

Flying Minute: Independent Review of Commonwealth Disaster Funding

By Delaney McQuoid, Policy Officer Emergency Management

That WALGA's submission to the Independent Review of Commonwealth Disaster Funding be endorsed.

RESOLUTION 231.FM/2023

CARRIED

Executive Summary

- The Federal Minister for Emergency Management has commissioned an [Independent Review of Commonwealth Disaster Funding](#). Independent Reviewer Andrew Colvin AO is supported by Deloitte and the National Emergency Management Agency (NEMA).
- The review will consider how Commonwealth arrangements for disaster funding can be optimised to support a system that is fit-for-purpose, following the significant government financial support provided to communities over the last three years in response to significant events.
- The timeframe provided for making a submission was 4 August 2023. WALGA negotiated an extension until 18 August to enable time for consideration by Policy Teams and State Council.
- WALGA prepared a draft submission to the public consultation for the Review and requested feedback from Local Governments on the submission by COB 4 August 2023.
- The submission advocates for implementation of the findings of the Royal Commission into National Natural Disaster Arrangements, in relation to recovery services and funding assistance.
- Considering the Commonwealth – State Disaster Recovery Funding Arrangements (DRFA) key recommendations relate to:
 - Incorporating betterment funding;
 - Streamlining administration, approvals and evidentiary requirements;
 - Providing additional resources, training and support to Local Governments for DRFA administration;
 - Reducing the amount of time it takes to reimburse for recovery works;
 - Ensuring flexibility of the DRFA to meet local needs; and
 - Providing for equity between jurisdictions.
- Considering other Commonwealth disaster funding, such as the Disaster Ready Fund, which provides grants for natural disaster resilience and risk reduction projects, key recommendations relate to:
 - Building a sustainable grant funding model that enables Local Governments to discharge their Emergency Management responsibilities;
 - Increasing the amount of grant funding available to Western Australian Local Governments and revising the co-contribution requirements;
 - Increasing the support available to Local Governments to develop grant ready projects and submit successful applications by funding dedicated project officer positions; and
 - Streamlining Commonwealth Disaster Funding communication and administration and ensuring that application timeframes consider Local Government budget requirements and the impact of the high threat bushfire season.
- The draft submission, including input provided by 8 Local Governments, was endorsed to be provided to State Council by Flying Minute by a joint meeting of the Infrastructure and People and Place Policy Teams on 9 August 2023.

Attachment

- WALGA draft submission to the Independent Review of Commonwealth Disaster Funding

Policy Implications

WALGA's submission is consistent with the following WALGA Advocacy Positions:

8.1 Emergency Management Principles

- 1. The State Government bears fundamental responsibility for emergency management and has the role of providing strategic guidance, support and services for emergency management activities in Western Australia.*
- 2. The State Government should provide financial and resourcing support as necessary to enable Local Governments to adequately deliver their extensive emergency management roles and responsibilities under the State Emergency Management Framework.*
- 3. The Local Government Sector should be engaged as a partner in policy and legislative reviews that impact Local Government emergency management roles and responsibilities.*

8.3 Sustainable Grant Funding Model for Emergency Management

Local Government should be empowered to discharge its emergency management responsibilities through sustainable grant funding models that support a shared responsibility and all hazards approach to prevention, preparedness, response and recovery from natural disasters.

A sustainable grant funding model for Local Government emergency management:

- 1. empowers Local Governments to undertake proactive approaches to preparedness, prevention, response and recovery;*
- 2. supports the resilience of local communities through capacity-building activities and programs;*
- 3. is responsive to the variations in Local Government resourcing and context;*
- 4. develops the skills, capacity and capability of the emergency management workforce; and*
- 5. is consistent, flexible, timely, accessible, scalable, strategic and the guidance provided is comprehensive.*

5.4.1 Funding arrangements

The LG sector supports increased support for mitigation measures, greater fiscal equity and funding for repairing of damaged infrastructure which includes appropriate trigger points for access to funding and thresholds to limit the amount liable to be paid for each eligible event.

5.4.3 Betterment

The LG sector supports increased funding for the replacement or restoration of damaged assets to a more resilient standard following an event.

5.4.5 Assessment periods

The LG sector supports a shorter assessment period for events and immediate access to funding to commence works.

Background

In response to the multiple natural disasters that have occurred over the last three years and the increased severity, intensity, and complexity of these events, it has been identified that there is a need to improve overall recovery and response capability and encourage greater investment in disaster risk reduction.

The Independent Review of Commonwealth Disaster Funding is examining all Commonwealth disaster funding to ensure it supports a system that is effective and fit-for-purpose given the increasing frequency and severity of natural disasters. It is also considering how government investment in disaster risk reduction, preparedness, response and recovery can better support a national system that makes our communities safer and builds resilience to natural disasters. It 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.

Comment

Local Governments in Western Australia have a significant role in emergency management, supporting their communities to prevent, prepare for, respond to and recover from emergencies. Both Commonwealth and State Government policy identify Local Government as a key player in community disaster resilience, preparedness and response. Local Governments face a number of challenges in addressing their emergency management responsibilities, and these challenges differ greatly across the State.

