

# Submission to Independent Review of Commonwealth Disaster Funding – Public Submissions

August 4, 2023

## About ACOSS, our members and disaster

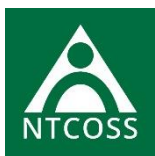
The Australian Council of Social Service (ACOSS) is a national voice in support of people affected by poverty, disadvantage and inequality and the peak body for the community services and welfare sector.

ACOSS consists of a network of approximately 4000 organisations and individuals across Australia in metropolitan, regional and remote areas.

Our vision is an end to poverty in all its forms; economies that are fair, sustainable and resilient; and communities that are just, peaceful and inclusive.

Our submission is based on research and the experience of our members dealing with disasters and extreme weather events over many years.

## Submission supported by



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

ACOSS and our members have had extensive experience in administering Commonwealth disaster support to people in crisis and engaging in systemic advocacy in relation to the adequacy of funding support for people, communities and community service organisations.

Members have experience in administering commonwealth disaster relief and recovery funding; the National Partnership on Natural Disaster Resilience (the precursor to the Disaster Ready Fund) and have direct experience of the impacts of funding shortfalls on individuals, communities, the community service sector.

## 1.1 Community Sector Organisations play a critical role in disaster response but lack adequate funding.

Community Sector Organisations (CSOs) play a crucial role during the emergency response to a disaster, in the long response and recovery process in the months and years that follow, and in building individual and community resilience longer-term.

Community service organisations are embedded within their communities, deliver key services across local communities, have in-depth knowledge of local people, history, risks and vulnerabilities and are best placed to understand and identify local support needs. The services they provide are a critical feature of Australian society, complementing the income support system, as well as health and education systems. As such, community service organisations comprise an essential component of the social infrastructure. Indeed, for many people experiencing poverty, disadvantage and social exclusion, these organisations are often the primary source of connection to the broader community and form the basis of their resilience to everyday adversity, as well as in times of crisis.

**However, the lack of formal recognition and resourcing of community service organisations to participate in emergency planning and response is a critical gap in the current approach to disaster funding support. Inflexible contracts for service provision place limits on organisations' capacity to participate effectively in emergency response and recovery efforts and to meet increased demand for services during and after disasters.**

This lack of adequate financial resources is exacerbated for many community service organisations by rigid service funding contracts that fail to make allowances for the impacts of disasters on their capacity to deliver services as contracted or provide for a pre-agreed proportion of resources to be used in the delivery of services to meet needs during crisis and recovery.

## 1.2 The climate crisis is increasing the vulnerability of people and the community sector to extreme weather events, and current funding levels are inadequate.

The overwhelming scientific evidence finds that extreme weather events like heatwaves, fires, floods and storms are increasing due to the climate crisis, threatening people's homes, livelihoods, health, quality of life, employment and the environment that sustains us. The risk of climate change impacts is increasing significantly in most regions in Australia.<sup>1</sup>

The people and communities most reliant on the support provided by CSOs are often also at greater risk from disasters and extreme weather events and least able to cope, adapt and recover. People experiencing poverty or disadvantage before a disaster are often left worse off after the event. Disasters can not only entrench poverty but can drive people into poverty.

Resilience is best built well before and far beyond the management of disasters. Currently only 3% of the current costs of disasters in Australia (approximately \$38 billion a year) is spent *before* disasters. **Funding for resilience building should be significantly increased.**

In the meantime, **adequate funding is needed to better support short and long-term community recovery, especially in the face of more frequent and multiple compounding disasters.**

## 1.3 Our experience and research show more funding is needed to deal with the social impacts of disasters.

Analysis by Deloitte Access Economics finds that the social costs of disasters are equal, and sometimes higher, than the physical costs.<sup>2</sup> Their report, *The economic costs of the social impact of national disasters*, finds that the social costs of a disaster may persist over a person's lifetime and have profound and long-term effects on communities. The report argues that it is crucial for government funding and public policy to acknowledge the long-term social impacts and costs of natural disasters. The community services sector is well placed to do this work, but the Disaster Ready Fund requires a 50% financial co-contribution from grant recipients which can prohibit involvement of community service organisations because they do not have additional or flexible funds.

