



## **Australian Government**

Australian Government response to the  
Finance and Public Administration References Committee report:  
Lessons to be learned in relation to the Australian bushfire season  
2019-20

MAY 2021

## Introduction

The Australian Government welcomes the opportunity to provide a response to the Finance and Public Administration References Committee (committee) report, *Lessons to be learned in relation to the Australian bushfire season 2019-20*, tabled on 7 October 2020. The Government acknowledges the work and recommendations by members of the committee.

The Government would also like to thank those who made submissions or gave evidence to the inquiry for their contribution, which shaped the interim report and recommendations.

The committee looked into the lessons to be learned in relation to the preparation and planning for, response to and recovery efforts following the 2019-20 Australian bushfire season, with particular reference to:

- a) advice provided to the Federal Government, prior to the bushfires, about the level of bushfire risk this fire season, how and why those risks differed from historical norms, and measures that should be taken to reduce that risk in the future
- b) the respective roles and responsibilities of different levels of government, and agencies within government, in relation to bushfire planning, mitigation, response, and recovery
- c) the Federal Government's response to recommendations from previous bushfire Royal Commissions and inquiries
- d) the adequacy of the Federal Government's existing measures and policies to reduce future bushfire risk, including in relation to assessing, mitigating and adapting to expected climate change impacts, land use planning and management, hazard reduction, Indigenous fire practices, support for firefighters and other disaster mitigation measures
- e) best practice funding models and policy measures to reduce future bushfire risk, both within Australia and internationally
- f) existing structures, measures and policies implemented by the Federal Government, charities and others to assist communities to recover from the 2019-20 bushfires, including the performance of the National Bushfire Recovery Agency
- g) the role and process of advising Government and the federal Parliament of scientific advice
- h) an examination of the physical and mental health impacts of bushfires on the population, and the Federal Government's response to those impacts
- i) any related matters.

## Recommendations

**Recommendation 1: The committee recommends that the National Bushfire Recovery Agency introduce monthly reporting requirements for state, territory and local governments and other external agencies that receive funding through the National Bushfire Recovery Fund.**

Response: The Government **notes** this recommendation.

The National Bushfire Recovery Agency (NBRA) continues to work collaboratively on reporting requirements with state, territory and local governments and other external agencies responsible for the delivery of programs funded through the National Bushfire Recovery Fund. Monthly progress updates are provided on the NBRA website.

**Recommendation 2: The committee recommends that the current review into the Disaster Recovery Funding Arrangements (DRFA) consider the following matters:**

- **the need to streamline application processes for DRFA assistance and provide additional case management assistance for individuals, local and state and territory governments during and following natural disaster;**
- **the need to harmonise eligibility criteria across jurisdictions to ensure equitable access to support; and**
- **the need to remove impediments to applying for betterment and mitigation initiatives.**

Response:

The Government **supports** this recommendation.

In March this year, the former Council of Australian Governments agreed to review and if necessary, update how governments apply the DRFA to:

- **ensure** equitable access to support so that Australians impacted by disaster are treated more consistently and fairly
- streamline processes where possible

- encourage state and territories to build back better.

The DRFA review is underway, being led by the Department of Home Affairs, with senior officials from all states and territories.

A national comparison of state and territory DRFA assistance measures has been undertaken to better understand the different types and levels of assistance afforded to Australians in different jurisdictions. The national comparison report shows that there are significant differences in how each state and territory applies the DRFA. The Commonwealth is addressing this by working with states and territories to develop options on how the program could deliver more equitable, needs based, assistance for all Australians.

A key deliverable of the review is to streamline arrangements so that governments can respond quicker and more effectively to community recovery needs. This will be done through the introduction of a new streamlined process for activating community recovery assistance and the development of certain pre-agreed ‘off-the-shelf’ recovery assistance packages.

The review is also considering how DRFA funding can be better used to make damaged infrastructure more resilient through the rebuilding process. This has been successfully done in Queensland, with public infrastructure being built back better so that it can withstand the impacts of future disasters. Investment in resilient infrastructure not only improves community resilience, but is more cost effective for all levels of government in the long-term.

The DRFA review aligns with the committee’s recommendation and recommendations made by the Royal Commission into National Natural Disaster Arrangements.

**Recommendation 3: The committee recommends that, as a matter of priority, the Commonwealth Government release funding for mitigation projects through the Emergency Response Fund.**

Response:

The Government **supports** this recommendation.

The Government is committed to spend \$50 million from the Emergency Response Fund on flood mitigation infrastructure initiatives this financial year.

