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# SMOKESCREEN

The rhetoric and reality of federal bushfire recovery funding

February 2021

Matt Lloyd-Cape  
with Shirley Jackson and Abigail Lewis

*GetUp!* percapita



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## About Per Capita

Per Capita is an independent progressive think tank, dedicated to fighting inequality in Australia. We work to build a new vision for Australia based on fairness, shared prosperity, community and social justice.

Our research is rigorous, evidence-based and long-term in its outlook. We consider the national challenges of the next decade rather than the next election cycle. We ask original questions and offer fresh solutions, drawing on new thinking in social science, economics and public policy.

Our audience is the interested public, not just experts and policy makers. We engage all Australians who want to see rigorous thinking and evidence-based analysis applied to the issues facing our country's future.

## About the Author

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## Acknowledgements

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We would like to thank the following bushfire survivors - strong, resilient community members leading the recovery effort at the local level, who feature in the documentary and in this report:

- Sherylle Holster - Coordinates a volunteer care project in East Gippsland for people affected by bushfires
- Veronica Abbott - Volunteer Coordinator at the Quaama Renewal Centre
- Paul And Judith Collins - GetUp members who lost their home in the outskirts of Southern Sydney
- Jya-Ruby Nation - Activist at The Sanctuary, a youth led community organisation in Mallacoota
- Julie Brown - Volunteer cook at BlazeAid camp in Cobargo
- Jude Turner - Volunteer coordinator at BlazeAid camp in Cobargo



# EXECUTIVE SUMMARY

This report examines the allocation and distribution of federal funds from 1 January 2020 to 31 December 2020, following the bushfire crisis of 2019-2020. While large pledges were made to support families and businesses, much of the funding appears to be unspent, or seems to have been allocated based on political motivation rather than need.

There is a significant lack of transparency surrounding application procedures and how funds are allocated, and poor reporting mechanisms which make it hard to know how much has been spent, how many people are still in financial need, and in what timeframe they can expect to be supported.

## Less than half the promised funds have been released by the Federal Government

**The Federal Government has announced \$2.74 billion in bushfire funds in the last 12 months. However, we estimate that only \$1.3 billion had been spent by 31 December 2020, around 48% of the promised total.**

**Figure 1: Allocation of recovery spending as of 31 December 2020**

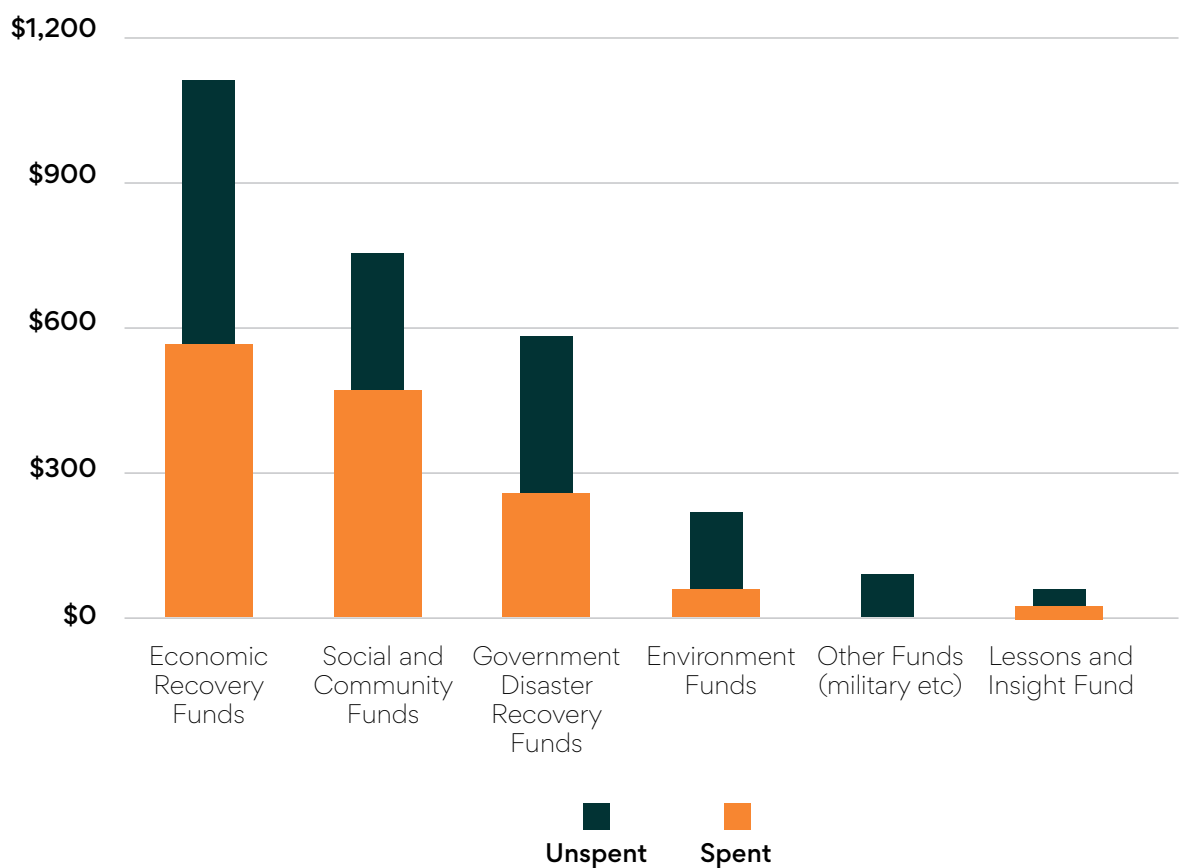
Fund	Allocated (\$m)	Spent (\$m)	Spent (%)
NBRA funding	2,077.7	1066.7	51.3
Government Disaster Recovery Payments/Allowance	565.9	241.4	42.7
Other	93.8	0	0
<b>Other</b>	<b>2,737.4</b>	<b>1308.1</b>	<b>47.8</b>

The amounts spent under different fund categories ranges significantly, but the major economic and social funds, and individual support payment funds are estimated to be between 43% and 64% spent (see Figure 2).

This shortfall is partly explained by the scheduling of spending over several years, and by the length of time required to assess and sign off projects under the economic recovery fund, which is released in stages.

However, there is clear evidence of multiple failures of process in allocating funds directly to survivors, as well as of the redirection of funds to other purposes, resulting in people desperately in need of support waiting for months to receive help.

**Figure 2: Recovery Fund Spending, by Category (\$m)**





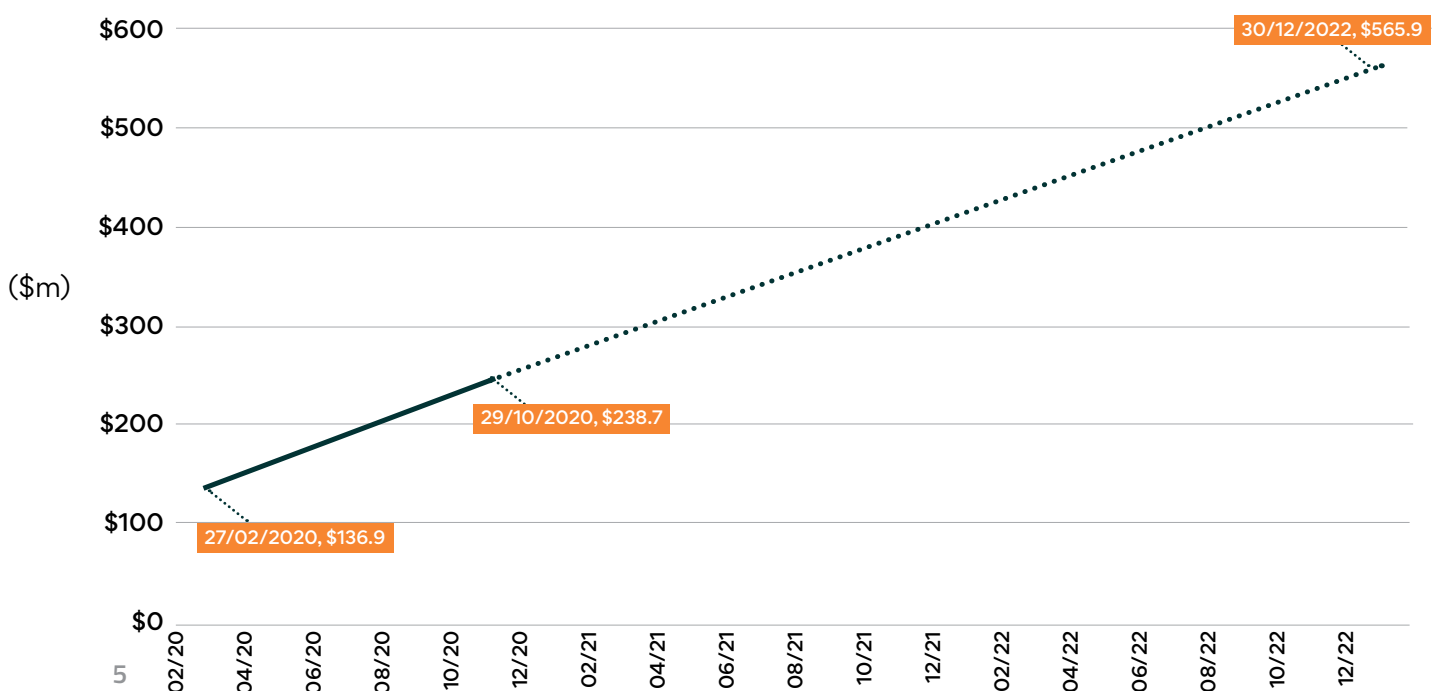
## Promised funds are not reaching families in need fast enough

**Providing funds to families in need is happening at a snail's pace. The Disaster Recovery Payments and Allowances (DRP/DRA), which are intended to support people through the short-term effects of losing homes and assets to the fires, have been distributed painfully slowly (see Figure 3). At the current rate, it will take until nearly 2023 to distribute the funds – three years after the fires.**

The Federal Government promised \$565.9 million in immediate DRP/DRA funding to bushfire survivors. By late February 2020 around a quarter of this \$565.9 million fund had been distributed. But eight months later, by 30 October 2020, this figure had only risen to less than half (42.6%), with just \$241 million actually provided to families living in temporary accommodation having lost their possessions almost a year ago.

At the current rate, it will take until December 2022 to distribute the entire fund – three years after the fires.

**Figure 3: DRP/DRA spending between March and October 2020, with projection to full fund spend**



## The distribution of Economic Recovery Funds appears to favour LNP states and seats

**The Local Economic Recovery and Complementary Projects (LERCP) funds are intended to help communities rebuild their economy after the fires. So far 86% of LERCP funds have gone to the Liberal-governed states of New South Wales and South Australia, with only 14% going to Labor-governed Victoria and Queensland.**

Of the \$228 million in funds so far released, \$176 million (77%) has gone to NSW, and nearly \$20 million (9%) has gone to South Australia. Queensland and Victoria have confirmed only \$17 million (8%) and \$14.5 million (6%) respectively (see Figure 4). This means that NSW has so far been given twelve times the amount of Federal funding that Victoria has received.