Despite the high social costs, disproportionately more disaster resilience funding goes to physical infrastructure than social infrastructure. **A percentage of disaster funding should go to strengthening social**

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<sup>1</sup> Bruyère, C., Holland, G., Prein, A., Done, J., Buckley, B., Chan, P., Leplastrier, M., Dyer, A. (2019). Severe weather in a changing climate. Insurance Australia Group (IAG). doi: <http://dx.doi.org/10.5065/nx7j-0s96>  
<sup>2</sup>[https://www.iag.com.au/sites/default/files/Documents/Announcements/ABR\\_Report-Economic-cost-social-impact-natural-disasters-020316.pdf](https://www.iag.com.au/sites/default/files/Documents/Announcements/ABR_Report-Economic-cost-social-impact-natural-disasters-020316.pdf)

**infrastructure and outcomes, with a funding floor applied to ensure funding does not go below a certain amount.**

In addition, to reduce exposure and underlying vulnerabilities, there is a need for more dedicated funding resources to address disaster risk drivers, including poverty and inequality (for example inadequate income support payments), climate change (high greenhouse gas emissions), and the intersection between these drivers (prioritise investing in policies that reduce emissions and poverty), as highlighted in the Sendai Framework for Disaster Risk Reduction 2015-2030.<sup>3</sup>

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

### **2.1 Commonwealth funding can provide support to better meet the needs of people affected by disasters.**

ACOSS recommends a number of improvements to existing disaster support funding to people and communities affected, including:

- 2.1.1 Increase the Australian Government Disaster Recovery Payment from \$1,000 to \$3,000, and from \$400 per child to \$1,000 per child. These payments have not been increased since 2006 while the cost of living has increased substantially in that time. The \$20,000 asset limit should be removed.
- 2.1.2 Increase the amount and duration of the Disaster Recovery Allowance to \$76 a day, indexed to wages. The allowance is paid at the same rate as JobSeeker, which will still only be \$53.85 per day when it is increased in September 2023. This is clearly inadequate for anyone, let alone someone who has lost everything in a disaster.
- 2.1.3 Additional funding is needed to provide greater access to affordable, climate resilient housing. Housing is one of the biggest barriers to disaster recovery and future risk-reduction for many people. Activities that should be funded include:
  - rent and relocation assistance for the period of the recovery.
  - assistance with providing and identifying short-term accommodation.
  - developing a national temporary housing program.
  - Building the resilience of housing, including targeted support and regulation to prioritise low-income housing.

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<sup>3</sup> [https://www.preventionweb.net/files/43291\\_sendaiframeworkfordrren.pdf](https://www.preventionweb.net/files/43291_sendaiframeworkfordrren.pdf)

- 2.1.4 Funding to improve access to free digital skills support, devices and data to enable affected people to access essential government, banking and social services related to disaster preparedness, response and recovery.
- 2.1.5 Provide additional funding to community services to meet increased demand for essentials (food relief; legal and social supports; short, medium, long-term mental health support services; domestic violence services, internet access and digital support). The funding should be tailored to the needs of each community and able to evolve as needs change over time.
- 2.1.6 Provide additional funding to provide tailored support to better meet needs for high-risk groups in preparedness, response and recovery, including First Nations people and communities, people with disability or chronic health conditions, migrants and refugees, the elderly, women and children. Key issues include resources, information and access to information (including digital information), training (including digital skills), response, and recovery measures need to be culturally appropriate, people-centred and inclusive, accessible and flexible.

## **2.2 Commonwealth funding should be used to empower communities to build their resilience to disasters and lead recovery efforts.**

- 2.2.1 Funding should support locally guided place-based response. Local communities know what is needed, are well connected, have solutions, and are empowered by ownership of the response. Commonwealth funding should be utilised to establish community resilience hubs which are community-led, engage in building community resilience and assist the community in planning, response and recovery. Hubs should be accessible so they can function as recovery centres or cool zones as needed, ensuring infrastructure is also multi-purposed.
- 2.2.2 Providing funding to support First Nations Peoples and communities to participate in whole-of-community responses to build climate resilience and to better prepare for, respond to and recover from disasters, that builds on traditional and local knowledge.
- 2.2.3 More funding to local councils to form local community resilience committees to support the development and implementation of resilience plans, and to promote collaboration and joint planning between government, community organisations and local businesses.