**Recommendation 4: The committee recommends that the Commonwealth Government review, with a view to increase, the rate of the Australian Government Disaster Recovery Payment and the Disaster Recovery Allowance as a matter of priority.**

Response:

The Government **notes** this recommendation.

The Department of Home Affairs is reviewing the Australian Government Disaster Recovery Payment (AGDRP) and Disaster Recovery Allowance (DRA) to establish whether the payments are achieving their intent for Australians who are affected by a major disaster.

The AGDRP and DRA review will help to ensure that the Commonwealth has the correct policy settings and administrative processes in place to effectively deliver the payments in response to future disasters. The review is:

- assessing the effectiveness of the AGDRP and DRA in supporting the relief, recovery, and building resilience of disaster affected individuals, families and communities more broadly
- assessing the appropriateness of the current payment rates, eligibility criteria and activation processes
- considering how the payments complement other recovery measures, including those under the DRFA and other Commonwealth and state/territory programs
- considering ways to streamline administrative processes so that affected individuals can receive assistance sooner following activation and application processes.

The AGDRP and DRA review aligns with the committee's recommendation.

**Recommendation 5: The committee recommends that the Commonwealth Government allocate funding from the Emergency Response Fund to each state and territory for the establishment of a dedicated hazard reduction workforce. Funding should be sufficient to ensure both hazard reduction and ongoing research activities can be conducted on an annual basis.**

Response:

The Government **notes** this recommendation.

The Government is committed to spend \$50 million from the Emergency Response Fund on flood mitigation infrastructure initiatives this financial year.

State and territory governments have responsibility for the protection of life, property and the environment within their jurisdiction. The Government is providing the national leadership needed for more coordinated and targeted action across jurisdictions and sectors to reduce systemic disaster risk. Some initiatives underway include:

- in March 2020, the Australian Government and state and territory governments committed to jointly invest \$261 million over five years from 2019-20 to 2023-24 to reduce the risk and limit the impact of disasters on Australians.
- investing \$88.1 million to extend and scale-up funding for critical research into bushfires and natural hazards.
  - \$2 million to boost funding to the Bushfire and Natural Hazards Cooperative Research Centre (BNHCRC) in 2020-21; and
  - \$86.1 million to transition the current BNHCRC and establish a new, world-class research centre for natural hazard resilience and disaster risk reduction.
- In response to the Royal Commission into National Natural Disaster Arrangements recommendations the Commonwealth government has agreed to:
  - introduction of legislation to give the Government the power to declare a national emergency to help mobilise Commonwealth resources and help tackle the challenges states and local communities may face

- enhancements to national coordination arrangements within Emergency Management Australia (EMA) to streamline requests for Government assets to assist states and territories in their preparation and response to disasters
- establishing a new National Resilience, Relief and Recovery Agency, initially incorporating the functions of the National Bushfire Recovery Agency, functions of the National Drought and North Queensland Flood Response and Recovery Agency, and the disaster recovery and risk reduction functions within the Department of Home Affairs; and
- establishing Resilience Services to meet the information needs of EMA, and the proposed National Resilience, Relief and Recovery Agency.

**Recommendation 6: The committee recommends that the Commonwealth Government provide the Department of Health with increased and ongoing funding for research into the health impacts of unhealthy and hazardous levels of bushfire smoke on the population, with specific funding allocated for research into the health impacts of bushfire smoke on pregnant women, unborn children, and infants.**

Response:

The Government **supports in principle** this recommendation.

Investing in health and medical research is a priority for the Australian Government. It is considered as a key pillar of the health system and is essential to building a stronger, sustainable health system. The Medical Research Future Fund (MRFF), established under the *Medical Research Future Fund Act 2015* (MRFF Act), provides grants of financial assistance to support health and medical research and innovation to improve the health and wellbeing of Australians.

It operates as an endowment fund with the capital preserved in perpetuity. Following the Government's final credit of \$3.2 billion, the MRFF reached maturity at \$20 billion in July 2020. Further information on the MRFF is available at: [www.health.gov.au/mrff](http://www.health.gov.au/mrff).

The devastating bushfire events of 2019-20 warranted concerns about the medium-term health impacts of exposure to toxic ash, environmental contaminants and ongoing mental health stresses.

In response, the Australian Government invested \$5 million via the MRFF in nine research grants investigating the physiological impacts of prolonged bushfire smoke exposure and the mental health impacts of bushfires on affected communities.

These nine grants are funded from the MRFF's Emerging Priorities and Consumer Driven Research (EPCDR) Initiative.

