

OPENING STATEMENT

**The Hon Shane L Stone, AC QC
Coordinator-General
National Recovery and Resilience Agency**

31 March 2022

Good afternoon Senators.

I want to open by offering my condolences to the families of the people who've lost their lives in some of the most severe and extensive floods Australia has experienced. Only 24 hours ago, the people of Lismore were being evacuated for a second time as floodwaters threatened their homes and businesses.

These 'rain bomb' events as they've come to be known, have smashed much of Eastern Australia from late February. In many cases, the floods hit fast – in some areas, waters rising quicker and higher than anyone anticipated.

In the events that followed the Australian Government's response was the fastest in the Commonwealth's history. Within 24 hours of Queensland and New South Wales activating the Disaster Recovery Funding Arrangements, the Australian Government put in place the immediate disaster payments for adults and children.

As of 27 March, over 1 million Australians have received emergency cash payments and income support.¹ Over \$1.38 billion has been paid out. These payments take immediate pressure off families.

¹ <https://minister.servicesaustralia.gov.au/media-releases/2022-03-17-federal-disaster-payments-delivered-more-one-million-flood-impacted-australians>

Eighty-one local government areas in Queensland and New South Wales with a combined population of almost 10.5 million have been activated for Disaster Recovery Funding Arrangements.

The assessment continues and will be ongoing, but to date over 4,700 homes have been rendered uninhabitable including over 3,000 which have been destroyed or severely damaged. Over 1,600 businesses have suffered a direct impact (as at 29 March 2022).

The Insurance Council of Australia estimates insurance claims will total \$2.4 billion, with the largest percentage of claims for property damage.

These people – our fellow Australians – are top of mind as the National Recovery and Resilience Agency works with the state and local governments and the communities over the many years it will take to recover.

The Agency has worked hand in glove with Emergency Management Australia throughout this disaster in terms of the Commonwealth's role and continues to do so.

The Queensland and NSW Governments have primary responsibility for the immediate response and of course remain front and centre with the recovery. Local Government also remains critical. The scale of this disaster will require a collective and sustained effort.

Shortly thereafter I was on the road through northern NSW visiting Tweed, Byron Bay, Ballina and Lismore.

Before then, I'd been to Brisbane suburbs talking to members of the Australian Defence Force and residents as they cleaned up.

Speaking about the floods in Parliament on Tuesday, the Prime Minister said Lismore had experienced an 'inland tsunami' earlier this month.

Over 1300 homes had been rendered uninhabitable. The town's infrastructure has been trashed, the CBD is no more.

Yesterday's flooding adds to the devastation, with many northern NSW communities again inundated. Words cannot do justice to the deep sorrow we feel for people who have already been through so much.

The National Recovery and Resilience Agency has worked behind the scenes from the day the disaster started to play out – and we haven't stopped.

As the floods unfolded, I spent most of my time in Canberra with my team, keeping government informed of the immediate support needs as we worked with Emergency Management Australia, and with the Queensland Reconstruction Authority, Resilience NSW and other key stakeholders to understand the floods' impact.

At that time, my job was not to be on the ground. That was the job of the first responders, and we are not the first responders.

I was where I needed to be and chose to focus my time and energy getting support out the door. We achieved that in record time.

Before floodwaters receded in Queensland and as the emergency continued to play out in New South Wales, we responded.

For the people who've lost loved ones, whose homes were destroyed or damaged, who have tried to salvage their irreplaceable memories and possessions from the mud and debris, and who face an uncertain financial future: I am deeply sorry for your loss.

But the fact remains, this was the fastest federal response in history.

The Agency is responsible for the joint Commonwealth-State Disaster Recovery Funding Arrangements (DRFA). The relevant state

government drives this process, even though we work with them to develop their submissions. They are the initiators.

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

My team worked around the clock with Emergency Management Australia and our Queensland and New South Wales counterparts to understand the impacts and determine what types of relief and recovery support were needed. This included areas eligible for the emergency payments for adults and children, and to work with the states on their Category C and D support packages.

In addition, over \$2 billion has been committed under categories C and D of the Disaster Recovery Funding Arrangements in addition to what is likely to be well over \$1 billion in assistance under Categories A and B.

In NSW, this support includes \$300 million for clean-up activities, a \$285.2 million housing assistance package; a \$150 million industry support package; funding for Northern Rivers businesses; \$1 million grants for councils to meet immediate needs; recovery grants for small businesses, primary producers and not for profits; a \$142 million Property Assessment and Demolition program; and funding for Community Recovery Officers.

There is also a support package for larger businesses who are the lifeblood of these towns – the sooner they're back in business, the sooner people can start working again and return to some sense of normalcy. This includes Australian-owned dairy co-operative, Norco, whose Lismore operations were significantly damaged by the floods.

There is similar support for Queensland: \$1 million grants for councils to meet immediate needs; recovery grants for small businesses, primary producers and not for profits; and grants of up to \$20,000 for restoration of community and recreational assets.

On top of the Disaster Recovery Funding Arrangements is a suite of additional programs: emergency and food relief and financial counselling, additional funding for mental health services and in the Northern Rivers, a tailored “Resilient Kids” program for school aged children.

Further support was announced on 19 March: the Australian Government will draw down \$150 million from the recovery component of the Emergency Response Fund and give equal grants to Queensland and NSW – that’s \$75 million each – to spend where they, in agreement with the Commonwealth, determine it is most needed for recovery and post-disaster resilience initiatives.²

This will be followed by a further \$150 million in 2022/23 for projects specifically for Lismore, to be informed by a \$10.4 million regional study led by this Agency in partnership with the CSIRO and working closely with the NSW Government. It’s known as the Northern Rivers Resilience Initiative.³

This is precisely the reason the Emergency Response Fund was established – to support recovery and resilience initiatives following significant or catastrophic disasters. I think you’d agree it doesn’t get much worse than what we’ve experienced over the last month or so.

