

Australian Red Cross Submission on the Emergency Response Fund Amendment (Disaster Ready Fund) Bill 2022

1. Summary

- Australian Red Cross welcomes the \$200M per year directed toward disaster resilience and risk reduction. It is an important and urgently needed shift in policy and practice. It is important to maintain a distinction between funding for disaster resilience, and funding for disaster response/recovery, to ensure pre-disaster efforts remain prioritised into the future.
- **We recommend that 50% of the Disaster Ready Fund be directed to building social and human resilience** at the local level. Social and human impacts of disasters are known to be more costly, so it logically follows that investing in reducing this type of harm would be more efficient than exclusively investing in hard measures.
- Disasters do not impact people evenly, so **we strongly urge you to embed an inclusive approach to the fund distribution** – to ensure marginalised people and people at risk benefit from the Disaster Ready Fund in a culturally safe, systematic and meaningful way.
- Core funding and volunteer stand-up costs are necessary in order to maintain capacity and capability in preparing for, responding to and recovering from emergencies and disasters in local communities in partnership with Government.

2. Australian Red Cross and the Disaster Ready Fund

For more than 100 years, Australian Red Cross has had a role in helping people in Australia respond to, recover from and prepare for disasters and other emergencies. We are part of the world's largest humanitarian network and have been working alongside and embedded in communities, responding to all major disasters and incorporating the lessons learnt into our work, and in our partnerships. Since 1941 when a Royal Charter established an *auxiliary role* for Red Cross, we have had a unique humanitarian mandate to respond to disasters and emergencies. This partnership means governments can benefit from a trusted, credible, independent and non-political partner with local to global networks, who will work to implement humanitarian goals in a way that maintains the trust of not only government, but Australian society as a whole. We also have embedded staff, membership and volunteers across Australia and a deep reserve of evidence, experience and expertise.

Most Australians are familiar with, and expect to see the face of a Red Cross person staffing evacuation centres after a disaster, and take comfort in knowing Red Cross

people are present in every community across the country – bringing humanitarian principles to life for millions of people experiencing vulnerability. Increasingly, evidence shows that investment in disaster resilience, or preparedness prior to disaster, results in less damage, fewer impacts and quicker, more equitable recovery after the disaster.ⁱ We are pleased to see the Government acknowledging this shift by repurposing the Emergency Response Fund and investing in resilience building measures and risk reduction. We are confident that it will result in measurable returns in community safety, substantial cost reductions in disaster recovery and an immediate boost to local economies and community building.

Disaster profoundly affects peoples' wellbeing. Disasters reduce their ability to lead fulfilling and prosperous lives. The human costs of disasters are equal to, or greater than physical costs.ⁱⁱ Human impacts are less visible, inequitable and research shows they are felt by individual survivors for decades. For example, 21% of people affected by the 2009 Black Saturday fires are still experiencing PTSD, stress, or depression, more than a decade later.ⁱⁱⁱ

Because of climate change, people in Australia are in greater danger than ever from disasters. This is not simply from the direct impact of bushfires, cyclones and floods, but from the ongoing devastation these events wreak on mental health, family life, small business, and local and state economies. The impacts on individuals and communities can be long-term and complicated, involving loss of life and injury, damage to health and wellbeing, housing, financial and material losses, shifts in relationships, education and employment prospects, changes in community dynamics, and the environment. Additionally, compounding disasters are having significant impacts on wellbeing, as regions are struck by disaster multiple times.

The following recommendations are grounded in over a century of supporting Australians in disasters, and evidenced by research from the [Productivity Commission](#), the [Australian Business Roundtable for Disaster Resilience and Safer Communities](#), and [Natural Hazards Research Australia](#). We are a partner in the University of [Melbourne's Beyond Bushfires research project](#) into the 2009 Black Saturday Bushfires, the [Australian Institute for Disaster Resilience](#) and a founding member of the [Australian Business Roundtable for Disaster Resilience and Safer Communities](#).

3. Recommendations

Recommendation 1: We recommend that the Bill be amended to include a provision that directs 50% of the Disaster Ready Fund to building social and human resilience for people and communities.

At present in Australia, between 3% and 10% of disaster spending occurs *before* disasters, compared to 90–97% in response and recovery.^{iv} Internationally, only \$5 in every \$100 is spent before the disaster.^v And in all these instances, an even smaller portion is directed to building resilience for people and communities, focusing instead on hard measures.

