) and endorses the ACOSS submission to the Independent Review. This NCOSS submission aims to complement the ACOSS submission, highlighting perspectives of local services and ways to improve the disaster funding system to strengthen disaster resilience and reduce the trauma and impacts of increasingly more severe, extended and overlapping disasters.

Local social sector organisations have been on the frontline of response and recovery during recent emergencies. Although not a recognised part of the disaster management system, social service organisations and place-based NGOs in particular have stepped up to support their communities. They have provided support, relief and recovery services, including to vulnerable groups who are often hardest hit when disaster strikes. They have been at the forefront of disaster response and recovery (and in some cases community-led planning and preparedness) - leveraging their local footprint, trusted relationships and pool of skilled staff and dedicated volunteers (refer Q5).

Funding for local social sector organisations in disasters has been facilitated through a myriad of ways: diverting staff and resources to emergency functions and retrospectively negotiating contract variations; applying for short-term, disaster-related grants; donations and philanthropic funding; and directly commissioned grants from funders. This has required NGOs to engage with multiple agencies administering a plethora of funding streams. NCOSS and its member organisations have experience with programs and grants including Recovery Support Services (RSS), Bushfire Local Economic Recovery Fund (BLERF), NGO Flood Recovery Program and Disaster Risk Reduction Fund (DRRF).

Our experience indicates that the disaster funding system has lacked an overarching plan and strategic priorities to mitigate disaster risk - including long term trauma effects and adverse life and social outcomes - and to prioritise those most vulnerable. Instead, we have a patchwork of often unlinked and overlapping recovery, preparedness and risk reduction interventions and an inability to effectively measure their efficacy.





Embedding disaster and recovery services in place-based social service organisations is strongly supported. However, the way the funding system is operationalised is particularly challenging for frontline social services and limits the sector's capacity to build disaster and risk reduction capabilities. Limitations include:

- * Short-term, time-limited funding requiring cycles of hiring and shedding staff and services, keeping services in 'crisis' mode without time to consider capacity development or disaster risk reduction.
- * Timing not aligned to need. E.g. recovery grants that are slow to start and quick to end, often just as people are coming forward for support and as significant post-disaster social impacts are becoming apparent.
- * Application, contracting, reporting and financial systems that are administratively burdensome. E.g. RSS with a reimbursement or quarterly acquittal funding model and monthly reporting not aligned with other systems and timeframes.
- * Inflexible program guidelines which complicate or limit support to those most impacted e.g. RSS case management without flexible brokerage.

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

Broad, intentional and coordinated risk reduction action reduces the severity of hazard events and the costs of disaster response and recovery are far greater than that of effective preparedness resilience and risk reduction measures (Deloitte for the Australian Business Roundtable).

The social service sector, particularly place-based organisations, have an important role to play supporting communities to reduce disaster risks and improving disaster planning and community preparedness and resilience. Social services are the established social infrastructure for working with communities, particularly vulnerable and at risk population groups (refer Q.5). They have long-standing relationships, competency working with complexity and are trusted sources of advice, information and support. They also have a deep knowledge of their communities, established networks and a strengths-based approach. However, they operate from a place of scarcity and need resourcing to build their capability and support risk reduction and resilience building particularly targeted to vulnerable groups and those reluctant to engage with government agencies.

The disaster funding system needs to be redesigned to support a more strategic and sustainable funding approach. Such an approach would leverage the existing social service infrastructure to develop community-led, strength-based disaster responses, planning and preparedness. Recommended strategies include:

- * Enhanced core funding for organisations such as Neighbourhood Centres to invest in the 'soft' infrastructure of social connectedness which underpins increased disaster resilience (Aldrich).
- * Building disaster risk and preparedness functions into core contracts of social service organisations and extending contract to five years. This requires an increase in the core funding for these services. These funds will provide a sustainable basis for organisations to participate in disaster planning, response and recovery at appropriate levels; prepare and build internal disaster capability and preparedness, and work with clients and vulnerable communities to



identify and address risks and build resilience. Services would be linked into local and regional disaster plans, with responsibilities across all phases of disaster cycle, and the capacity to scale up quickly when disasters strike.

- * Resourcing appropriate place-based community organisations at a local or regional level to lead community sector disaster planning, coordination and collaboration and be the conduit to Government and emergency service organisations. This role would be akin to the Community Organisations Active in Disasters (COAD) model in the US.

These strategies would aim to strength preparedness and resilience overtime, and support a more streamlined disaster response and recovery system which better meets the needs of those impacted, in particular for vulnerable population groups with complex issues or face barriers to support.

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

Commonwealth disaster funding processes provide a framework for shared investment with the States and Territories in recovery and risk reduction projects and services. Disaster Recovery Funding Arrangements allow for a wide range of financial support, from individual hardship support to one-off grants for organisations such as NGOs. Commonwealth disaster recovery funding becomes available after a disaster event is declared. The NGO sector's experience of the Commonwealth disaster funding processes is that they are convoluted, burdensome to administer and lacking alignment with related programs.

