

Good evening Senators.

Natural disasters and disaster recovery, preparedness and mitigation continue to make the headlines. I want to address some of the public commentary that has reached a point where the Australian community could be excused for feeling deceived.

First, the repeated false claims that ‘not one cent’ of the Emergency Response Fund has been spent.

This is completely untrue.

As some of you are aware, having voted on the legislation that dictates how it can be used, the Emergency Response Fund (or ERF) is a dedicated Australian Government fund of last resort.

The Emergency Response Fund Act 2019 determines how much of the fund can be used each year, and how. Not the Government.

Each financial year the Government can draw up to \$50 million to build disaster preparedness, risk reduction and long-term sustainability.

For three consecutive years, the full \$50 million – that’s **\$150 million in total** – has been allocated: **\$100 million** for flood mitigation works under the National Flood Mitigation Infrastructure Program and **\$50 million** for a new Coastal and Estuarine Risk Management Program. I will come back to this later.

Additionally, \$150 million is available each year for emergency response and recovery following significant or catastrophic disasters **if** existing arrangements are not enough.

To date, they have been enough.

Here’s why: the Australian Government has directed billions of dollars to immediate response and recovery through the Disaster Recovery Funding Arrangements, and in response to major catastrophic events like the 2019/20 Black Summer Bushfires and the 2019 North

Queensland Flood. This is without having to dip into the Emergency Response Fund.

In the past decade the Australian Government has provided **more than \$12 billion** through the Disaster Recovery Funding Arrangements (DRFA).

There's the **over \$1.58 billion** response to the 2019 North Queensland Flood, with money still flowing as needed. We've been rolling out a series of grants exclusively for 14 of the hardest hit LGAs. For example, the second round of the Managing Disaster Risk program is currently open as part of the 2021-22 round of the Queensland Risk Reduction Fund.<sup>1</sup>

And every single dollar of the now **\$2.2 billion** National Bushfire Recovery Fund has been paid or allocated to affected communities, part of the **\$2.9 billion** in Australian government support following the 2019/20 Black Summer Bushfires.

At the weekend Minister McKenzie announced an **additional \$110 million** for the Black Summer Bushfire Recovery Grants program, taking the total amount of funding under this program to **more than \$390 million**.<sup>2</sup>

The additional funding recognises the high number of quality projects which, after a thorough, competitive, merit-based assessment, were recommended for funding.

Most importantly, these are projects the communities themselves identified. They will support the medium and long term recovery of communities affected by the bushfires and I am very pleased we have

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<sup>1</sup> <https://ministers.pmc.gov.au/mckenzie/2021/19-million-available-queensland-communities-increase-resilience-and-reduce-disaster-risk>

<sup>2</sup> <https://ministers.pmc.gov.au/mckenzie/2022/additional-funding-black-summer-bushfire-recovery-grant-program-backs-524-community-projects>

been able to fund so many more of them with this extra investment from Government.

Details of the 524 projects that will receive grants are on the Agency's website.

As already reported to this committee, through the Local Economic Recovery grants program, we've committed **\$350 million** for over 400 projects. All funds have gone to the states, and a small amount of funding is still to be passed onto communities.

The ERF is designed to top up the many billions the Australian Government already spends on disaster response, recovery and preparedness, **if needed**. The interest earned ensures a significant funding pool is available for future generations.

Claims that the ERF has sat idle earning interest is fake news.

As you know, changing how the fund is used will require an amendment to the Act and that is a matter for Government. My job as the Coordinator-General of the National Recovery and Resilience Agency is to advise how to best spend the available funds.

Which brings me to the National Flood Mitigation Infrastructure Program. When last we spoke we were finalising agreements with respective states and territories to allow the funds to be transferred for the 22 successful projects under Round 1.

While some might consider it convoluted and unnecessary, we need to make sure taxpayer funds are used as intended and that requires formal funding agreements, which take time to settle.

All \$50 million from Round 1 was out the door, committed and allocated, by 7 December 2021. This includes the largest single project supported under the round, the Katherine Flood Levee. It received \$9.4 million in

federal funds with the Territory Government funding the balance of the project. I announced that project on 14 November.