For many, the most obvious methods of building resilience are installing and improving hard measures: firebreaks, levees, seawalls and building more resilient homes. However, the impacts of disasters are not limited to the costs of damaged property, infrastructure or facilities. In fact, research shows that the economic costs of the social impacts of disaster (health and wellbeing, employment, education and safety issues) are *greater* than the physical costs of restoration of assets – possibly even double.^{vi} Investing in protecting those resources would be more effective and efficient than only investing in infrastructure.^{vii} Additionally, any measures should be long-term, community-led, human-centred and inclusive.

The evidence on the benefits of investing in disaster resilience centred around people and communities is clear:

- More than nine million people in Australia have been directly impacted by a disaster or extreme weather event in the past 30 years.^{viii} This will undoubtedly grow.
- \$250M spent annually in disaster resilience (currently only \$52M) would generate savings of \$11 billion, and reduce federal government spending on disasters by 50%.^{ix}
- The financial costs of the social damage caused by disasters (health and wellbeing, employment, education and safety issues) may be as much as double the physical costs of restoration of assets.^x
- For every \$1 invested in scaled-up treatment for common mental disorders such as depression and anxiety, there is a return of \$5 in improved health and productivity.^{xixii}

Risk reduction programs that focus on individuals and families, such as education and awareness programs^{xiii} – which are far less expensive to run than the cost of infrastructure projects – also have significant, positive community benefits that can be realised immediately (i.e. strengthened social cohesion and connection).^{xiv} Programs that focus on building networks strengthen community connections and enhance disaster resilience. Red Cross is well positioned with existing programs and expertise:

- Community Disaster Resilience Program (piloted and ready to roll-out)
- Pillowcase Program (child, youth and family preparedness)
- Redi-Plan training, Psychological First Aid Training, Recovery Basics Training
- Psychosocial support programs and community outreach
- Disaster Recovery Program.

A range of research shows that people who are connected into their community, and participate in their community, live happier, healthier and longer lives, and their neighbourhoods are better places to live.^{xv}

While hard measures are important, and their value can easily be demonstrated and quantified, it is critical to ensure that social and human resilience is in place. The people that live behind the seawalls, firewalls and levees need meaningful support to build the connection, wellbeing, knowledge and security needed for resilience to any shock. This will help communities get better at anticipating hazards, withstanding adversity, reducing costs and recovering more quickly. It will create jobs and make communities

stronger, more connected and therefore, better able to withstand future disasters and other shocks.^{xvi}

Recommendation 2: Disasters do not impact people evenly, so we strongly urge that an inclusive approach to fund distribution be embedded in the Bill – to ensure people facing systemic marginalisation and people at risk benefit from this funding pool in a culturally safe, systematic and meaningful way.

The human impacts of disaster are also often felt disproportionately by more disadvantaged members of our society.^{xvii} Red Cross sees this through long-term research with the University of Melbourne into the aftermath of the Black Saturday Bushfires, our work with the Australian Business Roundtable for Disaster Resilience, our own research into Emergency Resilience in CALD Communities,^{xviii} our international experience and working in and with Australian communities affected by disasters for the past 108 years.

Marginalised groups may include people for whom English is not a first language or who are made vulnerable by migration or temporary visa status, those who are impacted by the criminal justice system, people living with disability, people who are experiencing homelessness, people who experience physical and mental health concerns, people who are digitally excluded, and those who are financially disadvantaged. Aboriginal and Torres Strait Islander people may also be excluded from opportunities to develop their resilience. Many of these challenges are cross-cutting and need to be acknowledged and planned for in an inclusive and systematic way.

It is important that targeted approaches are developed in partnership with these groups and important to acknowledge the inherent strengths and existing capacities to maximise opportunities to build resilience. This is particularly relevant, as we know that vulnerable groups are likely to experience the impacts of disasters more severely than those who have greater access to resources and strong social capital.

4. Beyond the Disaster Ready Fund

Australian Red Cross recognises and welcomes the positive impact that the Disaster Ready Fund will have on the sector and community capacity to prepare for and respond to disaster. However, with an increasingly complex and uncertain world, driven by a rapidly changing climate, increasing urbanisation and inequality, conflict and societal polarisation, the current model for supporting people in navigating these challenges is no longer sustainable.

Australian Red Cross currently carries the responsibility of preparing for and responding to emergencies and disasters across the country, and contributes this capacity and expertise in emergency preparedness, management, response and recovery across the country. This is currently unfunded, despite the clear benefits to community, government, and emergency management across Australia. To better support communities to build resilience in preparing for and adapting to extreme weather events caused or exacerbated by climate change and to reduce the impacts of disasters, including a healthier recovery, Australian Red Cross needs support from the Australian

government to ensure our trained, ready-to-deploy workforce of volunteers and staff are able to scale-up, immediately respond, support long-term recovery, address psychosocial needs of communities, and help with preparedness planning.