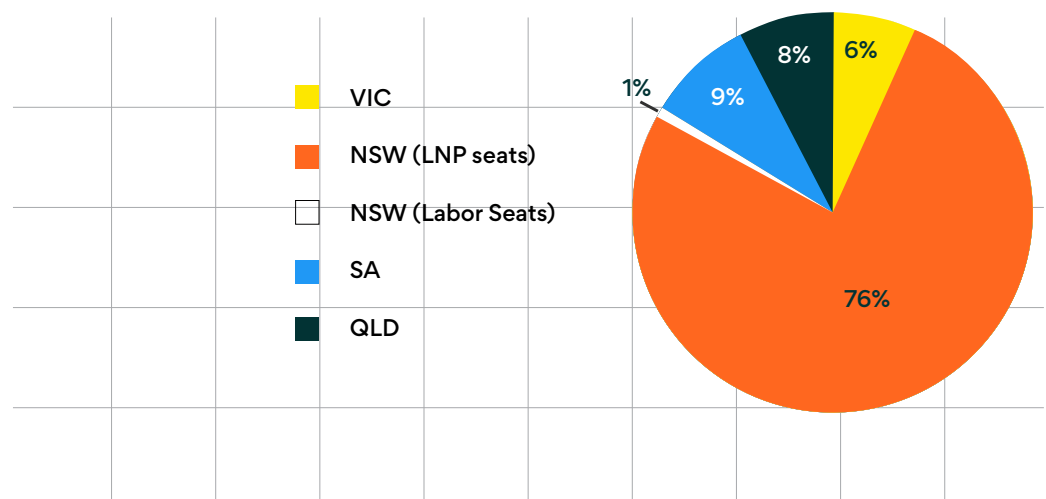
Perhaps even more damning, there is evidence that bushfire recovery funds may be being “pork barrelled” within states – that is, disproportionately provided to electorates held by the Liberal and National Parties for political purposes rather than allocated based on need.

As the Michael West Media Group exposed in late January 2021,<sup>1</sup> only \$2 million (1.14%) of the \$176 million fund was allocated to NSW state Labor seats, despite some of them, such as the Blue Mountains, having been the most directly affected by the bushfires.

In contrast, Wagga Wagga, the electorate of Deputy Prime Minister Michael McCormack, received \$40 million, equal to 18% of the total national LERCP funds so far released.

Deputy NSW Premier John Barilaro, far from refuting the accusation of pork barrelling, has said that he is proud of this practice: “[pork barrelling] is a name that I’ve never distanced myself from because I’m actually proud of ... what it represents”.<sup>2</sup>

**Figure 4: Confirmed LERCP spending (\$m)**



<sup>1</sup> <https://www.michaelwest.com.au/pork-barrelling-inquiry-to-probe-bushfire-funds-routed-to-coalition-a-billionaire-and-the-extraordinary-wagga-wagga-windfall/>

<sup>2</sup> <https://www.theguardian.com/australia-news/2021/feb/08/nsw-deputy-premier-john-barilaro-defends-bushfire-grants-program-against-claims-of-pork-barrelling>



# The Federal Government has failed on transparency and accuracy

**Considering the level of national importance these funds hold, government transparency over them is severely lacking. In addition, there are multiple accounts of Federal Government ministers misrepresenting the scale of the funding and the speed of delivery.**

There appear to be multiple instances in which Federal Government ministers have overstated how much money has been spent, or have conflated the allocated funding with money actually reaching bushfire survivors. For example, in a speech to parliament on 10 December 2020, Minister for Agriculture, Drought and Emergency Management, The Hon. David Littleproud MP, implied that all the DRP/DRA fund had been spent. However, our estimation is that only 43% has been spent.

There are also examples where it appears that government ministers, including the Prime Minister, have announced the same funding twice, first for the bushfires, then announcing the same money again for COVID-19 relief.

This research paper relies heavily on estimation because there is simply not enough publicly available information for survivors and the public more broadly to know if their governments are distributing money fairly, impartially, and according to need.

Considering the significant destruction of lives, homes, businesses and communities, and the reported difficulties that many survivors have had accessing funds, a far higher degree of caution should be used by ministers in ensuring they do not spin the numbers to suit their purposes. More broadly, government transparency over the bushfire funds has been severely lacking.

Publicly available information is insufficient, particularly regarding how much money has reached the pockets of those most in need. Our requests for data from relevant departments at state and federal level went largely unanswered,<sup>3</sup> although we acknowledge that our timeframe for responses was relatively short.

## The \$2 billion fund for the National Bushfire Recovery Agency is notional only

**Senior civil servants have confirmed that the \$2 billion allocated to the National Bushfire Recovery Agency is notional only; a theoretical description of a number of different pots of money, some new and some redirected from other government programs.**

The \$2 billion bushfire recovery package announced by Prime Minister Scott Morrison on 6 January 2020, and which has been commonly referred to by government ministers since that date, has since been called into question.

In testimony to Senate Estimates on 2 March 2020, public servants responsible for the operation of the National Bushfire Recovery Agency (NBRA) informed the Parliament that the widely promoted \$2 billion package was a “notional fund” – that is, it did not exist as a discrete pool of new money provided specifically and directly to help affected communities recover from the impact of the fires, but was a theoretical description of a number of different pots of money, some new and some redirected from other government programs.

***“The \$2 billion fund is a notional fund.”***

*Abigail Bradshaw, NBRA Deputy Co-ordinator, Senate Estimates on 2 March 2020*

In fact, senior bureaucrats from the NBRA advised Senators in that hearing that they controlled only around a quarter of the \$2 billion announced by the Prime Minister in January 2020. While the amount to be allocated to the NBRA had reached the announced figure of \$2.1 billion by July’s Economic and Fiscal Update, this funding is spread over five years.

It also remains unclear when the various pieces of funding were allocated to different government departments under the NBRA, or where that funding came from.

The total amount announced by the Minister for Agriculture, Drought and Emergency Management, The Hon. David Littleproud MP — including the NBRA funds, the direct federal payments to bushfire survivors and the cost of military support during the crisis — is around \$2.74 billion.



## The amount spent is a tiny fraction of the total cost of the 2019-2020 bushfire season

**Academics and economists have estimated the total costs of the 2019-2020 bushfires are as high as \$100 billion, meaning only 1.5% of what was needed has been promised – and not even half of that has been spent.**

The scale of destruction wrought by the 2019-2020 bushfire season is difficult to truly capture in a dollar amount. This research paper makes no claims to have analysed the total economic costs of those bushfires.

However, leading economists have calculated the total cost at as high as \$100 billion. If this is the case then the Federal Government has so far spent less than 1.5% of the total cost, according to our calculations.

Far from seeking to mitigate such future costs, the Federal Government is signally failing to reduce climate-related risks in their energy, environment, and land use policies. This means that the Federal Government is failing survivors of future climate-linked disasters, as well as delivering as little as half of what was promised to people affected by the 2019-2020 bushfires.

## Our emergency funding systems are unprepared the next crisis

**Increasingly frequent, dangerous, and costly climate disasters are a reality, and are being exacerbated by the Federal Government's inaction on climate change. The Federal Government is not prepared for worsening climate impacts in terms of its recovery processes.**

The chances of extreme or catastrophic climate change-linked disasters are increasing dramatically. The UN estimates that the frequency of some extreme weather events has doubled in the last twenty years.

### **Our research suggests that effective federal funding schemes are hampered by:**

- Too much discretionary spending power at the state and federal level;
- Too little transparency over the processes used to sign off on the spending of public money; and
- Inadequate reporting procedures to allow for the independent assessment of progress.

The Bushfires Royal Commission found that the application procedures for financial support were so frustrating and confusing that many survivors were left “traumatised”.

We must learn to do better, and fast. Crises such as the 2019-2020 “Black Summer” will become more frequent, more dangerous, and more costly as the effects of climate change increase. It is vital that we set in place efficient, effective, transparent, and impartial systems of financial support so that future survivors can trust governments to support them.



## Recommendations

### Fairness and impartiality

This report uncovers a lack of impartiality over how application information has been distributed and how funds were allocated, and that there is no way for the public to be sure of this due to a lack of transparency over federal and state processes and data. Furthermore, we find that the Federal Government has explained neither the criteria for the merits of individual LERCP projects in their own right (cost, jobs created, economic impact, etc.) nor the criteria for distributing funds equitably to the communities most in need. We therefore make the following recommendations with the goal of improving fairness and impartiality:

**Recommendation 1:** An independent review of systems for monitoring contractors and third-party financial recipients, with recommendations acted on.

**Recommendation 2:** Ensure the application process and criteria used to assess the appropriate allocation of funds under all disaster relief and bushfire recovery programs are publicly available and easily accessible by affected communities. Publish guidelines in accessible formats and distribute freely to communities. Publish the criteria for distributing the funds on the relevant federal, state, or local government departmental website and make them available to the media.

**Recommendation 3:** Account for the distribution of all federal funding, regardless of the ultimate means of distribution to communities, in full via the Senate Estimates process.

## Streamlining and transparency

Disaster funding is a complex set of arrangements, requiring coordination between states, federal agencies, emergency services, the military, and volunteers. Our research shows how the Federal Government's focus on announcing headline figures rather than reporting on the actual provision of cash and services to survivors is introducing unnecessary complexity to the system that will have to be resolved as we enter a more volatile era of climate emergencies. In the interests of streamlining and transparency, we therefore recommend:

**Recommendation 4:** Central reporting on the progress of fund delivery, including regular updates on how much funding has reached final users, whether that be state governments, local governments, businesses, families, or individuals. This reporting should include continuous and public updates on average waiting times for time-critical funds.

## Aiding and assisting survivors

Our research has made clear that for individuals who may have fled homes, lost phones, have no internet access or may be suffering illness or trauma, making funds available through general application is insufficient. Far greater effort needs to be made to ensure that people caught up in such disasters are able to access financial support. To aid and assist survivors, we recommend:

**Recommendation 5:** Federal and state/territory agencies should dedicate public sector staff to proactive engagement with survivors in order to identify opportunities for financial support and to marshal them through the application processes.

**Recommendation 6:** The Federal Government should fund and implement the recommendations of the Royal Commission into National Natural Disaster Arrangements in full.

## Capacity and continuous improvement

Many of the problems we have identified in this report relating to federal oversight of how funds are spent, how quickly and easily survivors can access them, and how well they are reported, stem from a lack of government capacity. The ideological battle to minimise public workers and hire in for-profit providers means that the Federal Government simply does not have the capacity to “flex up” during a crisis, but instead has to engage in lengthy negotiations with contractors to bring in under-qualified and inexperienced, temporary staff. Our government must ensure that as well as reducing the likelihood of disasters by acting on climate science, it also has the means to actively engage in mitigating, responding to and recovering from disasters. This simply cannot be outsourced. We make the following recommendation to build such capacity:

**Recommendation 7:** The Federal Government must regard building its capacity to minimise risks associated with climate disasters as a primary responsibility. As such, it should remove the hiring cap in the public sector, audit the use of outsourced contracts, and invest in new training and graduate programs to build up internal capacity and institutional knowledge for disaster response.







# INTRODUCTION

**“Over 24 million hectares were burnt. Many Australians were impacted, directly or indirectly, by the fires. Tragically, 33 people died and extensive smoke coverage across much of eastern Australia may have caused many more deaths. Over 3,000 homes were destroyed.”**

*Royal Commission into National Natural Disaster Arrangements, 2020*

01

The 2019-2020 bushfire season was one of the worst environmental disasters ever experienced in modern Australia. The size and fury of the fires was unlike any in living memory. The devastation caused to communities along Australia’s Eastern seaboard was unprecedented, and it was clear the cost of replacing lost homes and businesses, and restoring the natural environment, would be similarly extraordinary.

On 6 January 2020, Prime Minister Scott Morrison announced his government was establishing a \$2 billion National Bushfire Recovery Fund, promising that funds would “be ready to hit the ground in communities where the fire-front has passed to help them rebuild,”<sup>4</sup> and that “if further funds are required, further funds will be provided.”<sup>5</sup>

Given the scale of the disaster, Mr Morrison acknowledged that the final cost would likely rival the \$5.6 billion paid out in disaster recovery assistance over six years following cyclone Yasi and the Brisbane floods.