## **2.3 Commonwealth funding should be used to strengthen the community sector's capacity in response, recovery, and resilience.**

- 2.3.1 Provide a Disaster Contingency Fund – complementary to or integrated within the Disaster Recovery Funding Arrangements - so community services in disaster areas can quickly replace equipment, support workforce constraints, and meet increased demand during disaster response and recovery efforts.
- 2.3.2 Build disaster risk and preparedness functions in core contracts of CSOs and extend contracts out to 5 years. This will require an increase in core funding for community services. This should include funds to participate in planning, response and recovery at appropriate levels; provide training for staff, volunteers, and local communities; undertake risk assessments and service continuity plans, undertake adaptation and preparedness benchmarking; and maintain volunteer and other infrastructure between disasters to enable more successful disaster response.
- 2.3.3 Funding for special provisions that might be needed to provide affordable services for people. For example, fee relief for families affected by childcare centre closures due to emergencies.
- 2.3.4 Provide funds to social sector peaks to inform ongoing disaster resilience and climate adaptation policy, support engagement across governments and sectors, and provide support and tools to build resilience of CSOs.

## **2.4 Commonwealth funding should be used to provide infrastructure to improve and provide accessible and culturally appropriate knowledge, information, and data sharing.**

- 2.4.1 Support national coordination and better decision-making, including creating platforms, technologies and systems to collect and share information, data and knowledge about climate and disaster risks.
- 2.4.2 Develop comprehensive risk assessments and develop disaster management plans at local, regional, and national levels.
- 2.4.3 Develop inclusive, better tailored and effective messaging for different communities, informed by greater involvement of diverse people and communities in design of disaster preparedness, response, recovery and resilience.
- 2.4.4 Fund nationally relevant support resources for people with low digital skills on how to use emergency apps and access connected devices when cut off from regular internet connections.
- 2.4.5 Fund communities of practice, including evaluation and sharing good practise disaster preparedness, response, recovery and resilience across communities around the country.

### 3. Please describe your understanding of Commonwealth disaster funding processes.

The commonwealth provides funding in three ways:

- Through the Natural Disaster Relief and Recovery Arrangements (pre-31 October 2018) and the replacement arrangements via the Disaster Recovery Funding Arrangements (applies from 1 November 2018), the Commonwealth Government provides funding to alleviate the financial burden on states and territories of natural disasters. It also supports the provision of urgent financial assistance to disaster affected communities. Under these arrangements, the state or territory government determines which areas receive assistance and what assistance is available to individuals and communities. Where the arrangements have been activated, the Australian Government may fund up to 75 per cent of the assistance available to individuals and communities. Assistance includes:
  - personal hardship and distress assistance, including the engagement of a Community Recovery Officer to work with individuals and families experiencing personal hardship and distress.
  - counter disaster operations.
  - concessional loans or interest subsidies for small businesses and primary producers.
  - transport freight subsidies for primary producers.
  - loans and grants to voluntary non-profit organisations and needy individuals.
  - the reconstruction of essential public assets.
  - community recovery funds.
- Through Services Australia, the Commonwealth Government can provide Disaster Recovery Payments directly (one off non-means tested payment of \$1,000 per adult and \$400 a child) and Disaster Recovery Allowance (up to 13 weeks income support payment to assist individuals who can demonstrate that their income has been affected as a direct result of a disaster) directly to individuals. The Commonwealth Government has on occasions made a one-off increase to the amount of the Disaster Recovery Payment to some people in particular local government areas. As noted above, the amount has not increased since 2006, despite inflation and rising cost of living, and should be permanently increased.
- Through the Disaster Ready Fund, the Commonwealth Government is providing up to one billion dollars over the next five years for natural disaster resilience and risk reduction across Australia. This includes direct investment in grey and green-blue infrastructure, for example flood levees, floodways, seawalls, firebreaks, constructed wetlands and reefs. The priorities for funding rounds are currently determined by each state/territory. Projects typically require a 50 per cent co-contribution from project delivery partners or jurisdictions.

The Previous National Partnership on Natural Disaster Resilience included 50% commonwealth funding, with the states and grant applicants contributing the remaining 50%. Under the National Partnership on Natural Disaster Resilience program, many of our members were able to undertake numerous projects that focus on disadvantaged populations or place-based initiatives. Members are currently locked out of the replacement Disaster Ready Fund. ACOSS members have raised concerns with the Disaster Ready Fund, including:

- The requirement to provide matching funds, which most community service organisations and community sector organisations do not have the resources to do (noting many are funded by governments).
- Funnelling all funding via states and territories means national organisations cannot access funding.
- Competing with government departments and local councils, reduces the likelihood community sector organisations will be successful.
- Is not focused enough on social infrastructure.

ACOSS members have also noted that because states and territories take different approaches to disaster funding, with different focus points, it means it is not feasible to undertake national purchasing programs, and national stockpiling to prepare for future disaster response and recovery. This can mean there is a wastage issue for national organisations with federated structures with the jurisdictional variations.