Since 2020 there have been 32 declared disasters, where the Disaster Recovery Funding Arrangements Western Australia (DRFA-WA) have been activated. These have impacted 77 of the 139 WA Local Governments. Commonwealth Disaster Funding is critical to enable Local Governments to fulfill their emergency management responsibilities, however it is not always easily accessible. Demand for Commonwealth Disaster Funding grants, such as the Disaster Ready Fund, significantly exceeds supply, and funding rounds are highly competitive. In addition, many Western Australian Local Governments have limited capacity or resources to navigate complex Commonwealth Disaster Funding processes and/or may be unable to meet the co-contribution requirements to receive funding.

WALGA's draft submission addresses the five questions posed in the request for [public submissions](#), and is intended to be read in conjunction with individual submissions received from WA Local Governments. It includes feedback on the DRFA-WA and feedback relating to Commonwealth Disaster Funding grants, such as the Disaster Ready Fund. Local Governments have also been encouraged to provide submissions directly through the public submission portal and to participate in a Local Government survey which has been sent by the review team at Deloitte to Local Government CEOs for response by 25 August 2023. WALGA has also shared the Local Government survey with our emergency management networks.

The submission is based on WALGA's endorsed policy positions, previous submissions and experience supporting the WA Local Government sector with Commonwealth Disaster Funding and incorporates feedback from eight Local Governments.

In the draft submission, WALGA makes a number of recommendations to the Reviewer to improve the funding system. Additionally, WALGA highlights support for the recommendations of the [Royal Commission into National Natural Disaster Arrangements](#) to holistically improve the system.

The draft submission, including input provided by 8 Local Governments, was endorsed to be provided to State Council by Flying Minute by a joint meeting of the Infrastructure and People and Place Policy Teams on Wednesday, 9 August.

FLYING MINUTE OUTCOME

Poll created: 11/08/2023 at 09:00

Poll closed: 17/08/2023 at 23:59

Total invited to survey: 24

Total finished survey: 18

Endorse the Recommendation: 17

Endorse the Recommendation subject to comment below: 1

Do not endorse: 0

First Name	Last Name	Completed Date
Carol	Adams OAM	17/08/2023 6:01
Phillip	Blight	17/08/2023 18:20
Laurene	Bonza	16/08/2023 19:39
Ruth	Butterfield	17/08/2023 17:25
Cheryl	Cowell	Not completed
Frank	Cvitan	14/08/2023 14:50
John	Daw	17/08/2023 15:28
Tony	Dean	14/08/2023 14:28
Catherine	Ehrhardt	14/08/2023 14:23
Russ	Fishwick JP	Not completed
Moirra	Girando JP	17/08/2023 9:37
Patrick	Hall	Not completed
Logan	Howlett JP	11/08/2023 10:21
Paul	Kelly	14/08/2023 22:08
David	Lagan	Not completed
Peter	Long	17/08/2023 16:17
Chris	Mitchell JP	17/08/2023 18:13
Chris	Pavlovich	Not completed
Les	Price	17/08/2023 12:38
Michelle	Rich	16/08/2023 8:07
Helen	Sadler	Not completed
Ken	Seymour	17/08/2023 18:27
Stephen	Strange	15/08/2023 13:04
Doug	Thompson	14/08/2023 22:01

Responses

(17) Endorse the Recommendation: Mayor Logan Howlett JP, Cr Frank Cvitan, Cr Catherine Ehrhardt, President Cr Tony Dean, Cr Doug Thompson, Cr Paul Kelly, President Cr Stephen Strange, President Cr Michelle Rich, President Cr Laurene Bonza, Mayor Carol Adams OAM, President Cr Moira Girando JP, Cr John Daw, Mayor Peter Long, President Cr Phil Blight, Cr Chris Mitchell JP, Cr Ken Seymour, Mayor Ruth Butterfield

(1) Endorse the Recommendation subject to comment below: Cr Les Price

(0) Do not endorse

Comments

Cr Les Price

I support WALGA's focus on the feedback from Local Governments on the Commonwealth Disaster Funding regime and in particular the 12 points identified on page 8 of the submission. I also support the commentary and matters raised by WA Local Governments as it relates to DRFA WA on page 9 of the submission. Whether it is a Federal or a State based disaster funding program there always appears to be a common thread around the following:

- 1. Cost to Local Governments*
- 2. Delayed funding.*
- 3. Bureaucratic rigidity.*
- 4. Lack of support.*
- 5. Lack of clarity as to eligible costs.*
- 6. A lack of a real understanding of the issues and on ground pressures faced by Local Governments having limited resources when confronted with a disaster.*

Secretariat Comment

Cr Price's comments are noted. The submission addresses the notes raised and does not require updating.

INDEPENDENT REVIEW OF COMMONWEALTH DISASTER FUNDING

Submission

August 2023

Contents

- Introduction 3**
- Summary of Recommendations 5**
- What experience have you had with Commonwealth disaster funding support 8**
- How could Commonwealth funding support communities to reduce their disaster risk? 10**
- Please describe your understanding of Commonwealth disaster funding processes 13**
- Are the funding roles of the Commonwealth, states and territories, and local government, during disaster events clear? 16**
- Is there any further information you would like to provide?..... 16**

Introduction

The Western Australian Local Government Association (WALGA) is the united voice of Local Government in Western Australia. The Association is an independent, membership-based organisation representing and supporting the work and interests of 139 Local Governments in Western Australia, comprising 1,215 Elected Members and approximately 22,600 Local Government employees, as well as over 2.5 million constituents of Local Governments in Western Australia. Western Australian Local Governments are diverse in:

- size, ranging from less than 1.5 to over 370,000 square kilometres,
- population, just over 100 to more than 224,000 people,
- the number of staff employed, from less than 10 to over 1000,
- revenue received, which in 2019-20 ranged from just over \$2 million to just over \$226 million.