Despite these big promises, though, the processes for actually delivering money to the people affected by the bushfires were quickly shown to be inadequate. On 2 March 2020 the Morrison government conceded that the application process for loans and grants was taking far too long, leaving businesses and communities

<sup>4</sup> <https://www.beagleweekly.com.au/post/where-is-the-money-only-one-in-eight-dollars-out-of-the-promised-bushfire-relief-funding-has-been>

<sup>5</sup> <https://www.theguardian.com/australia-news/2020/jan/06/coalition-pledges-2bn-for-bushfire-recovery-as-it-walks-back-from-budget-surplus-pledge>



in limbo, with just \$2.9 million of loans and grants approved, and total spending at \$205 million.<sup>6</sup> By 11 May 2020, some six months after the bushfires began to tear through regional communities, only an additional \$55 million had been spent, taking the total to \$260 million or around 13% of the promised amount.<sup>7</sup>

A month later the Royal Commission into National Natural Disaster Arrangements heard from many members of the public of their deep frustration and growing despair at the lengthy delays in obtaining government funding for their recovery. There was widespread confusion over the eligibility for support under the relief and recovery programs funded through the NBRA. Commission Chair Mark Binskin said a “postcode lottery” seemed to be at play in many of the problems the commissioners were seeing,<sup>8</sup> implying that it was a matter of chance rather than process that determined who was receiving support.

As we shall see, this characterisation was actually too generous: it was not so much chance, but politics, that was deciding the communities to which government funding for recovery was directed.

<sup>6</sup> <https://www.abc.net.au/news/2020-03-02/government-concedes-bushfire-grants-taking-too-long/12018560>

<sup>7</sup> From senate estimates in response to Question on Notice from Member for Gilmore, Fiona Phillips MP.

<sup>8</sup> <https://7news.com.au/news/bushfires/bushfires-clean-up-too-slow-say-councils-c-1120589>



*“In the early days after the fire, when we still had no real communication, when Covid hit and all our paid support retreated back behind computer screens, the number of times I was told ‘Don’t worry people can just go and look on the website for that.’ And I was like, well how do they access the internet?” - Veronica is a volunteer coordinator at Quaama Renewal Centre, a bushfire recovery centre on the NSW South Coast. (January 2021)*



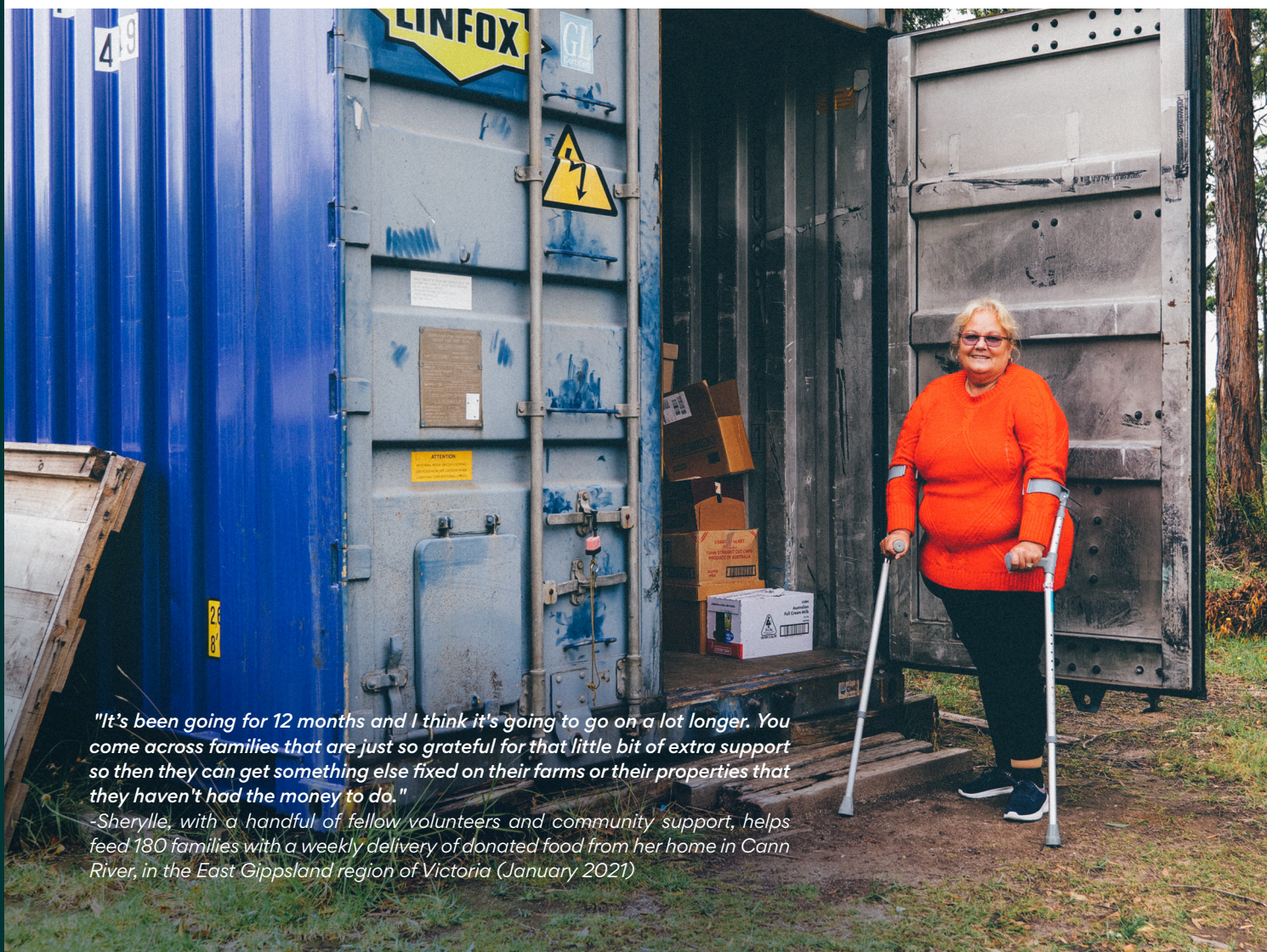
<sup>9</sup> [https://parlinfo.aph.gov.au/parlInfo/download/committees/estimate/5f83c1eb-df99-4979-8bf7-ddc-1cc2ecafb/toc\\_pdf/Finance%20and%20Public%20Administration%20Legislation%20Committee\\_2020\\_03\\_02\\_7588\\_Official.pdf?fileType=application%2Fpdf#search=%22committees/estimate/5f83c1eb-df99-4979-8bf7-ddc1cc2ecafb/0000%22](https://parlinfo.aph.gov.au/parlInfo/download/committees/estimate/5f83c1eb-df99-4979-8bf7-ddc-1cc2ecafb/toc_pdf/Finance%20and%20Public%20Administration%20Legislation%20Committee_2020_03_02_7588_Official.pdf?fileType=application%2Fpdf#search=%22committees/estimate/5f83c1eb-df99-4979-8bf7-ddc1cc2ecafb/0000%22), page 158

<sup>10</sup> Ibid

Media outlets and community organisations have documented many cases of long delays and complex application procedures for families and businesses attempting to access government financial support, but these accounts from affected communities are difficult to confirm. Official statements from ministers and departments simply do not provide sufficient clarity about how much of each pot of government money has actually reached bushfire survivors.

Perhaps most disturbingly, statements to Parliament by departmental officials from the NBRA have thrown into question the very existence of the \$2 billion bushfire recovery package announced by the Prime Minister on 6 January 2020.

During Senate Estimates on 2 March 2020, when Labor Senator for Queensland Murray Watt questioned the funding allocations made available to the NBRA, Deputy Co-ordinator Abigail Bradshaw stated that to her knowledge *“the \$2 billion fund is a notional fund”*<sup>9</sup> (emphasis added by author), which was later confirmed by her superior Andrew Colvin. Indeed, when interrogated further during estimates, Mr. Colvin admitted that as far as he was aware, only \$550m of funding for bushfire recovery projects was under the authority of the NBRA, and of that only \$380m had been delivered, in various forms, at that time.<sup>10</sup>



*"It's been going for 12 months and I think it's going to go on a lot longer. You come across families that are just so grateful for that little bit of extra support so then they can get something else fixed on their farms or their properties that they haven't had the money to do."*

*-Sherylle, with a handful of fellow volunteers and community support, helps feed 180 families with a weekly delivery of donated food from her home in Cann River, in the East Gippsland region of Victoria (January 2021)*



This report collates and examines the evidence of how the Federal Government's bushfire recovery funding was allocated, how it was distributed, and to whom. We look at how much money was provided directly through the Federal Government and how much through state, territory and local governments. Our objective is to examine how much of the promised money reached bushfire survivors, and when.

## 1. A note on the data



This research has been compiled using publicly available information from the NBRA, media reports, parliamentary speeches, Senate Estimates Questions on Notice, private communications with government departments, and other sources.

However, the available information is patchy and incomplete, despite the scale of the spending and the importance of providing relief to survivors. We contacted many government departments at the state and federal level, but received just one response, from the Queensland Disaster Reconstruction Authority. Because of this we have had to estimate figures, either by applying ratios of spending from one state to another, extrapolating between different pots of money and so on.

While we have made every effort to find appropriate data, we acknowledge that a lack of data may have led some of our calculations to contain errors.

## 02

# WHAT MONEY WAS PROMISED?

This section outlines the various sources of funding that were made public over the past year. Treasury documents indicate that \$2.1 billion was allocated to the NBRA between 2019 and 2024. A further \$565.8 million was made available through Services Australia, in order to assist bushfire survivors with immediate costs (such as being made homeless). This is made up of two funds; the Disaster Recovery Payment (DRP) and the Disaster Recovery Allowance (DRA). Another \$93.8 million was spent on other items such as the military response Operation Bushfire Assist.

In total this means that \$2.737 billion was promised in federal aid.

***"Where do you go from here? I think everybody is still not sure. There's so many people who've still done nothing or don't want to do anything. I think we all want to sit and watch and wait."***

*- Julie lost her home last year, and is currently volunteering as a cook in the Cobargo BlazeAid camp, where volunteers help local landowners rebuild burnt out fences. She is not ready to return home. (At Cobargo on the NSW South Coast - January 2021).*



## 2.1 Where did the \$2.1 billion figure first appear?

The Economic and Fiscal Update, Appendix A of July 2020 contains a budget for the five years 2019-2020 to 2023-2024, which seems to be the first time the \$2.1 billion claim is substantiated by the Federal Government. Figure 3 below is a compiled list of funding per department allocated from the National Bushfire Recovery Fund from the Economic and Fiscal Update data.

**Figure 5: National Bushfire Recovery Fund allocations with Departments**

Fund	2019-20 (\$m)	2020-21 (\$m)	2021-22 (\$m)	2022-23 (\$m)	2023-24 (\$m)
Department of the Treasury	665.8	526.2	150.8	140	0
Department of Home Affairs	64.5	4	1.4	0	0
Department of Social Services	50	0	0	0	0
Tourism Australia	41.5	29.5	0	0	0
Department of Agriculture, Water and the Environment	19.1	120.1	96.9	10.2	0
Department of Health	15.5	36.7	13.1	0	0
Department of Foreign Affairs and Trade	4.1	0	0	0	0
Department of Education, Skills and Employment	4	26.2	1.5	0.1	0.1
Services Australia	1.9	0.3	0	0	0
Australian Trade and Investment Commission	0.9	0	0	0	0
Department of Veterans' Affairs	0.2	0.4	0.1	0	0
Department of Infrastructure, Transport, Regional Development and Communications	0	12.2	15	0	0
Department of Industry, Science, Energy and Resources	0	8.5	14.5	8	8
Department of the Prime Minister and Cabinet	0	0.5	11.3	0.5	0
<b>Total (annual)</b>	<b>867.5</b>	<b>764.6</b>	<b>304.5</b>	<b>158.8</b>	<b>8.1</b>
<b>Rolling total</b>	<b>867.5</b>	<b>1632.1</b>	<b>1936.6</b>	<b>2095.4</b>	<b>2103.5</b>

Source: Authors calculations based on Economic and Fiscal Update 2020 APPENDIX A: POLICY DECISIONS TAKEN SINCE THE 2019-20 MYEFO <sup>11</sup>



Rather than the headline figure of \$2.1 billion used by the Treasury, the NBRA uses a slightly lower figure of \$2.078 billion to describe funds under its remit: a discrepancy of \$25.8 million. This could be accounted for by the reallocation of \$25 million from bushfire support to COVID-19 support documented in Section 5.3. For the purposes of this research, we use the NBRA's figure of \$2.078 billion.<sup>12</sup>

## 2.2 What other money has been announced?

On top of this \$2.078 billion, the Federal Government and the NBRA have claimed that the total figure is far greater, with an additional \$659.7 million<sup>13</sup> being announced by David Littleproud, Minister for Agriculture, Drought and Emergency Management, and referenced in the NBRA website. This figure is made up of one large fund and several smaller funds:

### Disaster Recovery Payment (DRP) and the Disaster Recovery Allowance (DRA)

\$565.8 million has been allocated to paying individuals and small businesses through the DRA/DRP schemes.<sup>14</sup>

### Further funding

\$93.8 million in other funding has also been documented, including the costs of the military Operation Bushfire Assist, the cost of additional firefighting aircraft, support for youth psychological services and other small items (See Appendix B).

