

10 October 2022

Patrick Hodder
Secretary
Senate Finance and Public Administration Committee
PO Box 6100
Parliament House
Canberra ACT 2600
Via email: fpa.sen@aph.gov.au

Dear Mr Hodder

ALGA submission to the Emergency Response Amendment (Disaster Ready Fund) Bill 2022

ALGA welcomes the opportunity to make a submission to the *Emergency Response Amendment (Disaster Ready Fund) Bill 2022*.

The Australian Local Government Association (ALGA) is the national voice of local government in Australia, representing 537 councils across the country. In structure, ALGA is a federation of State and Territory Local Government Associations. This submission should be read in conjunction with any separate submissions received from State and Territory Associations as well as individual councils.

Local Government in Australia makes a substantial contribution to disaster relief, recovery and management.

Councils need to prepare for the unavoidable impacts of climate change and the increasing frequency and intensity of disasters. They have a significant role in addressing climate change and implementing mitigation activities to reduce disaster risk in communities.

Many of our councils have responded to the climate change challenge by adopting proactive strategies to reduce emissions and to adapt to increased climate change impacts through climate change risk assessments and adaptation plans. However, despite having identified potential solutions to the range of challenges, many councils need additional help to implement local projects and innovative solutions. Investment in mitigation not only makes communities more resilient, but has the additional benefit of reducing the amount of funding required post-disaster.

ALGA welcomes the commitment of the Government to providing up to \$200 million per annum to build disaster resilience and to reduce disaster risk. ALGA has repeatedly called for dedicated mitigation funding in its Budget Submissions, Federal Election campaigns and submissions to inquiries over many years, and we are pleased the Labor Government has responded to our advocacy by committing to a permanent mitigation fund.

We support the legislative changes contained in the *Emergency Response Fund Amendment (Disaster Ready Fund) Bill 2022*.

Targeted mitigation funding

ALGA has for many years advocated for the establishment of a targeted natural disaster mitigation program at a level of \$200 million per annum for four years. In addition to disaster mitigation, such funding would have co-benefits that accrue even in the absence of a natural disaster.

Such co-benefits support economic growth and social capital in Australian communities and are an important driver of regional investment decisions.

The need for targeted mitigation funding was raised back in 2014 by the Productivity Commission inquiry into natural disaster funding, which found funding for reconstruction and recovery consumed 97% of disaster funding in Australia, compared with only 3% that went towards mitigation and community resilience measures. Appropriate expenditure on disaster mitigation serves to protect exposed communities. Greater mitigation ahead of disasters is a cost-effective pre-disaster investment, which avoids a much larger investment on recovery following a disaster.

Changing the ratio of investment into mitigation compared to that spent on response, will ultimately reduce need for recovery funding raised through taxpayers and lowering premiums for those living in highly exposed areas.

Ensuring up to \$200 million can be allocated to mitigation each year will be important to reduce disaster risk in communities and building their resilience to the impacts of climate change.

The recurrent nature of the funding is very important and provides an opportunity to demonstrate the effectiveness of mitigation funding and to continue to build community resilience over the years.

Funding assistance for mitigation is imperative, particularly for our small councils which rely heavily on federal funding for financial viability. Without funding through initiatives such as the Disaster ready Fund, these councils would be unable to reduce their risks.

ALGA fully supports the dedication of the Disaster Ready Fund solely for disaster resilience and risk reduction initiatives from 2023-24 onwards. This responds to ALGA's long-held position calling for targeted mitigation funding.

Administrative amendments

ALGA is pleased the Government is honouring commitments made by the former Coalition Government under the Emergency Response Fund for the years 2022-23. Specifically, the \$50 million for the Coastal and Estuarine Risk Mitigation Program and the \$150 million to fund recovery and post-disaster resilience for the Northern Rivers region of NSW.

ALGA supports the provision for Ministers to review the legislated maximum annual disbursement amount every 5 years., and the requirement that adjustments will only be made after seeking advice from the Future Fund Board.

ALGA does not seek to make comments on administrative requirements regarding renaming of the fund or the administrative changes arising from the amalgamation of Emergency Services Australia with the former National Recovery and Resilience Agency.

However, ALGA would like to raise the importance of streamlining and expediting the dispersal of funding for disasters. For example, standardisation of grant application and reporting processes; reducing the administrative burden on councils to access grants under the Fund; and clearly communicated guidelines/mechanisms on how the funding will be dispersed, would enable our councils to better plan for disasters and to prepare their communities.

For further information on this submission please contact Monica Telesny, Policy Director, on

Your sincerely

Cr Linda Scott
ALGA President