WALGA is committed to a strategic vision of “agile and inclusive Local Governments enhancing community wellbeing and enabling economic prosperity”.

Local Governments in Western Australia (WA) have a significant role in emergency management, supporting their communities to prevent, prepare for, respond to and recover from emergencies. Both Commonwealth and State Government policy identify Local Government as a key player in community disaster resilience, preparedness and response. Local Governments face many challenges in addressing their emergency management responsibilities, and these challenges differ greatly across the State. Commonwealth Disaster Funding is critical to enable Local Governments to fulfill these responsibilities, particularly during recovery through the Commonwealth – State Disaster Recovery Funding Arrangements for Western Australia (DRFA-WA). Since 2020 there have been 32 declared disasters impacting 77 of the 139 WA Local Governments.

As outlined in the [Briefing Paper for the Independent Review of Commonwealth Disaster Funding](#), 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. The Review recognises research that shows disasters cost the Australian economy \$38 billion per year on average and that the severity, intensity and frequency of natural disasters is expected to increase, putting further strain on Australia’s relief, response and recovery capabilities. By 2060, the cost of disasters could rise to at least \$73 billion per year.¹ 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.

The submission addresses the five questions posed in the request for [public submissions](#):

1. ***What experience have you had with Commonwealth disaster funding support?***
2. ***How could Commonwealth funding support communities to reduce their disaster risk?***
3. ***Please describe your understanding of Commonwealth disaster funding processes.***
4. ***Are the funding roles of the Commonwealth, states and territories, and local government, during disaster events clear?***

¹ [Natural Disasters estimated to cost Australia \\$73 billion per year by 2060 | IAG Limited](#)

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

WALGA has encouraged WA Local Governments to provide direct feedback to the Independent Review of Commonwealth Disaster Funding.

This submission should be read in conjunction with individual submissions received from WA Local Governments. WALGA also contributed to and supports the Australian Local Government Association's (ALGA) [Submission to the Senate Select Committee on Australia's Disaster Resilience](#) (February 2022) and ALGA's feedback to the National Emergency Management Ministers Meeting (NEMMM) review of the Disaster Recovery Funding Arrangements (October 2022). WALGA requests these be considered as part of our submission to the review of Commonwealth Disaster Funding.

This submission is based on WALGA's experience supporting the WA Local Government Sector with Commonwealth Disaster Funding, including Commonwealth disaster funding grant programs as well as the DRFA-WA. WALGA sought feedback on our draft submission, which was shared with all WA Local Government CEOs, via our emergency management newsletter, emergency management networks and with our Local Government Emergency Management Advisory Group (LGEMAG). Feedback was received from eight Local Governments to help inform this submission. WALGA welcomes this opportunity to provide a submission on behalf of the Sector.

Summary of Recommendations

What experience have you had with Commonwealth disaster funding support?

Considering WALGA's experience with Commonwealth disaster funding support - WALGA recommends that:

1. The Commonwealth Government fully implement the Royal Commission's recommendations for the delivery of recovery services and financial assistance, including:
 - 11.1 Responsibility for local government disaster management capability and capacity
 - 11.2 Resource sharing arrangements between local governments
 - 22.1 Evaluation of financial assistance measures to support recovery
 - 22.3 Review the thresholds and activation process for the Disaster Recovery Funding Arrangements
 - 22.4 Nationally consistent Disaster Recovery Funding Arrangements assistance measures
 - 22.5 Develop nationally consistent, pre-agreed recovery programs
 - 22.6 Better incorporate 'build back better' within the Disaster Recovery Funding Arrangements
 - 22.7 Disaster Recovery Funding Arrangements recovery measures to facilitate resilience
 - 22.8 Streamline the Disaster Recovery Funding Arrangements processes
 - 24.1 Accountability and assurance mechanisms at the Australian Government level
2. [Minister Watt's recent announcement](#) to advance disaster payments under DRFA is followed up by a revised process that ensures Local Governments have immediate access to funding to commence recovery works following a disaster.

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

WALGA recommends that:

3. The Commonwealth Government works with State Governments to ensure betterment is a standard requirement for DRFA.
4. Community infrastructure that cannot be insured (such as sporting oval turf) is recognised as an essential asset in the DRFA.
5. The pool of funding available for disaster risk reduction is substantially increased and that a fair allocation of grant funding is guaranteed for Western Australian Local Government risk reduction projects.
6. The [ALGA pre-budget submission for the 2023/24 Federal Budget](#) to increase the Disaster Ready Fund to \$250 million per year is implemented.
7. A specific funding pool to support Aboriginal communities to build their resilience is provided.
8. The Commonwealth Government provides a Sustainable Grant Funding Model that enables Local Governments to deliver on their shared responsibility for disaster risk reduction, resilience and recovery. This should be supported by a network of grants officers located in

each State Local Government Association to facilitate the development of strategically aligned projects and successful grant applications.

9. The Commonwealth Government provides a network of officers in ALGA and each Local Government Association to assist Local Governments to plan and implement disaster risk reduction in their communities.