## 2.3 The total

With \$2.078 billion allocated to the NBRA, \$565.8 million allocated to Services Australia for DRA and DRP payments, and other smaller funding lines, the sum total of announced funding amounts to more than \$2.737 billion.

**Figure 6: Total Federal Spending Commitments**

Fund	(\$m)
NBRA funding	2,077.7
Government Disaster Recovery Payments/Allowance	565.9
Other	93.8
<b>Total</b>	<b>2,737.4</b>

<sup>12</sup> This is done in order to be able to use the NBRA data for separate funds.

<sup>13</sup> <https://www.bushfirerecovery.gov.au/progress-to-date/funding>

<sup>14</sup> <https://www.bushfirerecovery.gov.au/progress-to-date/funding>



03

# HOW MUCH HAS BEEN SPENT?

This section shows how much of the \$2.737 billion in funding has been spent.

Firstly, we discuss how the term “spent” may be misleading, given that it does not mean the money has reached bushfire survivors, just that it has left the Federal Government account.

We then move on to collecting publicly available data and identify three large funds of money which are unaccounted for in the NBRA records – the DRP/DRA Fund worth \$565.9 million, the Disaster Recovery Funding Arrangements (DRFA) including a debris clean-up fund worth \$445.9 million, and the Local Economic Recovery and Complementary Projects fund (LERCP) worth \$448.5 million.

This lack of information explains why we move in Section 4 to estimate the three largest funds.





*"People say to us 'Oh sorry to hear that you lost your house and all your contents'. And silently in my head I say 'bugger that, all the animals died'. You can re-build a house and contents, but when you lose your lifestyle you've got to figure out what you're going to do tomorrow."*

*-Judith and Paul built a shed to live in for the two years it would take to re-build their home, and are slowly re-planting and regenerating their sustainable lifestyle. (South-western Sydney - January 2021)*





### 3.1 What ‘spent’ means (and doesn’t mean)

The term ‘spent’ is used by the government frequently in relation to the bushfire recovery funds and needs a little interrogation before moving on. ‘Spending’ in this context is used as an accounting term for money leaving the account of the spending agency. While funds such as the Disaster Relief Payment are paid directly from the Federal Government to individuals, the majority of the bushfire recovery funds are delivered through other parties. These parties include state/territory governments, local governments, charities, and consultants. This means that while funds may have been ‘spent’ there is no guarantee that the funds will have reached the business, family, council, or individual it is intended to assist.

To further complicate matters, many of the larger funds delivered by states/territories are paid through reimbursement. That is, state and territory governments first have to pay for a particular service and then claim it back from the NBRA. Defining how much of, and when, the federal bushfire funding has reached the end user is therefore complicated in two ways: firstly, because federal accounting does not necessarily show how much of the ‘spent’ money has reached bushfire survivors, and secondly because reimbursable federal spending delivered to survivors by states and territories may not be reconciled until a future accounting period.

This means that estimates of how much of the total federal bushfire relief and recovery spending reaching survivors must be regarded with a degree of caution, unless directly delivered from federal agencies to individuals.





## 3.2

### NBRA data

The NBRA website contains an update as to the various funding streams and the amounts that have been released under each stream, up to 31 November 2020.

Figure 7 below shows the summary of allocated and dispersed (spent) money by intended use. It shows that, as at 31 December 2020, the total amount under the control of the NBRA was \$2.078 billion. Of this amount, around \$861 million (around two fifths of the total) is listed as having been spent.

**Figure 7. NBRA Allocations by Category**

Fund Type	Allocated (\$m)	Dispersed (\$m)	Balance (\$m)	Dispersed (%)
Economic	1,092	576	516	52.7%
Infrastructure	47	20	27	42.7%
Environment	203	48	155	23.6%
Lessons and Insight	0	0	0	0.0%
<b>NBRA total</b>	<b>2,078</b>	<b>861</b>	<b>1,217</b>	<b>41.4%</b>

*Source: Authors' calculations based on information from the NBRA website as of Jan 2021*

However, this does not give a true picture of the total spend by government since the three largest funds contain no data on the website. For this reason, we have sought to estimate the total spend of these three large funds in the following section.



*"More than building fences, we are making connections with people and helping re-build lives. The need is so great from property owners, managing people's expectations is really hard, the expectation that we'll be here until the last fence is built is a really hard ask of a totally volunteer organisation."*

*- Jude, the volunteer coordinator of the Cobargo BlazeAid camp, where volunteers have built fences for 186 property owners over the past year (Cobargo is on the NSW South Coast - January 2021)*





## 04

# ESTIMATING THE THREE LARGE FUNDS

As identified above, the three largest funds are particularly difficult to gain an estimate for since there are no dollar values provided by the NBRA. These three funds are:

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1. The DRP/DRA fund - \$565.9 million
2. The Local Economic Recovery and Complementary Projects (LERCP) fund - \$448.5 million
3. The Disaster Recovery Funding Arrangements (DRFA) including debris clean-up fund - \$445.9 million

Together they account for over \$1.55 billion, 54% of the \$2.73 billion total claimed allocation. This section estimates the spending based on information found in government press releases, information released during Questions at Senate Estimates and from the press.

**Our estimates of spending under these three funds is:**

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1. The DRP/DRA fund - \$241 million, around 42.7% of the total fund.
2. The LERCP fund - \$114 million, around 25% of the total fund.
3. The DRFA fund - \$24.9 million, around 54% of the total fund.

The low level of spending under the LERCP programme is explained by long timeframes needed to propose and assess economic recovery projects. However, the DRP/DRA spending of less than 43% is highly concerning, given that this fund is intended to aid bushfire survivors in desperate situations. There are also very irregular uses of the LERCP fund, which appears to have been distributed based on party allegiance rather than on either the merits of individual projects or on the need of specific communities. This leads to very serious questions to both state and federal bodies which approved this spending.



***"You can't listen to all those stories without it affecting you, and it has affected me. I can't carry the load on my own and I shouldn't have to. Our government should be doing a lot more to support these people. Why am I - a pensioner, with a cancer sufferer and a diabetic - why are we having to do the work? Where is the rest?"***

*-Sherylle, with a handful of fellow volunteers and community support, helps feed 180 families with a weekly delivery of donated food from her home in Cann River, in the East Gippsland region of Victoria (January 2021)*

## 4.1 Disaster Recovery Payments and Disaster Recovery Allowance

Perhaps of highest specific concern for this research project is how much of the Government Disaster Recovery Payment and the Disaster Recovery Allowance fund has been delivered to bushfire survivors. This fund is the largest single fund in dollar value and is directly delivered from the Federal Government to individuals and families through Services Australia. Because of this we can assume that DRP/DRA payments could reach families and individuals relatively quickly compared to funds which are administered by a separate third party.

The principle of the funds was to provide rapid assistance to alleviate the hardship experienced by families and businesses. So far as we can find, no federal or state agencies have released this information to date.

Unfortunately, it appears that the terms ‘DRA’ and ‘DRP’ are used sometimes individually, and sometimes just DRP will be used to discuss both. This makes the job of estimating how much of the funds that have been spent more challenging.

However, questions put to relevant ministers and senior civil servants in Senate Estimates provide a partial view of the amount of people assisted, the amount of money spent, and the number of outstanding applications under these schemes. From this data we have estimated the total spending of this fund as at 31 October 2020.

On 2 March 2020 Andrew Colvin, National Bushfire Recovery Agency Coordinator, stated that:

*“As of close of business 27 February — and you’ll have the same question for me here, I think, Senator — there were 133,819 claims received, 122,653 claims finalised and 116,030 claims granted, for a total paid out of \$136,919,200 [under the DRP scheme].”*

On 29 October 2020, Mr Russell Egan, Deputy Chief Executive Officer, Customer Service Design Group stated that Services Australia had made 202,245 payments from the Australian government’s DRP scheme. This indicates that between 27 February and 29 October, the Federal Government made 86,215 payments.

**Figure 8: DRP/DRA claims and payments**

Date	Claims lodged	Claims granted	Total cost
Total DRP payments as of 2 March 2020	133,819	116,030	\$136,919,200
Total DRA payments as of 2 March 2020	4,439	2,285	\$4,323,635
Total payments as of 31 October 2020		202,245	





*"I've got a list of about 170 households that I've helped during the course of the fires. Not everybody is directly from Quaama village, but also from the locations around us. We must be looking at about 40 families still living in combinations of caravans, pods, sheds, lean to, tents - whatever can be cobbled together" - Veronica is a volunteer coordinator at Quaama Renewal Centre, a bushfire recovery centre on the NSW South Coast (January 2021)*



The February figures are far more complete than the October figures, providing both total cost and total number of claims. From this information we can estimate a few more details surrounding this fund.

Below in Figure 9 we have calculated the average payment per claim at \$1,193.79. We have also calculated the percentage these payments make of the total fund, which was 24.19% on 27 February 2020. By multiplying the October claims granted figure by the average payment figure from the 2 March 2020 statement we can estimate the total cost, and the percentage of the total fund.