One of the funded grants is to the University of Newcastle, to investigate the impacts of prolonged bushfire smoke exposure on pregnant and breastfeeding women with mild asthma and adults with severe asthma. The outcomes will inform public health advice and future studies. The research activities funded through these nine grants are expected to conclude by mid-2023.

Under the 10-year Investment Plan for the MRFF announced in the 2019-20 budget, the EPCDR Initiative will invest \$633 million from 2019-20 in high-quality research that improves patient care, translates new discoveries into practice, and encourages consumers and researchers to work together on emerging priorities.

Further information and a list of successful grant recipients is available on the MRFF website at: <https://www.health.gov.au/news/5-million-for-research-into-health-impacts-of-bushfires-on-australian-communities>.

In addition, resilience to environmental change, emerging health threats and emergencies is one of NHMRC's strategic priorities identified for action for 2018-2021.

The majority of NHMRC funding is investigator-initiated and is not directed by NHMRC to any specific disease, health or research topic. The subject matter of each application is determined by the applicants. Funding decisions are an outcome of a competitive process that relies on the collective judgement of independent peer reviewers.



NHMRC has committed \$10.8 million since 2010 for number of research grants related to bushfires. These grants have supported research into the health impacts of bushfires, and also research on relevant issues such as the occupational health of firefighters, air pollution, and burns.

A proportion of NHMRC funds are directed to specific topics primarily through the Targeted Calls for Research and International Collaboration schemes, or priorities identified in the NHMRC Corporate Plan.

NHMRC's Special Initiative on Human Health and Environmental Change will provide \$10 million over five years, commencing in 2021, for research to improve Australia's preparedness and responsiveness to human health threats from changing environmental conditions and extreme weather events. Applications for this Special Initiative opened on 18 November 2020 with the outcomes expected to be finalised in late 2021. Further details on this initiative are provided on NHMRC's website.

**Recommendation 7: The committee recommends that the Commonwealth Government make the Better Access Bushfire Recovery initiative and the Better Access Bushfire Recovery Telehealth initiatives permanent mental health support services, with both initiatives properly funded over the forward estimates.**

Response:

The Government **notes** this recommendation.

The Government recognises the need for continued mental health support services for individuals affected by bushfire and for mental health needs to be considered in future disaster responses.

Since January 2020, the Government has invested in a number of emergency response measures to support the mental health and wellbeing of Australians impacted by the 2019-20 bushfires. Through these measures, individuals have access to a range of mental health supports through the Medical Benefits Schedule, Primary Health Networks (PHNs) and digital services.

Two key changes have been made to the Government's Better Access initiative to support people impacted by the 2019-20 bushfires:

The Better Access initiative is a demand-driven Medical Benefits Schedule program available to all Australians with a diagnosed mental disorder who would benefit from a structured approach to their treatment and have been referred by a medical practitioner under a GP Mental Health Treatment Plan or through another eligible pathway.

The Better Access Bushfire Recovery initiative was introduced in January 2020 as a temporary measure to support simple and fast access to Medicare rebated psychological therapy sessions for individuals impacted by the 2019-20 bushfires, until 31 December 2021. These sessions are available without the diagnosis of a mental disorder or a mental health treatment plan to ensure people are able to receive support quickly. People who were affected by the 2019-20 bushfires may be eligible to continue to receive support under the Better Access initiative after the conclusion of the Better Access Bushfire Recovery initiative and should speak with their GP about whether a mental health treatment plan is appropriate for them.

Since 1 September 2018, people living in rural and remote areas (i.e. Modified Monash Model 4 to 7) have been able to access all of their Better Access sessions by telehealth as a means of overcoming the difficulties people in rural and remote areas can face in obtaining appropriate mental health treatment. Through the Better Access Bushfire Recovery Telehealth initiative, also introduced in January 2020, all people affected by bushfires who cannot access sessions face-to-face, can claim rebates for telehealth sessions, regardless of whether they are in a rural or remote region. Sessions via telehealth will be available until 31 December 2021, following the initiative's end date, telehealth will continue to be available for people in rural and remote areas.

The Better Access initiative was further enhanced through the 2020-21 Budget, with \$100.8 million provided to double the number of individual Medicare-subsidised psychological therapy sessions each year from 10 to 20 until 30 June 2022. This expansion was in recognition of the impacts of the COVID-19 pandemic. Telehealth sessions are available as part of this enhancement until 31 March 2021.