Please describe your understanding of Commonwealth disaster funding processes.

Considering WALGA's understanding of Commonwealth disaster funding processes –

WALGA recommends that:

10. The Commonwealth implements the following measures to improve Commonwealth disaster funding grants process:
 - Align guidance materials and timelines on NEMA and State based websites.
 - Provide certainty around the timing and criteria for grant rounds well in advance so they can be factored into planning and budgeting processes.
 - Ensure adequate timeframes for the application process so that Local Governments are not compressed to accommodate timeframes for State administration and Ministerial approval.
 - Provide certainty around the timing of announcement for successful projects, and when funds will be made available.
 - Ensure flexibility to accommodate project delays where works can only be undertaken seasonally and may be delayed for a full year if the window of opportunity closes.
 - Clear guidance and greater flexibility around the co-contribution requirement for Local Governments applying for Commonwealth Disaster Funding grants.
11. Greater assistance is provided to Local Governments to navigate the DRFA process following a disaster, including the option of a State government officer being seconded into a Local Government to support the recovery funding process.
12. ALGA's recommendations to the NEMMM meeting – Review of the Disaster Recovery Funding Arrangements, are adopted, including to
 - Expedite DRFA payments and streamline funding arrangements.
 - Alleviate administrative burdens and the onerous evidentiary requirements.
 - Increase flexibility, particularly for smaller projects, in terms of the evidentiary requirements.
 - WALGA notes that Increased flexibility is particularly important in some parts of Western Australia where seasonal impacts, low availability of contractors and funding delays obstruct recovery.
 - Interest paid on overdrafts, whilst waiting for reimbursement for eligible recovery works should be an eligible DRFA expense.
13. The DRFA is amended so that the following expenses are eligible:
 - In house human resources to assist with recovery related administrative tasks
 - Cost of Local Government staff diverted to recovery when no contractors are available.
14. DRFA checks and balances are reviewed to reduce the number of layers of approval and to recognise where appropriate checks and balances already exist within Local Governments. A clear mechanism is required to arbitrate and resolve differences between the recommendations and cost assessments provided to Local Governments by the qualified

independent engineers engaged under the requirements of the DRFA, and Main Roads WA officers engaged by DFES to provide technical review.

15. The Commonwealth's work through NEMA and the ANZEMC to progress reforms to the DRFA, is expedited, including a new streamlined process for activating DRFA Category C and D and for work in developing pre-agreed "off the shelf" recovery packages.
16. The State provides a financial delegation for DRFA funding for Category C and D, Community Recovery and Exceptional circumstances funding and that the Commonwealth ensure the cost sharing ratio does not become an impediment for the State to seek Category D cost sharing arrangements.
17. Additional training is provided on DRFA to support Local Governments that are not experienced with the DRFA.

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

Considering WALGA's understanding of the roles of the Commonwealth, states and territories, and local government, during disaster events –

WALGA recommends that:

18. Equitable access to betterment funding, co-contribution requirements and thresholds and other DRFA measures is provided across Australian jurisdictions.
19. A transparent process and communication around how the level of assistance is determined under Category C and D of the DRFA between jurisdictions, and between different declared disasters.

Review Question 1 - What experience have you had with Commonwealth disaster funding support?

As a member-based organisation advocating on behalf of WA's 139 Local Governments, WALGA has:

- Provided input to Commonwealth Disaster Funding programs and guidelines on behalf of the sector.
- Communicated opportunities to access Commonwealth Disaster Funding with the Local Government Sector.
- Supported Local Governments to develop projects for funding when we are resourced to do so, such as through the Coastal and Estuarine Risk Mitigation Program, funded through the Emergency Response Fund.
- Applied for Commonwealth Disaster Funding to better enable us to work with Local Governments to improve their capability and capacity for emergency management.
- Advocated for or the needs of the WA Local Government sector through working with ALGA and contributions to national forums and inquiries, including the [NEMMM](#), the [Senate Select Committee on Australia's Disaster Resilience](#), [Royal Commission into National Natural Disaster Arrangements](#) and the [House of Representatives Standing Committee Inquiry into the implications of severe weather events on the national regional, rural and remote road network](#).

WALGA has received feedback from WA Local Governments on Commonwealth Disaster Funding preparedness and mitigation grants programs, including that:

- Substantial allocation of staff time is required to prepare a project for funding and funding success is uncertain.
- The criteria for grant funding can be unclear and difficult to understand.
- There can be a mismatch between funding criteria and local needs or priorities.
- Funding rounds do not align with Local Government budget cycles. When a funding round is released after the budget is approved, there is no access to additional funds to support a co-contribution.
- Funding rounds often crossover with the high threat period for bushfire and cyclone, when there is limited capacity among emergency management staff to prepare a grant application.
- Funding rounds are timed to meet political requirements, rather than the needs of community and Local Governments.
- Local Governments compete in the same funding rounds with state government departments that are better resourced to develop grant-ready projects.
- State government projects may be prioritised as being more strategic.
- There is no process to coordinate similar applications across a range of Local Governments and achieve strategic outcomes or cost savings.
- Many Local Governments have difficulties meeting co-contribution requirements.
- There is inadequate support available to assist Local Governments with developing applications.
- The funding environment can be difficult to navigate for staff members without experience in submitting grants resulting in applications that do not meet the requirements of the State and/or Commonwealth.