**Figure 9: DRP/DRA claims, payments, and estimations**

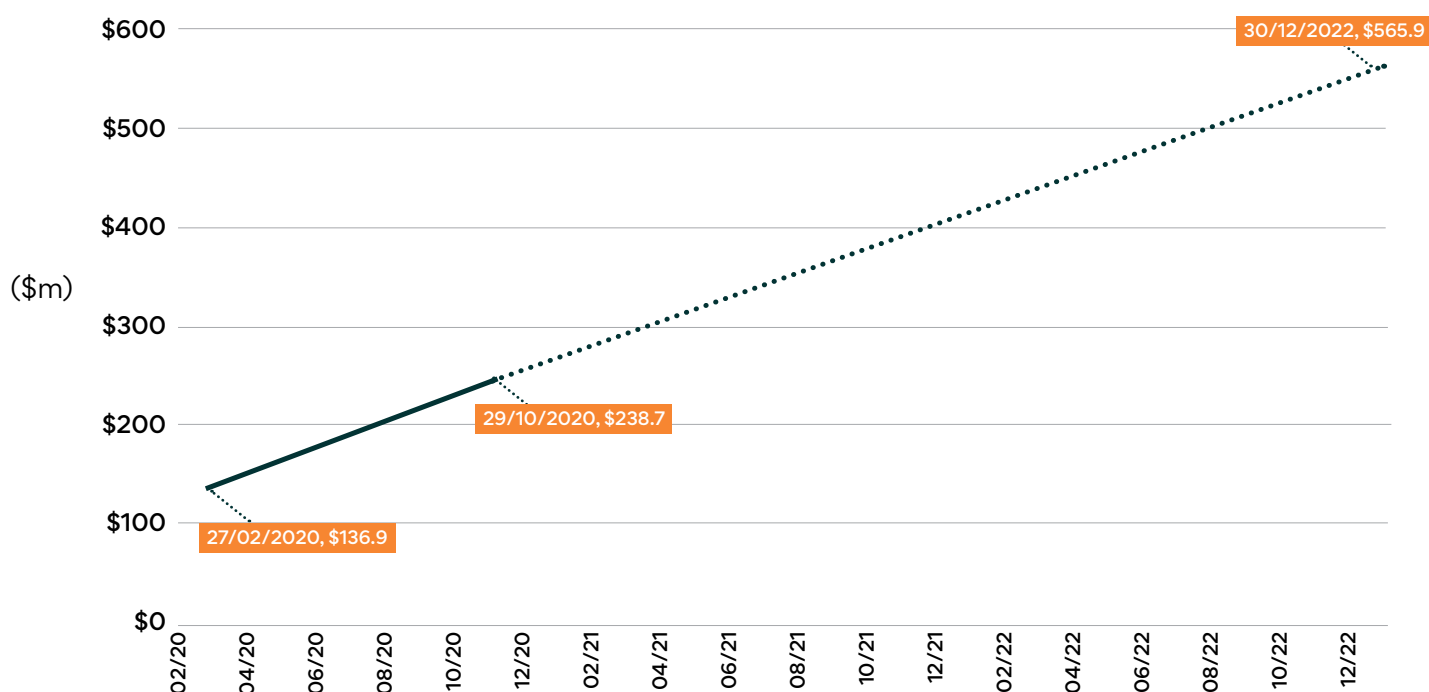
Date	Payment type	Claims granted	Claims lodged	Total cost	Average payment	% of total fund
27th Feb 2020						
	DRP Payments	133819	116,030	\$136,919,200	\$1,180.03	24.19%
	DRA Payments	4439	2285	\$4,323,635	\$1,892.18	0.66%
	Total Payments 27th Feb	138258	118315	141242835	\$1,193.79	24.85%
29th Oct 2020						
	DRP/DRA Payments		202,245	\$241,437,325	\$1,193.79	42.66%

\$

If these estimations are close, then by the end of October, around \$241 million was spent from the overall \$565.9 million fund. This is roughly two fifths of the total fund size.

Considering these funds are intended to provide short term emergency relief, this result is worrying. In fact, at the rate of spend between February and October, it would take until December 2022 for the full \$565.9 million to be spent (see Figure 10).

**Figure 10: DRP/DRA spending between March and October 2020, with projection to full fund spend**



**This raises a number of questions.**

Are there other unreported emergency payment funds which have not been discussed publicly? If not, was the \$565.9 million fund a huge overestimation from which the public can expect to see a significant amount recouped? Or are there still many thousands of bushfire survivors still waiting for DRP/DRA payments?

We believe these are critical questions that the Federal Government must answer.

*"Every four days because of government policies you moved. So you move into a hotel, then out. You move into a pub, then out. You move into another hotel, out. And this was going on until July. I thought of going back to my property. I asked for help, and in the middle of winter I was given a little summer tent. I couldn't get a blanket or a pillow. I couldn't even get a jumper. Because you're moving every four days you couldn't accumulate anything."- Julie lost her home last year, and is currently volunteering as a cook in the Cobargo BlazeAid camp, where volunteers help local landowners rebuild burnt out fences. She is not ready to return home. (At Cobargo on the NSW South Coast - January 2021).*

## 4.2 The Local Economic Recovery and Complementary Projects Fund



The \$448.5 million Local Economic Recovery and Complementary Projects (LERCP) Fund is designated to:

*“help bushfire-affected communities restore local economies and build back better, and it is supported by additional co-funding contributions from states.”<sup>15</sup>*

<sup>15</sup> <https://www.bushfirerecovery.gov.au/local-recovery-projects>



Examples of projects granted range from directly bushfire related:

*“\$2 million to design and construct a four-megalitre concrete potable water supply reservoir and associated infrastructure in Livingstone Shire Council.”*

To seemingly entirely unlinked to bushfire mitigation or recovery:

*“More than \$3.05 million to the Port Macquarie Hastings Bicentennial Walkway Sections project to help fund a walkway with vital pedestrian links into the heart of town.”*

These projects are co-funded by states, at a 50/50 split, so that the total amount spent should be \$897 million.<sup>16</sup>

Based on public information regarding confirmed LERCP projects, it appears that by 31 December 2020 nearly \$230 million of this fund was allocated, if not dispersed to communities. This means that around \$114 million of federal funds (25% of total) has been spent (see Figure 11).

**Figure 11: Value of confirmed LERCP projects by state**

Date	Confirmed LERC spending (\$m) <sup>17</sup>	as % of total funds released to date
VIC	14.7	6.5%
NSW (LNP seats)	174.2	76.4%
NSW (Labor seats)	2.0	0.9%
SA	19.9	8.7%
QLD	17.1	7.5%
LERCP Total	227.9	

<sup>16</sup> According to a direct communication from the Queensland Disaster Reconstruction Authority

<sup>17</sup> As of 30 Jan 2021, <https://www.bushfirerecovery.gov.au/local-recovery-projects>

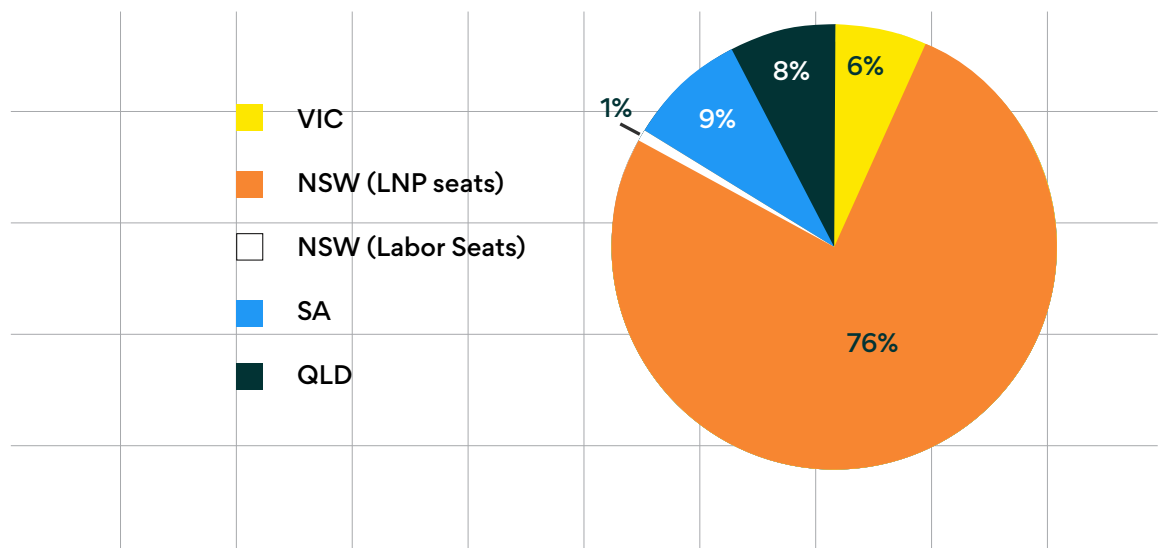
## 4.2.1

### State level

### disparities

What is most obvious about this fund is that New South Wales projects accounted for over 77% of all confirmed projects by value as of 31 December 2020. While it is still difficult to compare the overall impact on the bushfires between states, clearly New South Wales was the worst affected by several measures.

Figure 12: Confirmed LERCP spending (\$m)





For example, one study concluded that the bushfires were responsible for 417 deaths in total, of which New South Wales accounted for 219, Victoria 120, Queensland 47, and the ACT 31.<sup>18</sup> Another measure is the number of homes destroyed, with New South Wales accounting for around 2,439 homes destroyed out of a national total of 3,094.<sup>19</sup> As such, it is understandable that New South Wales would receive a majority share of the LERCP fund.



*"The Red Cross had given us money which we took to shed companies, and said this is the size shed we need. One came good and helped us out, and we built the shed. The cost didn't include windows, so we lived for 9 months without a window, in the pitch black. As time marched on, Anglicare got some money from the Government and said 'would you like some windows?' We said 'yes please'." -Judith and Paul built a shed to live in for the two years it would take to re-build their home. (South-western Sydney - January 2021)*

<sup>18</sup> <https://onlinelibrary.wiley.com/doi/full/10.5694/mja2.50545>

<sup>19</sup> [https://www.aph.gov.au/About\\_Parliament/Parliamentary\\_Departments/Parliamentary\\_Library/pubs/rp/rp1920/Quick\\_Guides/AustralianBushfires](https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1920/Quick_Guides/AustralianBushfires)



However, 77% seems a larger share than should arguably have been the case. It is striking and concerning just how little of the spending so far has been allocated to Victoria, considering the economic, environmental, and health effects of the bushfire season on Victorians. Victoria has so far been allocated the lowest amount of any state.

Furthermore, research by the Michael West media group has identified that of the roughly \$176.2 million funding allocated to New South Wales under the LERCP, around \$174 million was distributed to LNP seats, while just \$2 million (1.1%) went to state Labor seats.<sup>20</sup> This means that 76% of the entire national fund so far distributed has been allocated to government-held seats in New South Wales.

If we project the NSW spending pattern so far to the full \$250 million that the NSW government has announced, NSW LNP seats would receive \$247.2 million, while Labor seats would receive just \$2.8 million.

The clear implication of pork barrelling suggests a significant failure on the part of the NBRA in carrying out due diligence over public money. This includes the criteria for assessing both the merits of individual projects in their own right (cost, jobs created, economic impact, etc.), but also the criteria for distributing funds equitably to the communities most in need.

For example, 80% of the Blue Mountains world heritage area was lost to the fires, at a cost of 2,600 jobs and half a billion dollars in turnover.<sup>21</sup> However, this Labor held seat received no economic recovery financing, while Wagga Wagga, the electorate of Deputy Prime Minister Michael McCormack, received \$40 million, equal to 18% of the total national funds so far released.

We cannot find anywhere, the criteria by which the division of funds between states has been made, or the criteria by which projects must be assessed. But given that in NSW no application forms were required for project assessment,<sup>22</sup> there seems to be a serious lack of fiduciary responsibility at the state and federal level.

<sup>20</sup> <https://www.michaelwest.com.au/bushfire-rorts-coalition-tar-gets-bushfire-recovery-funds-for-coalition-seats/>

<sup>21</sup> <https://www.bmcc.nsw.gov.au/media-centre/council-contin-ues-to-support-blue-mountains-businesses-and-local-econo-my-after-bush>

<sup>22</sup> <https://www.smh.com.au/politics/nsw/the-bushfire-areas-that-took-a-300-million-hit-but-did-not-qualify-for-funding-20210207-p570b3.html>



*"I've always been passionate about doing what we can for the environment, growing up near the ocean in this amazing place we call Mallacoota. It was a giant time, a big event. I suppose the fires heightened it, and amplified the necessity for climate action to actually change what we were doing, because it obviously wasn't enough." - Jya-Ruby Nation and her friends are young climate activists involved with The Sanctuary Mallacoota Youth Group, in the East Gippsland region of Victoria (January 2021).*

## 4.2.2 Future spending

At the time of writing, no clear division of the total \$448.5 million funds between states was identified. Based on what the states report in spending on round one of the fund distribution, we believe that only 80% of this fund will be spent. However, information is insufficient to say that with any certainty.

What we can say is that if the current division of spending were to continue, NSW LNP seats would receive \$686 million in funding, around 12 times the amount that Victoria would receive.

Questions must be asked as to how projects were selected, and what checks and balances were maintained at the federal level to ensure funds were equitably used. The Federal Government's fiduciary duty for ensuring that public money is spent fairly and without political (or other) partiality must be upheld, particularly when many communities are still suffering from the economic, social and health impacts of the bushfires.