Red Cross receives no significant, ongoing funding to ensure it is ready to respond and able to maintain capacity and capability, yet we are relied upon by all governments and the entire Australian community. Red Cross receives generous donations people make after a disaster, however the most common expectation is that funds go directly to survivors, rather than to support the skilled and critical work we do in communities before, during and after these events. In the US, Canada and UK, governments rely on Red Cross for this role and consequently fund a minimum base workforce so Red Cross can provide an effective humanitarian response. We recommend that the Australian government review these models and provide Australian Red Cross with a similar level of funding – and security – to continue to build this contribution to how Australia prepares for, responds to and recovers from emergencies and disasters.

Australian Red Cross estimates \$13.5 million per year is required to have our ready to deploy volunteer workforce in communities across Australia immediately able to respond to disasters, and support preparedness planning and community disaster resilience.

Red Cross is proud to have supported people in Australia in recent years through major disasters. This includes nearly 50,000 people through evacuation centres and over the phone across 46 local government areas during the 2019–20 Bushfires, providing over 272,000 wellbeing calls to over 110,000 people in quarantine or isolation, and providing over 40,000 people with immediate relief grants. We also reach 9 million people each year with our Emergency Ready Week Campaigns in September. We have also established wide ranging and long-term recovery programs following the Black Summer bushfires, building on our experience from the Black Saturday Bushfires in 2009 and Queensland Floods of 2011.

Red Cross' century-long experience points to the success of putting in place measures to boost individual, organisational and community resilience at the earliest opportunity, to reduce the impact of oncoming adversity. The more resilient a person or community is, the better able they are to cope with and recover from adversity and trauma. Therefore, ongoing, meaningful investment into the important work of Australian Red Cross will save lives and dollars and help people live more fulfilling and prosperous lives.

ⁱ Australian Business Roundtable (ABR) for Disaster Resilience & Safer Communities, Special Report: Update to the economic costs of the social impacts of natural disasters in Australia, 2021.

ⁱⁱ *ibid.*

ⁱⁱⁱ Gibbs L, Molyneaux R, Harms L, Gallagher HC, Block K, Richardson J, et al. 10 Years Beyond Bushfires Report Melbourne University of Melbourne, 2020.

^{iv} De Vet, E, Eriksen, C, Booth, K, French, S. An Unmitigated Disaster: Shifting from response and Recovery to Mitigation for an Insurable Future. International Journal of Disaster Risk Science, 2019.

^v Department of Foreign Affairs and Trade, Disaster Risk Reduction and Resilience: Why we provide aid for disaster risk reduction, 2022.

^{vi} Australian Business Roundtable (ABR) for Disaster Resilience & Safer Communities, Special Report: Update to the economic costs of natural disasters in Australia, 2021.

^{vii} Randrianarisoa, A, Richardson, J, Brady K, Leguy Understanding preparedness and recovery: A survey of people's preparedness and recovery experience for emergencies. Australian Red Cross, North Melbourne, Vic. 2021.

^{viii} Deloitte Access Economics & Australian Business Roundtable (ABR) for Disaster Resilience & Safer Communities, 2017.

^{ix} *ibid.*

^x Australian Business Roundtable (ABR) for Disaster Resilience & Safer Communities, Special Report: Update to the economic costs of natural disasters in Australia, 2021.

^{xi} World Health Organization, World Mental Health Day: An opportunity to kick-start a massive scale-up in investment in mental health, 2020.

^{xii} Deloitte Access Economics & Australian Business Roundtable (ABR) for Disaster Resilience & Safer Communities (2017).

^{xiii} Examples include Community Disaster Resilience Program and Pillowcase Program. Case studies can be provided on request.

^{xiv} Aldrich DP, Meyer MA., Social Capital and Community Resilience, *American Behavioral Scientist*, 59(2), 254–269. 2016.

^{xv} Aldrich DP, *Building resilience: Social Capital in Post-Disaster Recovery*, University of Chicago Press, Chicago, 2012.

^{xvi} Australian Business Roundtable for Disaster Resilience and Safer Communities, *Building our nation's resilience to natural disasters*, 2013.

^{xvii} Abramson D, Culp D, Park Y, Stehling-Ariza T & Walsh L & 'Measuring individual disaster recovery: A socioecological framework'. *Disaster Medicine and Public Health Preparedness*, 2010.

^{xviii} Chandonnet, A, *Emergency Resilience in Culturally and Linguistically Diverse Communities: Challenges and Opportunities*, 2021.