In 2022, WALGA revised its [emergency management advocacy positions](#) following consultation with our members. Position 8.3 proposes a Sustainable Grant Funding Model for Emergency Management.

8.3 Sustainable Grant Funding Model for Emergency Management

Local Government should be empowered to discharge its emergency management responsibilities through sustainable grant funding models that support a shared responsibility and all hazards approach to prevention, preparedness, response and recovery from natural disasters.

A sustainable grant funding model for Local Government emergency management:

1. empowers Local Governments to undertake proactive approaches to preparedness, prevention, response and recovery;
2. supports the resilience of local communities through capacity-building activities and programs;
3. is responsive to the variations in Local Government resourcing and context;
4. develops the skills, capacity and capability of the emergency management workforce; and
5. is consistent, flexible, timely, accessible, scalable, strategic and the guidance provided is comprehensive.

Western Australian Local Governments have statutory obligations for recovery, and in addition are responsible for a significant portion of the public assets that may be damaged in a natural disaster. For example, in Western Australia, Local Government roads make up 87.2% of the Western Australian public road network, excluding roads in National Parks and on other land managed by the Department of Biodiversity, Conservation and Attractions. Western Australian Local Governments therefore have a particular interest in advocating for improvements to the DRFA.

Local Government experience of the DRFA is only through the State based arrangements as set out in the DRFA-WA. Feedback from Western Australian Local Governments relating to the DRFA-WA includes that:

- The administrative process for making DRFA claims places a high cost on Local Governments impacted by disasters.
- Collecting evidence and establishing systems to meet the DRFA claims process requirements may be overlooked when Local Governments are seeking to provide an immediate response to a natural disaster and it is not possible to re-create this later.
- DRFA guidelines regarding eligible costs are broad and Local Governments are wary of incurring costs they believe to be eligible, only to be denied payment down the track.
- Smaller Local Governments in particular cannot support the cashflow nor absorb the risk of completing work which may not be reimbursable.
- There are frequent examples where legitimate claims are not accepted due to inflexible and bureaucratic evidentiary requirements.
- In some cases, changes to process have been applied retrospectively with the Local Government incurring significant costs to restructure applications, or being told the application no longer meets audit requirements.
- There is a time lag in excess of 10 weeks before the declaration of a significant number of recent disasters (examples include AGRN1031, 1035, 1041)
- Delays in the initial cost-estimation process prior to works approval, which can be more than 12 months, are unacceptable given funding is for the reinstatement of essential public assets.
- In northern Australia delays in declaring a disaster, assessing the damage, agreeing scope of works and costs may result in no work being undertaken during the dry season. The subsequent wet season further damages the infrastructure requiring the works to be re-scoped and re-costed. It can become difficult to separate the damage from sequential natural disasters.

- Delays in reimbursement for costs incurred in advance impact on Local Government finances as well as the recovery process.

Chapter 22 of the [Royal Commission into National Natural Disaster Arrangements](#) makes eight recommendations for the delivery of recovery services and financial assistance.

- 1. WALGA recommends that the Commonwealth Government fully implement the Royal Commission’s recommendations for the delivery of recovery services and financial assistance.**

WALGA also has the following advocacy positions in relation to the DRFA.

5.4.1 Funding arrangements

The LG sector supports increased support for mitigation measures, greater fiscal equity and funding for repairing of damaged infrastructure which includes appropriate trigger points for access to funding and thresholds to limit the amount liable to be paid for each eligible event.

5.4.3 Betterment

The LG sector supports increased funding for the replacement or restoration of damaged assets to a more resilient standard following an event.

5.4.5 Assessment periods

The LG sector supports a shorter assessment period for events and immediate access to funding to commence works.

WALGA welcomes [the recent announcement by Minister Watt](#) to advance nearly \$1.8 billion in disaster payments under the DRFA, including almost \$93.9 Million of the budget estimate of \$234.8 Million for recovery in Western Australia in 2023-24. This will remove an impediment for the State to assist disaster-impacted communities recover and rebuild. This cashflow must be passed on to Local Government to allow councils to fast-track repairs of roads and essential public assets.

- 2. WALGA recommends that [Minister Watt’s recent announcement](#) to advance disaster payments under DRFA is followed up by a revised process that ensures Local Governments have immediate access to funding to commence recovery works following a disaster.**

Review Question 2 – How could Commonwealth funding support communities to reduce their disaster risk?

Recommendation 22.6 of *The Royal Commission* called for better incorporation of ‘build back better’ within DRFA. Currently, the Commonwealth only provides funding to enable reconstruction of an essential public asset to its pre-disaster function. The implementation of like-for-like asset recovery is problematic in disaster recovery arrangements and funding should be proactively targeted towards betterment. Neither the Commonwealth DRFA policy documents nor the [DRFA-WA Guidelines](#) include reference to betterment or ‘build back better’ through the DRFA. Betterment funding, for a relatively small additional upfront investment, would save millions of dollars in future years by enabling infrastructure to be rebuilt to withstand more frequent and increasingly severe natural disasters. Betterment funding must go further than enabling Local Governments [to build back infrastructure to current engineering standards](#). Vulnerable infrastructure must be able to be rebuilt to withstand the increased severity of natural disasters.