## 4.3 Disaster Recovery Funding Arrangements (DRFA) including debris clean-up

The DRFA has thus far only released information regarding the number of properties cleared under this program rather than the cost of the program. As of 31 November 2020, 4900 homes had been cleared nationally. We have used figures from Victoria which were released to the ABC on 28 August 2020 and extrapolated the likely national figure. The ABC reported that Victoria had cleared 547 properties at a total cost of \$75 million.<sup>23</sup>

**Figure 13: Public information available on number and cost of properties cleared**

Victoria	Total properties cleared	Total cost
	736	\$75,000,000
National	4900	

From these figures we can estimate that the average cost of clearing a property is \$137,112. If we apply that to the national figure of 4900 the total estimated cost is close to \$672 million.

**Figure 14: Estimations of properties cleared**

	Total properties cleared	Total cost	Average cost per property
Victoria	736	\$75,000,000	\$101,920
National	4900	\$499,320,652	
Federal funding share (assuming 50/50 co-funding)		\$249,660,326	

Since no public information regarding the state/federal split in co-funding is available, we assume a 50/50 split, as with the LERCP funding.

This would lead to a total of \$249.7 million of federal funds spent under this programme, or 56% of the total \$445.9 million fund.





SYLVIA

Volunteer



05

# TOTAL ESTIMATED FEDERAL SPENDING

## 5.1 Estimated totals

In order to gain further information with which to clarify the frustratingly opaque reporting of how federal funds are spent, Per Capita contacted state and federal bodies responsible for distributing bushfire funds, as well as the Australian Association of Local Governments. Due to the very large numbers of responsible government bodies, we contacted only;

1. funds of high value (above \$100 million) or,
2. where there was a significant lack of information or,
3. where confirmed spending as a proportion of total allocation was very low.

Our requests for clarification have thus far only received one response, although we should point out that the relatively short research timeframe may be partly responsible for this. Unfortunately, there was insufficient time to submit Freedom of Information requests during this research project.

In summary, there are clearly unreliable fragments of information, particularly regarding how much of the larger funds have been spent and how much has reached bushfire survivors, both in terms of households and businesses.



With that caveat, we estimate that around \$1.31 billion (48%) of the total allocated funding has been dispersed to delivery agencies or actual bushfire survivors.

Figure 15: Distribution of funds

	Allocated (\$m)	Dispersed (\$m)	Balance (\$m)	Dispersed (%)	Outstanding (%)
Social and Community	734.3	467.1	268.5	63.6%	36.6%
Economic	1091.9	531.6	560.3	48.7%	51.3%
Infrastructure	47.1	20.1	27.0	42.7%	57.3%
Environment	203.1	47.9	155.2	23.6%	76.4%
Lessons and Insight	1.3	0.0	1.3	0.00%	100.0%
NBRA total	2077.7	1066.7	1012.3	51.3%	48.7%
Government Disaster Recovery Payments	565.9	241.4	324.5	42.7%	57.3%
Other	93.8	0.0	93.8	0.0%	100.0%
Total	2737.4	1308.1	1430.6	47.8%	52.3%





## 5.2 How does this stack up against Government claims?



On the 11 December David Littleproud, Minister for Agriculture, Drought and Emergency Management gave a statement to the House, stating

*“We have spent \$1.2 billion from the fund so far, as well as \$659.6 million from other disaster support funding mechanisms including disaster recovery payments and allowances.”<sup>24</sup>*

This would lead to a total of \$1.86 billion out of an estimated total allocation of \$2.737 billion, or around 68% of the total allocation. The NBRA claims the figure to be around \$1.9 billion on their funding webpage.<sup>25</sup> However, our estimations suggest a significantly lower figure had been spent at the time. For example, we know that at the end of October, only around 43% of the Disaster Recovery Payments and Allowances were spent.

Based on the speed at which these funds were distributed between February and October it seems extremely unlikely that the remaining 57% could be spent between 31 October 2020 and 10 December 2020.

From our estimation Mr Littleproud over-reported federal spending in the order of more than half a billion dollars (\$552 million).

While we cannot be certain of our figures based on the available data, we think the public deserves a public accounting of all funds spent and at what time.

<sup>24</sup> <https://minister.homeaffairs.gov.au/davidlittleproud/Pages/natural-disaster-risk-reduction-framework.aspx>

<sup>25</sup> <https://www.bushfirerecovery.gov.au/progress-to-date/funding-as-at-11/02/21> as at 11/02/21

## 5.3 How much of this money actually reached bushfire survivors?

The short answer is that we cannot say. The accounting practices used by the NBRA report money spent by themselves, but this may then go on to another level of government before actually reaching the pockets of survivors or providing them with services.

We are sympathetic to the issues of delays in reconciling state government financial reporting to federal spending as discussed in Section 4. However, it is surprising that only a little more than half of the bushfire funds has been spent a year on.

There also appears to have been some re-allocation from bushfire support funds towards COVID-19 relief. On 2 March 2020 Senator Murray Watt noted reports that some of the bushfire funds had been shifted to support tourism in Cairns:

*“\$25 million of the \$76 million it had allocated for tourism promotion, to assist bushfire regions, has now been redirected for tourism promotion in areas affected by coronavirus.”<sup>26</sup>*

If this is true then it seems very much like the Prime Minister is announcing the same money twice over, without necessarily spending it once.<sup>27</sup>

**Without clearer data we cannot say how much of the bushfire funding was redirected, what processes were required to do so, and whether this left bushfire survivors worse off.**

<sup>26</sup> [https://www.aph.gov.au/Parliamentary\\_Business/Hansard/Hansard\\_Display?bid=committees/estimate/5f83c1eb-df99-4979-8bf7-ddc1cc2ecafb/&sid=0006](https://www.aph.gov.au/Parliamentary_Business/Hansard/Hansard_Display?bid=committees/estimate/5f83c1eb-df99-4979-8bf7-ddc1cc2ecafb/&sid=0006)

<sup>27</sup> <https://www.pm.gov.au/media/rebuilding-australian-tourism>





*"From across the world people sent stars of hope to Australian towns. Given the Black Summer bushfires were such a widely felt moment both here and overseas, we expected to find transparent public information about the recovery funding. The fact it is so patchy speaks to a broad failure of government transparency and accountability." - Paul Oosting, GetUp National Director. Thousands of GetUp members funded this report to shine a light on bushfire recovery spending, so that future generations may be better equipped to respond to increased climate disasters. (January 2021)*



## 06



# CONCLUSION

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**This report has highlighted some significant issues with the way the Federal Government has announced bushfire recovery funding, how the process of spending is reported, and the processes used to ensure that the money reaches the right people at the right time.**

The total funding promised by Federal Ministers amounts to \$2.737 billion. Our estimates suggest that of this money, around \$1.31 billion was spent up to 31 December 2020.

Put simply, our best estimate is that the Federal Government has spent around 48% of what they promised, more than a year on from when it was first announced. We do not know how much of this funding has reached the families, individuals and businesses most in need, because the data is not available. This means that around \$1.43 billion is either still not spent, has been diverted to other programs, or was never available in the first place.

Shockingly, the amount estimated to have been spent by the NBRA appears to have declined between their 31 November and 31 December figures, by around \$76 million.

We have shown examples of Federal Ministers playing fast and loose with the figures, for their own purposes, with the minister responsible for overseeing disaster relief, David Littleproud, apparently exaggerating total spending by around \$550 million. He implied that DRA/DRP funds have been spent entirely, when spending levels were at an estimated 43% as of 31 October. Given that this is the fund most important to bushfire survivors in immediate distress, the level of spending and the looseness with which the figures were used suggest a degree of indifference, even callousness, to the suffering of those communities, on the part of the Morrison Government.

It also seems clear that the Disaster Recovery Payment/Allowances were not distributed at the speed that survivors should be able to expect. This fund was designed to immediately lighten the burden of people burned out of their homes or evacuated in an emergency. We do not have the granular data to show month by month how many people were assisted, but we know that between the end of February and the end of October 2020, around 84,000 families, individuals, or businesses were assisted. At that point, a shocking 57% of the announced funds were still not spent.

This suggests that either a huge number of people are still waiting for government support, or the figure used by federal ministers was vastly inflated and now needs to be accounted for. Because of the lack of data transparency, we simply cannot say which explanation is more likely. However, GetUp has identified many examples of survivors still waiting for financial support promised by the Federal Government a full year after they were burned out of their homes.

We have grouped the main issues that arose in this research into four broad topics. These are listed below with accompanying recommendations.





# RECOMMEN- DATIONS

## 6.1 Fairness and impartiality

It appears that there has been a deeply questionable allocation of perhaps hundreds of millions of federal funding. From media reports and the NBRA data available, there seems to have been a lack of impartiality over how application information has been distributed and how funds were allocated, but there is no way for the public to be sure of this due to a lack of transparency over federal and state processes and data. For example, NSW Deputy Premier John Barilaro confirmed to the NSW Parliament that the \$177 million Bushfire Local Economic Recovery fund was distributed without any application forms whatsoever. Distributing money to states, private contractors, local councils, businesses, and households should not be seen as ‘job done’ by the Federal Government: their fiduciary duty requires that they be constantly engaged and accountable during the spending of these funds by state governments or other third parties.

**Recommendation 1:** An independent review of systems for monitoring contractors and third-party financial recipients, with recommendations acted on.

**Recommendation 2:** Ensure the application process and criteria used to assess the appropriate allocation of funds under all disaster relief and bushfire recovery programs are publicly available and easily accessible by affected communities. Publish guidelines in accessible formats and distribute freely to communities. Publish the criteria for distributing the funds on the relevant federal, state, or local government departmental website and make them available to the media.

We have also found that the Federal Government has explained neither the criteria for the merits of individual LERCP projects in their own right (cost, jobs created, economic impact, etc.) nor the criteria for distributing funds equitably to the communities most in need. For example, 80% of the Blue Mountains world heritage area was lost to the fires, at a cost of 2,600 jobs and potentially half a billion dollars in local revenue. However, this Labor-held seat received no economic recovery financing, while Wagga Wagga, the electorate of Deputy Prime Minister Michael McCormack, has received 18% of the total national funds so far released (\$40 million).

**Recommendation 3:** Account for the distribution of all federal funding, regardless of the ultimate means of distribution to communities, in full via the Senate Estimates process.

## 6.2 Streamlining and transparency

Disaster funding is a complex set of arrangements, requiring coordination between states, federal agencies, emergency services, the military, and volunteers. We have seen how the Federal Government's focus on announcing headline figures rather than reporting on the actual provision of cash and services to survivors is introducing unnecessary complexity to the system that will have to be resolved as we enter a more volatile era of climate emergencies. In the future these funding mechanisms will be used more frequently and will require larger sums of money.

**Recommendation 4:** Central reporting on the progress of fund delivery, including regular updates on how much funding has reached final users, whether that be state governments, local governments, businesses, families, or individuals. This reporting should include continuous and public updates on average waiting times for time-critical funds.

## 6.3 Aiding and assisting survivors

Our research has made clear that for individuals who may have fled homes, lost phones, have no internet access or may be suffering illness or trauma, making funds available through general application is insufficient. Far greater effort needs to be made to ensure that people caught up in such disasters are able to access financial support. The Royal Commission into National Natural Disaster Arrangements described the process of navigating the DRP/DRA application process as “traumatising” for individuals, who were faced with complexity and inaccessibility as they told and re-told their stories. Evidence gathered by GetUp suggests a similar barrier to applications.



The Royal Commission into National Natural Disaster Arrangements documents and recommends appropriate coordination and delivery of recovery services and financial assistance. The Federal Government has ‘noted’ the findings but has not formally responded or implemented the recommendations.

**Recommendation 5:** Federal and state/territory agencies should dedicate public sector staff to proactive engagement with survivors in order to identify opportunities for financial support and to marshal them through the application processes.

**Recommendation 6:** The Federal Government should fund and implement the recommendations of the Royal Commission into National Natural Disaster Arrangements in full.