Round 2 of the program opened in November<sup>3</sup>, which will see a further \$50 million – drawn from the Emergency Response Fund – for mitigation works that protect communities from major flooding. Applications closed earlier this month.<sup>4</sup>

Yesterday, a further \$50 million was announced for the new Coastal and Estuarine Risk Management Program.<sup>5</sup> The Royal Commission into National Natural Disaster Arrangements highlighted the need to mitigate risks to low-lying coastal communities due to predicted sea level rises and more regular and intense storms.

The program will target projects such as grey infrastructure like seawalls, groynes, storm surge and tidal barrages in estuaries; as well as nature based solutions such as protecting coastal wetland ecosystems to reduce the risk of inundation and shoreline erosion.

The \$50 million a year allocation from the ERF for disaster preparedness, risk reduction and long-term sustainability is **just one aspect** of the government's investment in ways to reduce the impact and severity of natural disasters.

The National Recovery and Resilience Agency is responsible for **around \$20 billion** in programs that support disaster recovery and resilience. We also work across government to identify further ways to invest in reducing the severity and impact of natural disasters and drought.

I'm outlining some of this work for you tonight, but it is not the sum total of the Government's commitment.

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<sup>3</sup> <https://ministers.pmc.gov.au/mckenzie/2021/applications-now-open-another-50-million-national-flood-mitigation-infrastructure-initiatives>

<sup>4</sup> <https://recovery.gov.au/programs/disaster-resilience-and-risk-reduction>

<sup>5</sup> <https://ministers.pmc.gov.au/mckenzie/2022/50-million-emergency-response-fund-coastal-and-estuarine-resilience>

The **\$600 million** Preparing Australia Program is now underway. The **\$150 million** Preparing Australian Communities Local Stream grants program closed on 6 January. For this first round we received around 350 applications for projects that seek to improve the resilience of communities against bushfires, floods and tropical cyclones. Successful projects are expected to be announced next month.<sup>6</sup>

Some people say not enough is being done. It will take time to address the current imbalance and starting somewhere is better than not starting at all.

Australia spends 97% of disaster funding on mopping up and just 3% on getting ready.<sup>7</sup> Deloitte Access Economics estimates the cost of mopping up will increase to between \$73 billion and \$94 billion a year by 2060.<sup>8</sup>

Reducing the impact of natural disasters isn't the sole responsibility of the Commonwealth. We all have a role to play.

Sometimes the simpler steps can prove quite effective. I recently wrote to local governments through their national and state bodies and urged them to consider ways to help their residents to keep homes and businesses clear of clutter.<sup>9</sup>

From my experience as the Northern Territory Chief Minister, I know that hard rubbish like old electrical goods, broken furniture and left-over materials from home DIY projects can quickly turn dangerous in a cyclone, storm or flood, threatening lives and causing extensive damage.

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<sup>6</sup> <https://recovery.gov.au/programs/disaster-resilience-and-risk-reduction>

<sup>7</sup> <https://insurancecouncil.com.au/media-releases/ica-welcomes-federal-budget-disaster-mitigation-funding/>

<sup>8</sup> Special Report: Update to the economic costs of natural disasters in Australia. October 2021.

<http://australianbusinessroundtable.com.au/our-research>

<sup>9</sup> <https://recovery.gov.au/about-us/media-centre/helping-households-stay-free-%E2%80%98dangerous%E2%80%99-bulky-waste>

The up-front investment in activities like curbside collections and tip vouchers might seem a lot....but it can turn out to be much less than the cost of cleaning up and fixing up after a disaster.

I now want to come back to the suggestion that the Australian Government should be dipping into the ERF immediately following a natural disaster. As I have already said, it hasn't needed to.

Since the 2019 North Queensland Flood, 137 disasters have been declared in 398 unique Local Government Areas with a total population of around 20.8 million (to 11 February 2022).

Responding to natural disasters, including the provision of relief and recovery assistance, is primarily the responsibility of state and territory governments.

