



**FRRR**  
Foundation for Rural  
Regional Renewal

# Submission to the Independent Review of Commonwealth Disaster Funding

August 2023





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## About FRRR

The Foundation for Rural & Regional Renewal (FRRR) is the only national foundation specifically focused on ensuring the social and economic strength of remote, rural and regional communities. Established in 2000 with the Australian Government and Sidney Myer Fund as members, FRRR's unique model connects common purposes and investment with locally prioritised needs, to create communities that are vital and resilient. Since inception, FRRR has delivered more than \$175 million to nearly 14,000 projects.

## 1. 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.

1. **Preparing Australian Communities - Local Stream grant** (\$981,782 Disaster Resilient and Future Ready - Burnett Inland Communities- Qld)
2. **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)<sup>1</sup> 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.

## 2. 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, 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.

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<https://frrr.org.au/ar22/>





- 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.

### 3. 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.

#### 4. 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.

#### 5. 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 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<sup>2</sup>.

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.

## Follow up

FRRR appreciates the opportunity to make this submission and would welcomes the opportunity to elaborate on any of the points made or to provide further information. Please contact us via [info@frrr.org.au](mailto:info@frrr.org.au) or call 03 5430 2399.

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<sup>2</sup> <https://www.climatecouncil.org.au/resources/survey-results-climate-disasters-mental-health/>



# APPENDIX

## Overview of the Review

The Australian Government has commissioned an Independent Review of Disaster Funding to take stock of Australia's disaster funding environment following the significant government financial support provided to impacted communities over the last three years in response to significant events.

The review will consider how Commonwealth arrangements for disaster funding can be optimised to support a system that is fit-for-purpose to support wellbeing, national productivity, prosperity, and economic security and maintains state, territory and local government roles and responsibilities in the context of the projected increase in natural disasters over the coming decades.

## Terms of Reference

The review is to consider and report on:

- The Commonwealth arrangements for funding disaster risk reduction, preparedness, response, and recovery and identify the areas of reform required to ensure they support a system that is scalable, sustainable, effective, equitable, transparent, and accessible.
- Options to embed resilience and risk reduction into response and recovery funding and how the Commonwealth can incentivise states and territories to better manage risks and mitigate recovery costs.
- Options within Commonwealth, states, and local governments (including cost sharing) to encourage greater investment in disaster risk reduction and resilience to help constrain growing disaster recovery costs.
- Areas of further work (outside of the scope of the review) that would help to enhance Australia's overall disaster risk reduction, recovery, and response efforts, including through the private sector.

This will include an examination of:

- Australia's funding environment, in the context of the multiple natural disasters over the last three years and the projected escalating costs of recovery due to the likely increase of natural disasters.



- Areas of duplication/gaps/opportunities to streamline funding to align with best practice.
- Processes, protocols, and guidelines (e.g., funding activations, evidence and eligibility criteria, audit requirements).
- Commonwealth investments in other portfolios (as determined by the Review) which deliver disaster resilience outcomes and how transparency and reporting can be improved to provide a complete and more accurate picture of Commonwealth investment.

## Why is this review being undertaken?

With the severity, intensity and frequency of natural disasters increasing; Australia must improve its overall recovery and response capability and encourage greater investment in disaster risk reduction, consistent with National Priority 3 of the National Disaster Risk Reduction Framework.

The Review will consider all Australian Government disaster funding to ensure its investment in risk reduction, resilience, recovery, and response is effective and offers maximum benefit to Australian communities and the economy.

The Review will support a strategic pathway for the Australian Government to:

- Incentivise investment in risk reduction.
- Provide value for money, including the thresholds at which Commonwealth support starts and the level of cost sharing and eligibility for accessing assistance.
- Ensure consistent, equitable and well targeted delivery; and
- Promote confidence in the disaster management system.

## Scope:

The Review will analyse outcomes from any current and forthcoming reviews, existing bodies of evidence and any consultation to date in relation, but not limited to, the following:

- Disaster Recovery Funding Arrangements.
- Australian Government Disaster Recovery Payment.
- Disaster Recovery Allowance.
- Existing and emerging NEMA administered program funding.
- Existing and emerging program funding administered by other Commonwealth Agencies.





- Disaster and resilience funding programs cost-shared with and administered by states and territories and local government; and
- Other disaster or resilience funding programs the Review considers relevant.

## Context of the Review

The Review seeks to understand and define the Australian Government's (the Commonwealth) role in Australia's disaster funding environment and considers how Commonwealth investment can be optimised to support a national disaster funding system with the scale and adaptability needed to respond to the increasing frequency and severity of natural disasters.

Commonwealth financial commitments are increasing over time, in large part due to funding increases in local economic recovery, infrastructure, residential household rebuild and rural landholder grants. Activities conducted by NEMA to identify Commonwealth funding in support of disaster responses, resilience or recovery indicate that since Financial Year 2018-19, expenditure has grown each year, with a significant increase in 2021-22 to support recovery and resilience programs in response to the significant disaster events which occurred over the last three years.

The Review will assess how Commonwealth disaster funding measures can be redefined and enhanced to complement and support state and territory arrangements and programs, proactively improve resilience, and promote disaster risk reduction to constrain growing recovery costs, and deliver a system that is effective, responsive, equitable, and accessible.

As well as ensuring that the system can respond to our increasing disaster risk in the future, there is a need to harness opportunities for increased investment and participation from all sectors to reduce risk, build resilience and make our communities safer. This submission process will contribute to the body of evidence that will be considered as part of the Review.