## 6.4 Capacity and continuous improvement

Many of the problems we have identified in this report relating to federal oversight of how funds are spent, how quickly and easily survivors can access them, and how well they are reported, stem from a lack of government capacity. The Australian Public Service (APS) is now operating at the lowest staff level in history, with 2500 APS jobs shed in the second half of last year alone. It is now operating with a third fewer workers than it did under the Howard Government. Thousands of APS staff have been seconded from their normal roles, first to deal with the bushfires and then moved on to the national COVID response. The ideological battle to minimise public workers and hire in for-profit providers means that the Federal Government simply does not have the capacity to “flex up” during a crisis, but instead has to engage in lengthy negotiations with contractors to bring in under-qualified and inexperienced, temporary staff.

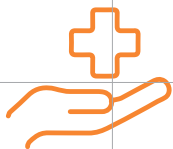
Our government must ensure that as well as reducing the likelihood of disasters by acting on climate science, it also has the means to actively engage in mitigating, responding to and recovering from disasters. This simply cannot be outsourced.

**Recommendation 7:** The Federal Government must regard building its capacity to minimise risks associated with climate disasters as a primary responsibility. As such, it should remove the hiring cap in the public sector, audit the use of outsourced contracts, and invest in new training and graduate programs to build up internal capacity and institutional knowledge for disaster response.

## 6.5

### Questions to be asked

1. Will the government be publishing better data on individual funds so that survivors and the public know how much money is being spent, where it has been allocated, and in what timeframe?
2. How much of the DRP/DRA fund is still outstanding? How many people have applications awaiting approval?
3. What is the total amount of the federal contribution to the LERCP fund? Under what criteria was the LERCP funding divided by states? Why is Victoria receiving just 6% while NSW is receiving 77%?
4. How does the government carry out its fiduciary responsibilities to state implemented funding? Specifically, how does the Federal Government ensure state funding is distributed effectively, impartially, and according to community need and project merit?
5. How accurate is our estimate of total spending at \$1.34 billion?
6. Will the government spend the remaining \$1.39 billion? Under what timeframe? And if not, what will happen to the money promised to bushfire survivors?







# FINAL WORD

**The 2019-2020 bushfire season was like no other in living memory.**

It will likely cost Australia tens of billions of dollars, as well causing hundreds of premature deaths. Unfortunately, due to unchecked climate change we will certainly live through similar disasters in the near future. Human-induced climate change has increased the number of extreme weather events such as storms, wildfires and droughts, by a staggering amount over the last 20 years, in some cases doubling.<sup>28</sup> Because it is certain that we will face similar crises in the future, it is vital that governments remove uncertainty from the processes of how they mitigate and respond to such crises.

**This means it is imperative that Federal and State Governments' handling of this disaster is scrutinised, not only to ensure that all survivors receive the support they need, but also so that we can properly prepare for the future.**

# APPENDIX A:

## NBRF funding with estimated spending

Category	Budget line	Purpose	Govt administering level	Allocated (\$M)	Dispersed (\$M)	Balance
Social and Community	Disaster Recovery Funding Arrangements (DRFA) including debris clean-up	Under the DRFA, the Australian Government gives funding directly to State and Territory Governments to help pay for specific disaster relief and recovery assistance. This is managed on a reimbursement basis, which means the States/Territories need to spend their own money first and then we will repay it. 4,900 properties have been cleared under this program. All residential properties in South Australia and Victoria have been cleared. In New South Wales, clean-up of most residential properties is complete.	State and Territory Governments	445.90	240.90	\$205.00
	Immediate bushfire assistance to Local Governments	<p>This funding was given to bushfire-affected councils to:</p> <ul style="list-style-type: none"> <li>• Speed-up recovery</li> <li>• Help strengthen community resilience.</li> </ul> <p>Many local councils have projects underway to:</p> <ul style="list-style-type: none"> <li>• Upgrade or rebuild local infrastructure generate economic activity</li> <li>• Build community resilience.</li> </ul>	State and Territory Governments	62.00	62.00	\$0.00
	Support the mental health of Australians affected by bushfires	This funding gives immediate counselling and ongoing mental and emotional wellbeing support to individuals, families, and communities. Most of the funding will be available in the 2020-21 financial year. This is when we expect more communities to look for mental health support as they move out of the relief phase into the recovery phase.	Federal	53.40	21.50	21.50
	Extra emergency relief delivered by charities, plus financial counselling	<p>\$40 million for charities to provide extra emergency relief funding to bushfire-affected communities on behalf of the Australian Government.</p> <p>\$10 million for financial counselling services in bushfire-affected communities, including extra support for:</p> <p>the National Debt Helpline locally-based providers.</p>	Federal	50.00	50.00	\$0.00
	Back-to-school support	<p>The Additional Payment for Children (back-to-school support) gave an extra \$400 to a child's main carer to help with their education expenses. The child's main carer was paid automatically if their child was:</p> <p>affected by the 2019-20 bushfires eligible for the Australian Government Disaster Recovery Payment.</p> <p>Over 88,000 claims were paid.</p>	Federal	34.00	35.30	-\$1.30
	Assistance for families in bushfire-affected areas	Families living in bushfire-affected areas won't have to worry about the Child Care Subsidy (CCS) activity test debt they might have in the 2019-20 financial year.	Federal	25.90	0.00	\$25.90



Category	Budget line	Purpose	Govt administering level	Allocated (\$M)	Dispersed (\$M)	Balance
	Mental health support for emergency services workers	This funding gives emergency service workers and their families additional and complementary support services at no cost. It builds on the pool of services already available so they can access specialised support when they're ready. Emergency service workers can also access the free counselling and wellbeing supports for bushfire recovery that are in place.	Federal	15.90	11.60	\$4.30
	Compensation for volunteer firefighters	This funding has supported volunteer firefighters who lost income while being called out for long periods of volunteer service.	State and Territory Governments	15.00	11.60	\$3.40
	Community wellbeing support	This funding will boost emotional and mental wellbeing support for people affected by the bushfires. Support is delivered locally.	1430.6	47.8%		52.3%
	Community wellbeing support	This funding will boost emotional and mental wellbeing support for people affected by the bushfires. Support is delivered locally.	Federal	13.50	6.70	\$6.80
	Legal assistance services to support bushfire relief and recovery	This funding supports: <ul style="list-style-type: none"> <li>• Individuals</li> <li>• Small businesses</li> <li>• Primary producers.</li> </ul> Funding has been provided to states to support existing legal assistance services operating in bushfire-affected communities.	State and Territory Governments	8.70	8.70	\$0.00
	Mental health support for early learning and school communities	This funding is for coordinating mental health support for local schools and early childhood education and care services in bushfire-affected communities.  Officers are working with early childhood education and care services and schools. The priority regions are: <ul style="list-style-type: none"> <li>• New South Wales – Northern NSW, Hunter-New England, Mid North Coast, Nepean-Blue Mountains, Illawarra-Shoalhaven, Southern NSW, and the Snowy Valleys</li> <li>• Victoria – East Gippsland, Ovens, and Murray</li> <li>• South Australia – Kangaroo Island and Adelaide Hills</li> <li>• Queensland – Central Queensland and Southern Darling Downs</li> </ul>	Federal	8.00	8.00	\$0.00
	Wellbeing support for school communities	This funding helped the National School Chaplaincy Program to deliver chaplaincy support in bushfire-affected schools.  This program has provided funding to: <ul style="list-style-type: none"> <li>• New South Wales</li> <li>• Queensland</li> <li>• South Australia</li> <li>• Tasmania</li> <li>• Victoria</li> </ul>	State and Territory Governments	2.00	2.00	\$0.00
<b>Social and Community Subtotal</b>				<b>734.30</b>	<b>458.30</b>	<b>\$276.00</b>



Category	Budget line	Purpose	Govt administering level	Allocated (\$M)	Dispersed (\$M)	Balance
Economic	Local Economic Recovery and	<p>This funding will support:</p> <ul style="list-style-type: none"> <li>The delivery of local economic recovery projects in bushfire-affected communities. We will oversee this program in partnership with state, territory, and local governments. State and Territory Governments will:</li> <li>Deliver projects be asked if they can match Commonwealth funding.</li> </ul>	State and Territory Governments	448.50	114.00	\$334.50
	\$10,000 grants for small business	<p>This funding gives grants to small businesses:</p> <ul style="list-style-type: none"> <li>In certain Local Government Areas that have lost a significant amount of revenue because of the 2019-20 bushfires.</li> <li>Small businesses can now access the grants through a simpler application process. They will need less documentation to get the support they need sooner.</li> </ul> <p>So far, grants have been approved for over 21,000 small businesses under this program.</p> <p>State and Territory Governments deliver the grants, and we provide oversight.</p>	State and Territory Governments	234.00	195.60	\$38.40
	Emergency Bushfire Response in Primary Industries Grants Program	<p>This funding is for farmers, fishers, and foresters located in declared bushfire-affected areas.</p> <p>So far, over 2,600 primary producers have been approved for grants under this program.</p>	State and Territory Governments	141.00	128.70	\$12.30
	Bushfire recovery in the tourism sector	<p>This funding helps tourism recovery for bushfire-affected regions including:</p> <ul style="list-style-type: none"> <li>Domestic and international marketing campaigns</li> <li>Grants for regional tourism events in bushfire-affected regions</li> <li>international media visits and diplomatic network initiatives</li> <li>The Australian Tourism Exchange trade event</li> </ul>	Federal	76.00	37.10	\$38.90
	\$50,000 small business grants and concessional loans up to \$500,000	<p>This funding covers:</p> <ul style="list-style-type: none"> <li>Grants of up to \$50,000</li> <li>Concessional loans of up to \$500,000.</li> <li>Small business grants are for businesses and organisations that have sustained direct fire or smoke damage as a result of the fires.</li> </ul> <p>A concessional loan has better terms than other standard loans you might get. This can include, but is not limited to:</p> <ul style="list-style-type: none"> <li>A lower interest rate.</li> <li>The option to defer payments.</li> </ul> <p>This funding is for small businesses, including primary producers and non-profit groups, that have suffered significant:</p> <ul style="list-style-type: none"> <li>Asset loss, or loss of revenue.</li> <li>More face-to-face support is now available.</li> </ul> <p>This support will help guide people through administrative processes and application requirements. Eligibility requirements for concessional loans have also been made simpler. This includes lowering the amount of documentation needed when applying for a loan.</p>	State and Territory Governments	68.40	85.00	-\$16.60

Category	Budget line	Purpose	Govt administering level	Allocated (\$M)	Dispersed (\$M)	Balance
	Forestry Recovery Development Fund	This funding will support the recovery of forestry processing businesses and jobs in bushfire-affected communities.	Federal	41.00	0.00	\$41.00
	Bushfire-affected apple growers	This funding will help with the re-establishment and repair of damaged or destroyed apple orchards or perennial apple trees.	Federal	41.00	0.00	\$41.00
	Rural Financial Counselling Service	This funding is to boost services in bushfire-affected areas through the engagement of 60 rural financial counsellors and support workers. To date, 38 full-time counsellors and support staff have been deployed to bushfire-affected areas.	Federal	15.00	11.30	\$3.70
	Forestry industries	This funding will help with the additional transport costs of moving salvaged burnt logs to out-of-range processing mills and storage.	State and Territory Governments	15.00	0.00	\$15.00
	Expert Business Facilitators	This funding allows expert business facilitators to visit bushfire-affected areas and help businesses plan their next steps. These advisors will work closely with Chambers of Commerce and local businesses.	Federal	12.80	1.80	\$11.00
	Wine grape producers	Grants of up to \$10,000 will be given to wine grape producers affected by smoke taint but who are located outside of disaster declared local government areas.	State and Territory Governments	5.70	0.60	\$5.10
	Financial counselling for small businesses in bushfire affected communities	This funding is supporting a dedicated financial support line and employment of 12 financial counsellors.	Federal	3.50	1.00	\$2.50
<b>Economic Subtotal</b>				<b>1,091.90</b>	<b>575.20</b>	<b>\$516.70</b>
<b>Infrastructure</b>	Strengthening telecommunications against natural disasters	<p>This funding will strengthen the resilience of Australia's telecommunications networks, to help prevent, mitigate, and manage outages during future natural disasters, including:</p> <ul style="list-style-type: none"> <li>• \$7 million to deploy NBN Co satellite services to emergency services and evacuation centres,</li> <li>• \$10 million to boost portable telecommunications equipment reserves to help restore services quickly,</li> <li>• \$18 million (inclusive of an additional \$10 million from the Mobile Black Spot Program) to strengthen regional and remote mobile phone base stations against outages, and</li> <li>• \$2.1 million public communication program to provide practical information and advice for communities and businesses about how to keep connected during emergencies.</li> </ul>	Federal	27.10	0.10	\$27.00