Recognising the significant cost, the Australian Government also offers the survivors a 'hand up' in various ways. For example, the money we continue to channel directly to communities following the 2019 North Queensland Flood and the 2019/20 Black Summer Bushfires.

We also support the states and territories to meet their obligations through the jointly-funded DRFA.

Just over seven months into this financial year, the DRFA has been activated in response to 32 natural disasters, with 256 LGA activations for assistance (noting some LGAs have been activated more than once) (to 14 February 2022).

Now, another criticism I've heard often is that money doesn't get delivered fast enough. Well, Senators, not on my watch.

But let's rely on the facts to tell the story, not the rhetoric we often hear spread around publicly.

Between 9 November and today (14 February) my Agency oversaw:

- DRFA Category A and B activations in 73 local government areas in NSW, 47 in Queensland, 8 in the Northern Territory, 26 in Victoria, 14 in South Australia and 4 in Tasmania.
- DRFA Category C and D activations in 60 LGAs in NSW, 15 in Queensland, 24 in South Australia and 17 in Victoria.

And we jumped to getting the Commonwealth payments for eligible individuals out the door through Services Australia: one-off Disaster Recovery Payments of \$1000 for adults and \$400 for children, and short-term income support in the form of the Disaster Recovery Allowance.

The Disaster Recovery Payment has been made available to people in 4 Queensland LGAs. 8,341 claims have been granted with **over \$9.7 million** already paid out (at 9 February 2022).

The Disaster Recovery Allowance was activated in 53 NSW LGAs and 24 Queensland LGAs. 61 people are receiving this support (at 9 February 2022).

Applications for both remain open for a few more months.<sup>10</sup>

I just described to you the scale of what our fellow Australians were dealing with in the space of some three-and-a-half months.

If you're still of the view that the Australian Government doesn't work fast enough to help people who've just had their lives, properties, livelihoods and communities severely disrupted because of a natural disaster, consider these examples:

- From the moment the NSW Government first activated DRFA on 18 November – which is how this process works – we worked in

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<sup>10</sup> <https://www.servicesaustralia.gov.au/active-natural-disaster-events?context=60042>

lock-step. The Minister jointly announced the commitments the same day advice of an activation was received. This meant no unnecessary delays in communities knowing what support was available.

- Immediately following the severe flooding around Queensland's Wide Bay-Burnett region on 8 January resulting from ex-Tropical Cyclone Seth, my Agency recommended that the Australian Government Disaster Recovery Payment and the Disaster Recovery Allowance be made available to people in the LGAs of Bundaberg, Gympie and Fraser Coast. This was announced on 10 January.<sup>11</sup>
- The same day (10 January) a range of DRFA measures - from personal hardship assistance, the reconnection of essential services, reconstruction of essential public assets and concessional loans for small businesses and primary producers - were announced for six LGAs.<sup>12</sup>
- For the floods in South Australia, DRFA assistance has been made available to 14 LGAs to help with operational costs and clean-up and restoration activities.

It's important that I visit communities as soon as possible after a disaster, taking care not to get in way of the first responders. I do this to understand the damage, talk to those on the frontline of the response and recovery, and talk to the survivors.

If I know what's supporting their recovery and what's frustrating them, I can make sure that we all work together to make their lives a little bit

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<sup>11</sup> <https://ministers.pmc.gov.au/mckenzie/2022/federal-government-assistance-queensland-flooding>

<sup>12</sup> <https://ministers.pmc.gov.au/mckenzie/2022/disaster-assistance-flooded-wide-bay-burnett-communities-queensland>



easier at what is a stressful, challenging and sometimes heartbreaking time.

I inspected flooded towns in central west and northern NSW and southern Queensland in early December. With our local recovery support officers, I worked my way from Canberra, through Forbes, Gunnedah and Moree before crossing the border at Goondiwindi (after testing negative for COVID) and heading to Inglewood and Warwick.

In January, just days after ex-Tropical Cyclone Seth dumped an unpredictable amount of rain around Maryborough, Gympie and the broader region, I was on the ground talking to people who in some cases had gone from a decade of drought to a massive wall of water in a matter of hours.