The Government has signalled the importance of providing telehealth as part of future emergency health responses and will consider options for the role of telehealth in the context of other key primary health care reforms. This work will be informed by the analysis of the implementation and use of COVID-19 telehealth items, the recently finalised Medicare Benefits Schedule (MBS) Review and advice from other experts including providers and patients.

The Government will also commission a comprehensive evaluation of the Better Access initiative in line with the recommendation of the Productivity Commission's Report on Mental Health. The evaluation will give consideration to evidence-based treatment and interventions available under Better Access; eligible providers, levels of treatment and special access arrangements; and qualitative and quantitative data to determine patient outcomes and provider experience.

The Government also provides funding to PHNs to provide essential mental health support. In response to the 2019-20 bushfires, PHNs in bushfire affected regions are being funded to deliver key mental health and wellbeing support measures including commissioning initial trauma and grief counselling, extending existing services, employing bushfire mental health response coordinators, extending headspace services, providing community grants in bushfire affected communities and providing localised mental health support for bushfire affected communities.

Mental health support for individuals impacted by bushfires is also available through various digital services. In response to the 2019-20 bushfires, Lifeline and Kids Helpline are receiving funding to bolster services, with Lifeline establishing 13 HELP, a dedicated bushfire recovery phone line to support those affected by bushfires.

The Royal Commission into National Natural Disaster Arrangements provides recommendations on mental health needs to be considered in future disaster responses. In line with these recommendations, the National Mental Health Commission is developing the National Natural Disaster Mental Health Framework to guide action and investment on mental health during future natural disasters. The Framework is part of the of the Commonwealth's \$76 million mental health bushfire recovery package and is due to Government by June 2021.

In further support of the Royal Commission into National Natural Disaster Arrangements recommendations, the Government is committed to enhancing the role of PHNs in local disaster response, in particular through engagement with state and local emergency response coordination mechanisms.

The Department of Home Affairs, through the Mental Health Policy Taskforce, is delivering \$15.9 million in mental health initiatives for emergency services workers. This includes an \$11.5 million grants program. The Black Dog

Institute is being funded \$6 million and Fortem Australia is being funded \$4 million to provide trauma care support services to emergency services workers who responded to the Black Summer 2019-20 bushfires and their families and kinship groups. Trauma care support services are available through to 31 December 2021. Fortem Australia is also being funded \$1.5 million to establish a pilot of a social support and mental health literacy network for emergency services workers and their families and kinship groups.

The \$15.9 million package also includes \$4.4 million to develop the first mental health national action plan for emergency services workers, including volunteers, and former and retired emergency services workers to lower suicide rates and improve mental health outcomes among Australia's current and former emergency services workers. The Department of Home Affairs is leading the development of the national action plan in consultation with the National Mental Health Commission, the Prime Minister's First National Suicide Prevention Adviser and other Australian Government and State and Territory Government stakeholders. The national action plan, pending emergency management ministers' endorsement, is due for State and Territory implementation by 1 July 2021. A monitoring, evaluation and learning framework will report on outcomes by 30 June 2022.

Beyond the specific supports outlined above, on 11 December 2020, the National Federation Reform Council agreed to a vision for Australia's future mental health and suicide prevention system and to collaborate on systemic, whole-of-governments reform to deliver a comprehensive, coordinated, consumer-focussed and compassionate system to benefit all Australians. Reform will be achieved through a new National Agreement on Mental Health and Suicide Prevention to be negotiated through the Health National Cabinet Reform Committee by the end of November 2021.

**Recommendation 8: The committee recommends that the Commonwealth Government develop a business case to progress the establishment of a permanent, sovereign aerial firefighting fleet, which includes Large Air-Tankers and Very Large Air-Tankers, and small and medium-sized aircraft as appropriate.**

Response:

The Government **notes** this recommendation.

The National Aerial Firefighting Centre, established by the states and territories, provides a cooperative arrangement for the delivery and sharing of aerial firefighting resources.

The Commonwealth Government acknowledges the maturity, experience and effectiveness of the operational response capabilities of the states and territories. The Commonwealth has no desire to replicate or replace these capabilities, including in aerial firefighting.

The Government does not determine the makeup, size and positioning of the aerial firefighting fleet, as these are decisions for the operational experts in the states and territories – through the Commissioners and Chief Officers Strategic Committee (CCOSC). The Government must take the advice of these operational experts on future aerial firefighting options and requirements to meet Australia's fire risk. NAFC and the CCOSC have been asked to provide this advice to Government.