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

### **4.1. Provide simple, streamlined, clear, accessible and culturally appropriate information and engagement for people to access supports.**

As noted by the Salvation Army in their submission, the general public often does not differentiate between the responsibilities and support provided by different tiers of government. In the event of a disaster, it is the support itself and ease in accessing it that is most important.

Understanding the different funding sources, processes and eligibility criteria can be overwhelming, particularly after having experienced a traumatic event. It can be particularly confusing when different levels of support may be provided depending on jurisdiction or local government area. Whilst the response needs to be tailored to the event and the community need, support should be fair.

It is therefore important for governments and relevant agencies to improve transparency, simplify application processes, provide clear, accessible and



culturally appropriate information, and enhance community engagement and support mechanisms. This includes streamlining application processes that will provide access to a range of support.

In addition to one-stop-shop website, co-location and collaboration between support services in evacuation, relief and recovery centers, including culturally appropriate engagement, eases some of the burden on people impacted by disasters.

A government-led national digital inclusion strategy would also help to make access to supports easier.

## **4.2. Improve funding process to community sector.**

- 4.2.1 Onerous application and administration processes add administration cost and diverts resources from delivering services. These processes should be more efficient and user-friendly.
- 4.2.2 In providing funding to CSOs to support response and recovery, it is important to ensure funding is going to an ecosystem of service providers, including place-based and culturally responsive organisations.

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

## **5.1 More, longer-term and better targeted funding is needed.**

- 5.1.1 There is overwhelming scientific evidence that the effects of climate change – extreme weather events, heat waves, rising sea levels – are worsening in frequency and intensity across most regions in Australia. Current funding levels are inadequate to reduce risk and improve preparedness, as well as improve response and recovery. New sustainable revenue sources are therefore required to reduce the risks of climate change impacts, fund disaster preparedness, response and recovery.
- 5.1.2 There should be an increase to core funding for community service organisations to help address underlying drivers of vulnerability and ongoing social impacts of more frequent, intense and multiple compounding disasters.
- 5.1.3 There should be greater consultation with the community on funding needs for that community.
- 5.1.4 Funding is often too short-term and ad hoc. There is a need for long-term funding (at least five-years) to support proper recovery and build in preparedness and resilience.
- 5.1.5 There is a need for better data and transparency for how funds are allocated and spent, to map gaps and shortfalls, and ensure funding is going to most in need.

## **5.2 Insurance should be an essential service, affordable and accessible.**

There is a need to provide access to affordable insurance, which builds resilience and supports better and faster recovery. Government natural disaster planning and disaster funding relies on individuals purchasing appropriate insurance for their home, contents and vehicles. However, for too many people on low-incomes, insurance remains unaffordable. A report by Actuaries Institute finds home insurance is already unaffordable for 1 million people with this number expected to increase. Insurance must be treated as an essential service, and should be reformed to ensure people, especially those on low incomes can access it.

## **5.3 Ensure heatwaves are included in disaster preparedness and response.**

Heatwaves are responsible for more deaths than all other extreme weather events combined,<sup>4</sup> with an estimated 36,000 deaths in Australia associated with the heat between 2006 and 2017.<sup>5</sup> Preparedness and response to heat must be included in the Commonwealth's disaster framework and funding models.

## **5.4 Need to include a focus on digital inclusion and transport.**

- 5.4.1 There is a need for a government-led national digital inclusion strategy to provide an overarching plan for digital inclusion and infrastructure during disaster events. By coordinating a plan on digital inclusion that is consistent between all levels of government first, we can ensure that digital inclusion is promoted when planning for disasters.
- 5.4.2 Transport considerations should be a critical part of preparedness and response planning, recognising it is an essential service for many people, including people with a disability, people with chronic health conditions, the elderly and frail, people who are socially isolated or others who lack access to transport. There is an urgent need to ensure that transport needs are suitably acknowledged, funded and supported.
- 5.4.3 Freight into disaster areas is also an important issue. Better coordination to ensure essentials, like food, are prioritised for access into communities is critical.

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<sup>4</sup> L Coates et al., 'Exploring 167 years of vulnerability: an examination of extreme heat events in Australia 1844–2010', in *Environmental Science & Policy*, vol. 42, 2014, 33–44

<sup>5</sup> <https://iced.s.anu.edu.au/research/research-stories/we-know-heat-kills-accurately-measuring-these-deaths-will-help-us-assess>

## *Acknowledgements*

ACOSS prepared this submission in consultation with members of the ACOSS Climate and Energy Policy Network and ACOSS Community Services Policy network.

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