WALGA understands that the Commonwealth government intends to prepare clear advice on betterment for the DRFA, and that the DRFA Review Stakeholder's Group is considering inclusion of betterment as a standard consideration for the restoration of essential public assets to make communities more resilient and help reduce recovery costs longer-term. These are important measures that need to be urgently applied equitably across jurisdictions.

Under current DRFA arrangements, community infrastructure is not considered an essential public asset, which means community assets like sporting facilities, council buildings and libraries are not funded through DRFA. However, it is well known that community infrastructure plays an important role in community resilience and recovery. For example, Round 1 of the Disaster Ready Fund provided a grant for the Nabawa Recreation Centre Facility Redevelopment in Chapman Valley to ensure the community has a suitable place for evacuation. Including these important assets as eligible for DRFA funding when damaged due to a disaster is essential to community resilience.

WALGA recommends that:

- 3. The Commonwealth Government works with State Governments to ensure betterment is a standard requirement for DRFA.**
- 4. Community infrastructure that cannot be insured (such as sporting oval turf) is recognised as an essential asset in the DRFA.**

WALGA welcomes this Review's recognition of the increasing cost of Recovery to all levels of Government. We welcome the recognition that for every dollar spent on disaster risk reduction, there is an estimated \$9.60 return on investment. Local Government authorities can often see what is required to mitigate risk but do not have the resources to implement these strategies, whilst State and Commonwealth Government have the resources but not the understanding of localised risk and impacts. Bridging the gap and streamlining access to funds and assistance would improve Local Government authorities' overall capacity. Disaster often crosses multiple jurisdictions and it takes State/Commonwealth planning and expertise to mitigate risks to the greater area. Communication and engagement across all levels of Government, and with community, will facilitate quality assessment of risk and subsequent mitigation, along with an improved level of preparedness.

Demand for Commonwealth Disaster Funding to support risk reduction significantly exceeds supply so funding rounds are highly competitive. For example, WALGA understands funding requested through the [Disaster Ready Fund – Round One 2023-24](#) was over twice the available \$200 Million. Only \$8.8 Million (4%) was allocated to Western Australian projects, whilst Western Australia includes one-third of the Australian land mass and 11 percent of the Australian population. Inadequate funding is leaving communities at-risk of not being able to reduce their disaster risk or recover from events efficiently and effectively. WA is the only jurisdiction where Local Governments, under the *Bush Fires Act 1954*, are responsible for managing bushfire brigades and bushfire response. This is a significant responsibility and without additional support, many Local governments will have very limited resources remaining to broaden their approach to resilience and risk reduction.

WALGA recommends that:

- 5. The pool of funding available for disaster risk reduction is substantially increased and that a fair allocation of grant funding is guaranteed for Western Australian Local Government risk reduction projects.**
- 6. The [ALGA pre-budget submission for the 2023/24 Federal Budget](#) to increase the Disaster Ready Fund to \$250 million per year is implemented.**

7. A specific funding pool to support Aboriginal communities to build their resilience is provided.

Many WA Local Governments have limited capacity or resources to understand complex Commonwealth Disaster Funding grants processes and to develop detailed project briefs that meet the required funding criteria. To submit a strong application, Local Governments are required to provide large amounts of evidence that demonstrate capacity, capability and resources to successfully deliver project outcomes. If applications do not provide detailed evidence, they are unlikely to be successful.

At the [2023 ALGA National General Assembly](#), the following motion by WA Shire of Mundaring was endorsed:

This National General Assembly calls on the Australian Government to urgently provide a Sustainable Grant Funding Model that enables Local Governments to deliver on their shared responsibility for disaster risk reduction, resilience and recovery. The Sustainable Grant Funding Model should be supported by a network of grants officers located in each State Local Government Association to facilitate the development of strategically aligned projects and successful grant applications.

In its submission to the Senate Select Committee on Australia's Disaster Resilience, ALGA proposed a network of funded officers across State and Territory Local Government Associations, and at the Australian Local Government Association (ALGA) seeking funding over 3 years, at a total cost of \$5.7 million, which is a modest amount of funding for national benefit.

This network of officers will engage with councils in their respective state or territory to provide a range of assistance depending on councils' level of risk maturity. The outcomes would include:

- 1. For councils with no current risk reduction strategy, to encourage and assist these councils to undertake an assessment of their current and future disaster risk and to identify achievable ways to address and reduce that risk in collaboration with their communities with the resources available.*
- 2. For councils which have a higher level of maturity and existing risk reduction strategies, access to resources and knowledge to update their existing disaster risk reduction strategies. An important component of the project for these councils would be a greater focus on working with their communities and emergency management committees to raise awareness, and to build capability and partnerships with their communities.*
- 3. Facilitating information sharing, collaboration, resource sharing and engagement with local communities to raise awareness for the need to address risks and build local resilience.*
- 4. Co-ordinated resources to bolster the capacity of local government but not duplicate or conflict with existing state or territory government programs.*

Combined, these proposals would significantly increase the support available to Local Governments to reduce disaster risk and build preparedness and resilience into the future.

WALGA recommends that:

- 8. The Commonwealth Government provides a Sustainable Grant Funding Model that enables Local Governments to deliver on their shared responsibility for disaster risk reduction, resilience and recovery. This should be supported by a network of grants officers located in**

each State Local Government Association to facilitate the development of strategically aligned projects and successful grant applications.

9. The Commonwealth Government provides a network of officers in ALGA and each Local Government Association to assist Local Governments to plan and implement disaster risk reduction in their communities.