It is imperative that the Australian Government has a full understanding, informed by evidence, of the capability actually required. This will be pivotal to inform decisions on the future of aerial firefighting to deliver an operationally effective national fleet that is scalable, adaptive and provides value for money. This ensures that states and territories are able to access appropriate aerial firefighting capacity when needed most and can introduce new technology as it becomes available.

The Commonwealth will continue its annual contribution of \$26 million to the National Aerial Firefighting Centre.

The Commonwealth also works with and encourages states and territories to work collaboratively and with industry to build Australian-based aerial firefighting capacity, consistent with their sovereign obligations to maintain appropriate operational response capabilities.

**Recommendation 9: The committee recommends that under Part VIIA, Division 5 of the *Competition and Consumer Act 2010*, the Treasurer direct the Australian Competition and Consumer Commission to undertake monitoring of the prices, costs and profits relating to insurance premiums, with particular attention paid to the impact of climate change-driven severe weather on the natural perils component of general insurance premiums.**

Response:

The Government **notes** this recommendation.

In response to the Royal Commission into National Natural Disaster Arrangements, the Government committed to building the resilience of Australian communities to natural disasters and putting downward pressure on insurance premiums.

**Recommendation 10: The committee recommends that the Australian Prudential Regulation Authority immediately recommence its work on the climate change-related prudential practice and governance guide as it relates to the general insurance industry.**

Response:

The Government **notes** this recommendation.

The Australian Prudential Regulation Authority (APRA) is an independent statutory authority that supervises institutions across banking, insurance and superannuation, and promotes financial system stability.

In a [letter to industry](#) dated 24 February 2020, APRA outlined its planned initiatives relating to climate change financial risk. Included in these initiatives was a proposal to develop a climate change financial risk prudential practice guide (PPG). The PPG will be applicable not just to the general insurance industry, but to all APRA-regulated entities, and will cover areas relevant to the prudent management of climate-related financial risks. The PPG is intended to be aligned with existing APRA requirements as set out in APRA's prudential standards regarding risk management and governance, as well as the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD).

Work on the climate change PPG is currently underway and in early 2021, APRA will publicly announce the revised timeframes for the release of the draft and final PPG.

**Recommendation 11: The committee recommends that the Australian Prudential Regulation Authority should, if it has not already done so, undertake financial vulnerability stress testing of the insurances sector,**

**including consideration of capital adequacy in anticipation of worst case scenario severe weather events causing catastrophic insurance losses, either singly or in combination.**

Response:

The Government **notes** this recommendation.

As outlined in APRA's [letter to industry](#) dated 24 February 2020, APRA advised that it would be undertaking a climate change financial risk vulnerability assessment. APRA will undertake this work in consultation with the Reserve bank of Australia and the Australian Securities and Investment Commission (ASIC), and initially focus on Australia's largest banks - which will provide helpful insights on the impact of a changing climate on the broader economy. The initial climate vulnerability assessment is currently in the drafting phase, with entity engagement on the design expected in early 2021.

While the climate vulnerability assessment may be extended to the insurance industry in the future, APRA regularly conducts stress tests of the general insurance industry and ensures that entities conduct their own stress tests to determine capital adequacy. Following the last catastrophe season, APRA was satisfied with the general insurance industry's resilience and capital adequacy.

**Recommendation 12: The committee recommends that the Commonwealth Government reverse its funding cuts to the Australian Broadcasting Corporation (ABC), and in addition, provide the ABC with annual discrete funding for its emergency broadcast services.**

Response:

The Government **notes** this recommendation.

**Recommendation 13: The committee recommends that Emergency Management Australia, the Commissioners and Chief Officers Strategic Committee and the Australasian Fire and Emergency Service Authorities Council complete the development of the Australian Warning System and the Australian Fire Danger Rating System as a matter of priority.**

Response:

The Government **supports** this recommendation.

On 1 December 2020, the new Australian Warning System was adopted for bushfires in all jurisdictions except for Western Australia, which will adopt it in the near future.

The Australian Warning System has been developed based on community research and input from Australia's emergency services and hazard agencies. Warnings for other hazards such as floods, cyclones and heatwaves will be phased in over time.

Through the National Emergency Management Ministers' Meeting (NEMMM), Emergency Management Ministers will work with other members of their Governments to implement the Royal Commission recommendations, ensuring the recommendations are comprehensively addressed in a whole-of-governments manner. Specifically, ahead of the 2021-22 high-risk weather season, the NEMMM will focus on the remaining elements of the Australian Warning System and the Australian Fire Danger Rating System.