While most of the media interest centred on Maryborough, we must never forget that the floodwaters had a much wider reach and in some places, the impact was far greater.

Take Goomeri, Kilkivan and Tanzey. The people in these small rural communities are understandably traumatised. They're tough Australians who will work together and support each other to pull through, however long it takes.

You can see the stories for yourselves on our website and social media. We tell these stories so Australia doesn't forget what the survivors have been through.

I make these trips to understand the impact, and to bring hope. I'm often told it means a great deal that someone in my role cares enough to show up and listen. I wouldn't mind a quid for every time someone has said to me: "You're the first person from Canberra in charge of something, who turned up!"

It's something the Agency in its various iterations has been doing since the 2019 North Queensland Flood, and we'll keep doing it.

People need assurance that we're there at the beginning, and we're staying for the long haul. The Agency's Recovery Support Officers – our eyes and ears on the ground right across the country – are and will always be a critical part of our operation.

Their efforts during the current disaster season underscore the merits of having regionally-based staff who live and work in the communities they support.

For the large scale disasters since November, they were able to provide local condition updates and damage reports so we had an early handle on what support might be required.

And they were able to quickly connect those affected with assistance as it became available.

Throughout all this, Australians have been dealing with the ongoing challenges of the pandemic as governments at all levels respond to the constantly changing environment brought on by the rapidly spreading Omicron variant.

My Agency has policy responsibility for the disaster payments for people whose work has been directly impacted. Overall the Australian Government has paid **over \$13 billion** in both COVID 19 Disaster Payments and Pandemic Leave Disaster Payments.

With National Cabinet agreeing to changed quarantine and isolation requirements and a new definition of a close contact, the Pandemic Leave Disaster Payment also changed. People who've lost at least a

day of work because they're COVID-19 positive or caring for someone who is, or who is a close contact, may be eligible for up to \$750.<sup>13</sup>

Senators, it's easy to say 'the government' didn't do enough or didn't move fast enough to help people after a disaster, especially one the size and scale of the Black Summer Bushfires which raged through five states and the ACT.

Let me sound a word of caution: be careful what you say because people often unquestionably believe what they hear and see in the media, and this drives anxiety and depression at a time when we are trying to manage the mental health of the survivors.

By all means ask for clarification and further explanation, but don't challenge the confidence of your fellow Australians and the institutions that are trying to support them.

Recovery takes time and is influenced by many factors. Short supplies of materials, demands brought on by multiple disasters, state government-imposed border restrictions which hinder the ability of insurance assessors and tradespeople from going where they're needed, and the general shortage of qualified tradespeople because of consecutive governments' poor investment in apprenticeships, have a compounding effect.

These are outside my direct control.

What I can do, what I've been appointed to do and what I'll continue to do, is cut red tape so that Australian Government funding can get out the door as fast as possible.

For an Agency that became fully operational a little over seven months ago, we are off to a strong start delivering on our remit. And while the critics continue to imply more can be done without acknowledging what

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<sup>13</sup> <https://ministers.pmc.gov.au/mckenzie/2022/changes-pandemic-leave-disaster-payment>

**has** been done, the National Recovery and Resilience Agency will continue to do what we do best – helping local communities rebuild and recover while strengthening Australia against future disasters.

Make no mistake: my priority has and always will be, the survivors. The Agency I lead is committed precisely to that.

If I'm sounding fed up - I am. If I'm sounding tired and exhausted, having worked continuously through Christmas, New Year and the start of 2022 on floods, storms, severe weather events and ex-Tropical Cyclones (Australia-wide) - I am.

I'm nearing the end of my working life at 72 so misinformation, political point-scoring and one-upmanship doesn't wash with me.

My priority remains the survivors. The Chairman of Red Cross asked me last year 'When it comes to NRRA what does success look like?' In a word: hope. Hope that there will be a tomorrow.

If people are misled and confused, hope doesn't stand a chance.

I remain accountable for all funds and my Agency staff and I'm here to answer your questions.