Many Local Governments are unable to meet the co-contribution requirements for Commonwealth disaster grants, and therefore do not submit applications, missing out on this important source of funding for disaster risk reduction. This is particularly true for Local Governments who have a smaller rate base and fewer resources to draw a co-contribution from. The DRF states that the co-contribution is required of State Governments, however in practice this is passed on to Local Governments. WALGA understands that 5 of 187 projects funded through Round 1 of the DRF received a waiver of the co-contribution requirement. However, the criteria to waiver co-contributions are not clear.

The [Royal Commission into National Natural Disaster Arrangements](#), Recommendation 11.1 – Responsibility for Local Government disaster management capability and capacity, states that

State and territory governments should take responsibility for the capability and capacity of local governments to which they have delegated their responsibilities in preparing for, responding to, and recovering from natural disasters, to ensure local governments are able to effectively discharge the responsibilities devolved to them.

Review Question 3 - Please describe your understanding of Commonwealth disaster funding processes.

Commonwealth Disaster Grants Funding

The Commonwealth disaster funding grant programs are often administered wholly (e.g. National Disaster Risk Reduction Grant) or partly (e.g. Disaster Ready Fund) by the State Government. The arrangements vary, and the process for accessing funding can be challenging for many Local Governments, as summarised in WALGA's response to review question 1. Considering the DRFA, it is each State's choice on how they apply the funding arrangements and if they apply for funding in the event of a disaster. The Department of Fire and Emergency Services (DFES) carries responsibility for the overall administration of the arrangements in Western Australia. Given its critical role in the process, it is important that DFES is adequately resourced to do this.

Processes for applying for all Commonwealth Disaster funding need to be streamlined. Recent experience with the DRF Round 1 was that limited information and guidance was available up until the time that the grant round was released. Once released, there were different timelines and information available on the NEMA and the WA Government website, due to the different process requirements of the Commonwealth and State governments.

Given limited resources within State as well as Local Governments, there is a need for Local Government specific and targeted support to ensure equitable access to Commonwealth disaster funding grants, noting that DFES is responsible for administering DRF funding in WA is also an applicant for DRF funding. WALGA is also aware of instances where the State is seeking grant funding for activities that may be considered to be core emergency management responsibilities of the State. A dedicated Local Government pool would ensure a more equal playing field for Local Government Projects.

10. WALGA recommends that the Commonwealth implements the following measures to improve Commonwealth disaster funding grants process:

- **Align guidance materials and timelines on NEMA and State based websites.**
- **Provide certainty around the timing and criteria for grant rounds well in advance so they can be factored into planning and budgeting processes.**
- **Ensure adequate timeframes for the application process so that Local Governments are not compressed to accommodate timeframes for State administration and Ministerial approval.**
- **Provide certainty around the timing of announcement for successful projects, and when funds will be made available.**
- **Ensure flexibility to accommodate project delays where works can only be undertaken seasonally and may be delayed for a full year if the window of opportunity closes.**
- **Clear guidance and greater flexibility around the co-contribution requirement for Local Governments applying for Commonwealth Disaster Funding grants.**
 - **Guidance should be provided on the terms under which the co-contribution requirement can be passed from State to Local Governments, and the criteria for a Local Government receiving a waiver of the co-contribution requirement.**
 - **Any co-contribution required should be scaled against the rate base so that Local Governments with a smaller rate base have a lower co-contribution.**

Commonwealth – State Disaster Recovery Funding Arrangements (DRFA) DRFA funding needs to be easily and quickly accessible, with flexible guidelines and application forms to meet the recovery needs of diverse Local Governments and communities. However this is not currently how the DRFA works in Western Australia. Greater assistance to help streamline DRFA access and approvals would be valuable, including the option of a State Government officer being seconded into a Local Government for a time to support the recovery funding process.

The administrative requirements that must be met by Local Governments to gain approval for infrastructure expenditure and obtain reimbursement from the State Government are onerous. In some cases, the lengthy time to allocate an Australian Government Reference Number (AGRN) adds to the administrative burden experienced by Local Governments. These requirements are in turn driven by Commonwealth administrative requirements, which must be met by the State for the Commonwealth Government to reimburse the State its 50% co-contribution. For Local Governments that are not experienced with DRFA, additional training, resources and support is required to help navigate the process.

Local Governments have given feedback that there is a need for clear guidance on the process for managing claims for overlapping events and their associated costs. For example, multiple claims can be made on the same area of road due to different but overlapping events, and sometimes the scope of works has not yet been approved prior to a further activation and it becomes difficult to prove claims.

Given the administrative burden of the DRFA, administrative support, including when delivered in house by a Local Government, should be an eligible expense under the DRFA. An additional challenge in remote areas, is that Local Government staff often need to be diverted from business as usual, for example, if contractors are unavailable, and this is also ineligible. Further, the balance needs to be adjusted so that some items can be signed off at the Local Government level (for

example, procurement already goes through Local Government Auditing processes) rather than the current situation where there are several additional layers of signoff before approvals.

Considering the provision of Category C (Community Recovery) and Category D (Exceptional Circumstances) funding under DRFA, delays in program development and funding approval at the State and Commonwealth level mean that critical support to local communities is not provided in a timely way and or Local Governments and their communities bear the costs in the interim.