² <https://ministers.pmc.gov.au/mckenzie/2022/extra-150-million-qld-and-nsw-flood-recovery-and-resilience>

³ <https://ministers.pmc.gov.au/mckenzie/2022/2022-23-budget-targets-flood-support-and-national-recovery-and-resilience>

Billions of dollars have been committed, and there may be more, as impact assessments and further discussions with the Queensland and NSW Governments help us understand the longer term recovery needs.

This is taxpayer money, and as such we have a responsibility to balance haste with rigour when we recommend where to direct support.

Our advice is based on evidence – drawing data from a range of sources including:

- early residential damage assessments conducted by the respective state government agencies,
- geospatial images of the flood footprint estimating the square kilometres of flooding in each LGA,
- the proportion of the local population within the flood zones, and
- the proportion of the population that had applied for the Australian Government Disaster Recovery Payment.

Based on the information we had at the time, we estimated the local government areas of Lismore, Richmond Valley and Clarence Valley were catastrophically impacted and so the additional disaster payments for affected residents in these areas – known as the Australian Government Disaster Recovery Payment Special Supplement - were announced on 9 March.⁴

A little under a week later and once further information had been provided and assessed, these additional payments were announced for people in the Ballina, Byron, Kyogle and Tweed Councils who were affected by the floods.⁵

⁴ <https://www.pm.gov.au/media/press-conference-goonellabah-nsw>

⁵ <https://ministers.pmc.gov.au/mckenzie/2022/additional-commonwealth-financial-assistance-made-available-flood-victims-ballina-byron-kyogle-and-tweed>

The Agency's Recovery Support Officers are also a key source of local information for us. Their efforts during the current disaster season underscore the merits of having regionally-based staff who live and work in the communities they support.

They provided regular updates on local conditions which helped us roll out support as quickly as possible.

They supported the state authorities to undertake damage assessments.

They are working from recovery hubs and attending community outreach events.

They are part of local, regional and state recovery groups.

And because they live in these communities, they will remain involved in the recovery for however long it takes.

I have often said that recovery takes time and depends on many variables. In the case of this most recent disaster, I think we can all agree recovery is going to take quite some time.

Many obstacles will only be overcome through great effort from all levels of government, industry and the impacted communities.

We will need a good amount of patience.

For example, the reconstruction challenge is exacerbated by a pre-existing shortage of housing in many of the impacted areas, and a pre-existing shortage of building materials and skilled tradespeople.

I completely understand that people want to get back into their homes and on with their lives, and it is going to take time. Much like the Black Summer Bushfires, circumstances beyond our control will pose a significant hurdle.

Since the 2019 North Queensland Flood, 154 disasters have been declared in 402 unique Local Government Areas with a total population of around 20.8 million. The scale of what Australians deal with at times beggars belief.

And behind these numbers is immeasurable heartache mixed with sheer determination to press on.

Since my time as the Northern Territory Chief Minister I have been in flood affected communities from the start to well after the waters have receded and others have moved on.

I've seen too much despair and devastation.

Science tells us that longer, hotter, drier summers and more extreme weather are here to stay. While we continue supporting people and communities to recover from floods, bushfires, cyclones and drought, we also look at minimising the impact of future disasters.

Applications for the new \$50 million Coastal and Estuarine Risk Mitigation Program – announced on 13 February – are open. This is the third program funded from the resilience component of the Emergency Response Fund.

The full \$150 million available from the resilience component of the Emergency Response fund has now been earmarked for mitigation projects.

- As detailed last time, all \$50 million from Round 1 of the National Flood Mitigation Infrastructure Program has been handed over to the respective state and territory governments, which are responsible for managing the projects. We've been advised projects are on track.

- An announcement of successful projects funded under Round 2 – also valued at \$50 million - is imminent.

Also imminent is an announcement of the successful projects to be funded under the **\$150 million** Preparing Australian Communities Local Stream grants program.

While on the subject of the Preparing Australia Program, I want to correct some misreporting, in particular with regards to Lismore. They were not denied funding under this program in November – as I have already stated, successful projects are yet to be announced.

In November, in response to concerns raised by members of the community, I visited Lismore and met with a range of stakeholders and residents.

I confirmed Lismore, along with all other LGAs regardless of their prioritisation, were eligible to apply for funding under the program and invited them to submit an application, which they did.

The Agency also supported them to secure the regional flood study I mentioned earlier – critical foundation work which builds a strong evidence base for future funding.

There is no shortage of community projects centred on disaster recovery and preparedness which could be funded. And the reality is, the grant programs the Agency manages have finite budgets and specific purposes and we have to make sure the funding is fairly allocated to well-planned projects which best meet local needs.

In a competitive grants program, there will be those who succeed and those who don't.

In the same way that we work with those who have been successful, we will reach out to those who have not succeeded and encourage their ongoing interest in other grant programs that might be available.

Where we can, we will always work with groups to secure support when our grants programs aren't the right avenue.

It should not be forgotten that the states and territories also have a role to play. This is not solely the Commonwealth's responsibility.

Collective action is needed so that Australians aren't repeatedly facing life threatening situations where they lose everything but the clothes on their backs.

This means not just building back, but building back better. There's no use restoring infrastructure like for like. When it comes to reconstruction, 'betterment' should be the rule, not the exception.

It means investing in ways that lessen the impact and severity of future natural disasters.

We can't control the weather but we can look at ways to minimise the impacts through flood levees, cyclone shelters, early flood warning systems and the like.