Convoluted disbursement of funds

States and Territories are responsible for administering the funding, and faces the challenge of administering the funding in a way that meets the needs of the community while also adhering to Commonwealth and State funding criteria. Approvals often seem to require both State and Commonwealth approvals, delaying decisions and implementation. With most recovery grant programs this has led to a considerable lag between the announcement of available funding and the release of funding to recipient organisations. Already short funding timeframes may be further reduced while frameworks are established or modified.

Creates excessive administrative burden for funding recipients

Multiple, successive grant programs with varying criteria also adds to the already significant administrative burdens for NGOs supporting disaster-impacted communities – from the initial application process and to ongoing reporting requirements. Funding guidelines can be prohibitive for many NGOs and reveal a lack of understanding of operational realities for NGOs. Requirements for co-contributions and excluding legitimate organisational costs (e.g. insurances, HR and IT infrastructure, management and staff support) may be a further disincentive, particularly for smaller place-based organisations. Requirements for departmental media approval and branding of public facing collateral is another added administrative burden, one unrelated to program objectives.

Lacks alignment with related programs

Many social service organisations have experienced a significant increase in demand for core services as emergencies amplify and extend social and economic factors which drive vulnerability. Despite a strong alignment of disaster recovery and business as usual services, program goals and reporting are not





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aligned. Under current Commonwealth disaster funding, NGOs have to do all the flexing to meet the multiple requirements of different funding streams, increasing operational pressures on already stretched services. Government funding systems should be flexible, to enable funded organisations to direct most effort to the needs of the community rather than bureaucratic and administrative requirements.

Program improvements

The NSW RSS program is one example of a program where funding and administrative arrangements have been complex and onerous for providers, despite the efforts of program managers. RSS funding arrangements need to provide for base funding (enabling efficient, streamlined establishment), a brokerage component and alignment to existing service reporting requirements.

The NSW Department of Communities and Justice's NGO Flood Support Program in the Northern Rivers is an example of a program which has provided flexibility without excessive administrative burden. Although a short-term program, social sector organisations have commented favourably on the program design and administration which enables services to support communities in disaster recovery.

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

No. For example, recovery programs are administered across multiple levels of government (e.g. Recovery Support Workers embedded in Local Government but funded through the State).

Funding is often disbursed through a variety of agencies which creates confusion and adds to the burden of contract management and reporting for services supporting their communities. Social sector managers' time is diverted to navigating a complex web of funding opportunities to determine their eligibility, purpose and design and then managing complex reporting and stand-alone requirements.

The lack of consistency and strategic direction across funding programs also makes it very difficult to measure the efficacy of interventions in terms of common and accepted indicators.

The duplicative roles and responsibilities of government agencies can also create conflicts of interest. For instance, State Government agencies both oversee grant allocations and are themselves recipients of significant amounts of Commonwealth disaster funding. For social service organisations this can mean they may be advocating for funding from State Government agencies with whom they are competing for Commonwealth dollars. It may be assumed that State Government agencies are better positioned to influence Commonwealth funding decisions through direct engagement, placing non-government organisations at a relative disadvantage.

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

Social sector - scale, services and capabilities

The social sector in NSW represents a growth industry comprised of almost 8,000 organisations (mostly small to medium in size) employing around 231,000 people and supporting more than 1 million people each year with an economic output of \$15.4 billion (Equity Economics 2021). A further contribution of \$4.4 billion is made through a full-time equivalent of 45,000 volunteers providing 1.7 million hours of voluntary labour each week.





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The sector encompasses aged care, disability support, domestic violence, child and family support, emergency relief, community development, community housing and homelessness, and community mental services. Collectively it has expertise in responding to people in crisis, distributing emergency relief, providing temporary accommodation, ensuring trauma-informed and culturally safe care, and organising and running inclusive community events. The sector understands and works effectively with individuals, families and groups impacted by compounding challenges. With a growing understanding of disaster issues and risk, the sector has the skills to address the issues that disasters amplify and should be a natural partner in all elements of disaster management.

Strategic realignment and upfront investment

There needs to be a significant shift in disaster funding arrangements towards managing multiple and compounding disaster impacts and risks and building disaster risk reduction capability throughout the community over time.

There needs to be a focus on working with and through communities to better prepare, plan, respond and recover. The funding system needs to be realigned to provide greater upfront investment in disaster mitigation, planning and preparedness, including community resilience. This increased investment should be directed, in part, to the social service sector which has the skills, networks and local assets to strengthen community resilience and build disaster preparedness.

A localised, flexible direct-allocation approach to disaster planning, preparedness and recovery services delivered by social services is recommended to drive and support resilience and readiness in communities. This funding could be embedded in all government-funded social service contracts. Consideration could also be given to offering funding to currently unfunded NGOs.

Targeting vulnerable groups and improving data and evidence

Criteria for determining funding levels to social service organisations should include the risk and vulnerability profiles of the communities in which the services are based.

Improved data collection and evaluation is needed to inform evidence-based strategies and guide investment in the future. There is need for increased transparency and accountability in relation to funding and efficacy. We need to better scrutinise disaster investment, to ensure it is supporting and making a difference for vulnerable groups and those at greatest risk.

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