Additionally, remoteness and weather cycles often extend the timeframe for recovery works, which in turn leads to higher costs and more damage and delays. For example, the timing for works is impacted by DRFA approval processes and timeframes, seasonal cycles that leave a limited window for works to occur, and the availability of contractors. Combined, these create an extreme challenge for recovery in remote Western Australia. There is no flexibility to do works when the weather, staff and contractors align. The effect can be further compounded by additional disaster events and DRFA activations impacting the same infrastructure.

- 11. Greater assistance is provided to Local Governments to navigate the DRFA process following a disaster, including the option of a State government officer being seconded into a Local Government to support the recovery funding process.**
- 12. ALGA's recommendations to the NEMMM meeting – Review of the Disaster Recovery Funding Arrangements, are adopted, including to**
 - Expedite DRFA payments and streamline funding arrangements.
 - Alleviate administrative burdens and the onerous evidentiary requirements.
 - Increase flexibility, particularly for smaller projects and smaller councils which have less capacity, in terms of the evidentiary requirements.
 - WALGA notes that Increased flexibility is particularly important in some parts of Western Australia where seasonal impacts, low availability of contractors and funding delays obstruct recovery.
 - Interest paid on overdrafts, whilst waiting for reimbursement for eligible recovery works should be an eligible DRFA expense.
- 13. The DRFA is amended so that the following expenses are eligible:**
 - In house human resources to assist with recovery related administrative tasks
 - Cost of Local Government staff diverted to recovery when no contractors are available.
- 14. DRFA checks and balances are reviewed to reduce the number of layers of approval and to recognise where appropriate checks and balances already exist within Local Governments. A clear mechanism is required to arbitrate and resolve differences between the recommendations and cost assessments provided to Local Governments by the qualified independent engineers engaged under the requirements of the DRFA, and Main Roads WA officers engaged by DFES to provide technical review.**
- 15. The Commonwealth's work through NEMA and the ANZEMC to progress reforms to the DRFA, is expedited, including a new streamlined process for activating DRFA Category C and D and for work in developing pre-agreed "off the shelf" recovery packages.**
- 16. The State provides a financial delegation for DRFA funding for Category C and D, Community Recovery and Exceptional circumstances funding and that the Commonwealth ensure the cost sharing ratio does not become an impediment for the State to seek Category D cost sharing arrangements.**
- 17. Additional training is provided on DRFA to support Local Governments that are not experiences with the DRFA.**

Review Question 4 - Are the funding roles of the Commonwealth, states and territories, and local government, during disaster events clear?

In WA, the State Government bears fundamental responsibility for EM and has the role of providing strategic guidance, support and services for EM activities in Western Australia. This was recognised in the *Royal Commission into National Natural Disaster Arrangements* 11.1 Responsibility for local government disaster management capability and capacity, and is the basis of WALGA's EM Advocacy Position 8.1 Emergency Management Principles:

8.1 Emergency Management Principles

1. The State Government bears fundamental responsibility for emergency management and has the role of providing strategic guidance, support and services for emergency management activities in Western Australia.
2. The State Government should provide financial and resourcing support as necessary to enable Local Governments to adequately deliver their extensive emergency management roles and responsibilities under the State Emergency Management Framework.
3. The Local Government Sector should be engaged as a partner in policy and legislative reviews that impact Local Government emergency management roles and responsibilities.

Local Governments make a substantial contribution during disaster events, including direct financial contributions as well as in-kind support and assistance. However, there is a mismatch between the needs of Local Governments and their communities and the financial support that is available at both the State and Commonwealth level to respond to and recover from disasters. Recent experience in Western Australia has demonstrated that this is most acutely the case during recovery, where smaller Local Governments with fewer resources available carry delegated responsibility for recovery, such as during the Tropical Cyclone Seroja Recovery.

The application of the DRFA is inconsistent across jurisdictions. For example, betterment is integrated into the DRFA in Queensland, and there was inequity in the amount of funding received by councils through the National Bushfire Recovery Fund under Category C and D.

WALGA recommends that:

18. Equitable access to betterment funding, co-contribution requirements and thresholds and other DRFA measures is provided across Australian jurisdictions.
19. A transparent process and communication around how the level of assistance is determined under Category C and D of the DRFA between jurisdictions, and between different declared disasters.

Review Question 5 - Is there any further information you would like to provide?

WALGA, alongside the Local Governments we represent, supports the recommendations of the *Royal Commission into National Natural Disaster Arrangements* and looks forward to the implementation of well-developed and robust funding processes which support sustainable and effective community disaster recovery, preparedness and resilience initiatives.

In particular, WALGA supports the full implementation of recommendations:

- 11.1** Responsibility for local government disaster management capability and capacity
- 11.2** Resource sharing arrangements between local governments
- 22.1** Evaluation of financial assistance measures to support recovery
- 22.3** Review the thresholds and activation process for the Disaster Recovery Funding Arrangements
- 22.4** Nationally consistent Disaster Recovery Funding Arrangements assistance measures
- 22.5** Develop nationally consistent, pre-agreed recovery programs
- 22.6** Better incorporate 'build back better' within the Disaster Recovery Funding Arrangements
- 22.7** Disaster Recovery Funding Arrangements recovery measures to facilitate resilience
- 22.8** Streamline the Disaster Recovery Funding Arrangements processes
- 24.1** Accountability and assurance mechanisms at the Australian Government level