Category	Budget line	Purpose	Govt administering level	Allocated (\$M)	Dispersed (\$M)	Balance
	Additional fire-fighting aircraft	This funding provided extra aerial firefighting capabilities, including aircraft.	Federal	20.00	20.00	\$0.00
<b>Infrastructure Subtotal</b>				<b>47.10</b>	<b>20.10</b>	<b>\$27.00</b>
	Bushfire recovery for native wildlife and habitats	<p>This funding will support more action where it is needed to:</p> <ul style="list-style-type: none"> <li>protect native animals</li> <li>build knowledge for better land management.</li> </ul> <p>It builds on the Australian Government's initial \$53.4 million investment for immediate wildlife rescue and recovery and includes:</p> <ul style="list-style-type: none"> <li>\$110 million for on-ground support for the most impacted native species across seven bushfire-affected regions,</li> <li>\$10 million in grants to help communities to conserve their local environment and drive bushfire recovery action, and</li> <li>\$2 million to support knowledge exchange on Indigenous fire and land management.</li> </ul>	Federal	149.70	1.10	\$148.60
	Immediate wildlife rescue and recovery	<p>This funding includes \$25 million to support emergency actions for fire-affected wildlife and habitats. It is being delivered through organisations like:</p> <ul style="list-style-type: none"> <li>• Natural Resource Management Groups.</li> <li>• Greening Australia.</li> <li>• Conversation Volunteers Australia.</li> </ul> <p>It also includes funding to support our zoos.</p> <p>The other \$25 million is committed to an emergency intervention fund. The fund includes \$12 million in grants ranging from \$100,000 to \$1 million for projects that focus on:</p> <ul style="list-style-type: none"> <li>• Wildlife assistance.</li> <li>• Support for plants and invertebrates.</li> </ul> <p>The remaining \$13 million is committed to states to support:</p> <ul style="list-style-type: none"> <li>• Emergency interventions where they are needed.</li> <li>• Recovery activities.</li> </ul>	State and Territory Governments	53.40	46.80	\$6.60
<b>Environment Subtotal</b>				<b>203.10</b>	<b>47.90</b>	<b>\$155.20</b>
Lessons and Insight	Evaluation and lessons learned	This funding will support the evaluation of the Black Summer recovery, and provide a list of important lessons learnt. All levels of government can use this disaster recovery evidence to build on existing processes and work out the best ways to respond to natural disasters in the future.	Federal	1.30	0.00	\$1.30
<b>Lessons and Insight Subtotal</b>				<b>1.30</b>	<b>0.00</b>	<b>\$1.30</b>
<b>NBRA Total</b>				<b>2,077.70</b>	<b>1,101.50</b>	<b>976.20</b>

# APPENDIX B:

## Other sources of funding

Category	Budget line	Purpose	Govt administering level	Allocated (\$M)	Dispersed (\$M)	Balance
	Operation Bushfire Assist			68.4		68.4
	Extra fire-fighting aircraft in 2019 and 2020	On top of the regular funding of around \$15 million per year		11		11
	Lifeline Australia and Kids Helpline			2		2
	Supporting youth through headspace			7.4		7.4
	Research projects to investigate the physiological and mental health effects of bushfires.			5		5
	Government will also provide \$2.5 million under Category C and D of the Disaster Recovery Funding Arrangements to assist the recovery of South Australian communities from the 2019-20 bushfires	Including help with more clean-up work, a feral pig eradication program on Kangaroo Island, and funding for Local Recovery Coordinators and their Community Development Officers.		2.5		2.5
<b>Other Subtotal</b>				<b>93.8</b>	<b>0</b>	<b>93.8</b>



# APPENDIX C:

## How disaster relief funding is organised

When a large disaster occurs, the Disaster Recovery Funding Arrangements (DRFA) are triggered. This allows the Federal Government to provide relief funding through State Governments, through Services Australia, and other bodies. The Federal Government is responsible for providing immediate relief to individuals and families through Services Australia with Disaster Recovery Payments (DRP) and the Disaster Recovery Allowances (DRA). The Prime Minister is given a very large degree of decision-making over the size of funds to be released.

### 2.1 Disaster Recovery Funding Arrangements

If a disaster is estimated to have caused more than \$240,000 in damage the Disaster Recovery Funding Arrangements (DRFA) is triggered. Disaster funding is allocated into four main categories, two that are automatically triggered and two that require Prime Ministerial approval. The automatic categories A and B cover assistance to individuals and provide funding to small businesses. The amount of financial aid and the application procedures differ between states, with the Federal Government partially reimbursing a portion of the support given.

The level of Australian Government funding provided under the DRFA, for Category A and B, is dependent on state and territory expenditure exceeding specified financial year thresholds. The first threshold for a state or territory is 0.225% of its general government sector revenue and the second threshold is 1.75 times the first threshold (see Figure 5).

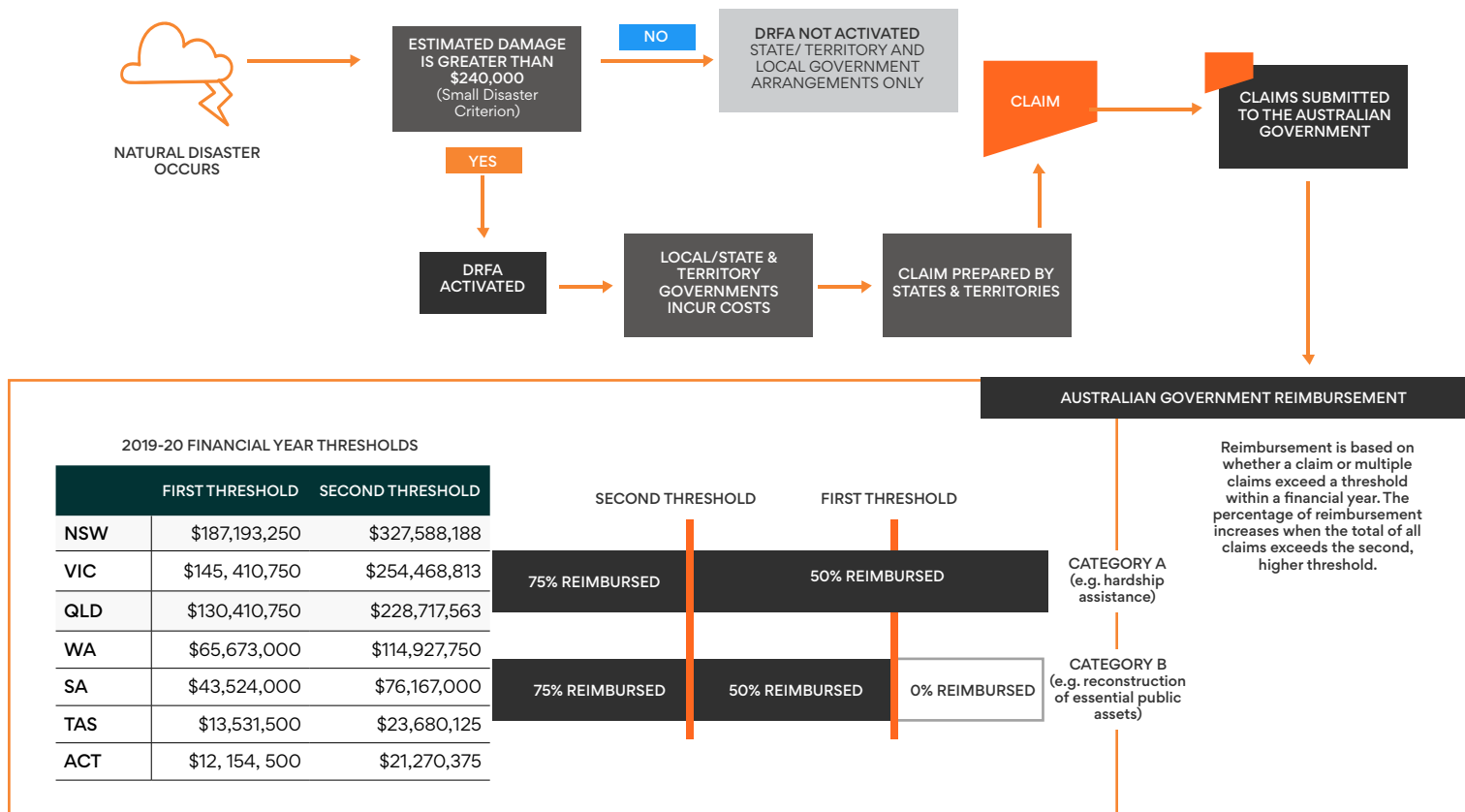
Figure 16: Assistance measures under the DRFA

Categories	Allocated (\$m)
Category A Clause 4.2	Assistance to individuals to alleviate personal hardship or distress arising as a direct result of a disaster, such as emergency food and essential housing repairs.
Category B Clause 4.3	Assistance to the state, territory, and/or local governments for the restoration of essential public assets and certain counter-disaster operations. It also includes concessional loans, subsidies or grants to small businesses, primary producers, non-profit organisations and needy individuals.
Category C Clause 4.4	Assistance for severely affected communities, regions or sectors, and includes clean-up and recovery grants for small businesses and primary producers and/or the establishment of a Community Recovery Fund. Category C assistance is only made available when the impact of a disaster is severe. Requires the Prime Minister's approval.
Category D Clause 4.5	Exceptional circumstances assistance beyond Categories A, B and C. Category D assistance is generally considered once the impact of the disaster has been assessed and specific recovery gaps identified. Requires the Prime Minister's approval.

The discretionary categories C and D provide greater federal support for more extreme disasters and when the impact on individuals and businesses is more severe. Category C can support the restoring of community assets, whereas A and B cannot. Both categories C and D require application by states and territories and subsequent approval by the Prime Minister. This process is considered relatively cumbersome, with impact data required that is not routinely collected by states and territories.

These funds give the Prime Minister a very large degree of discretionary power. The way in which processes of accounting and project sign off are arranged also appear to provide state governments with the opportunity to bypass normal standards of checks and balances. For example, the NSW Government did not require any application forms for claimants of the Local Economic Recovery and Complementary Projects funds, which are expected to cost hundreds of millions of dollars.

**Figure 5: Reimbursement under the Disaster Recovery Funding Arrangements**



Source: Royal Commission into National Disaster Arrangements, 2020 p.473

In the wake of the 2019/20 bushfire season, the Federal Government announced the creation of the National Bushfire Recovery Fund (NBRF). This agency is responsible for distributing most of the bushfire funding. It distributes money to other federal agencies, state and local governments, contractors and to businesses.

## 2.2 Disaster Recovery Payments and the Disaster Recovery Allowances

Services Australia is responsible for assisting individuals affected by disasters, through Disaster Recovery Payments (DRP) and the Disaster Recovery Allowances (DRA). The DRP is a one-off, non-means tested payment of \$1,000 per eligible adult and \$400 per child who have been adversely affected by a major disaster either in Australia or overseas.<sup>29</sup>

The DRA is a short-term income support payment to assist individuals who can demonstrate that their income has been affected as a direct result of a disaster. The DRA assists employees, small businesspersons and farmers who experience a loss of income as a direct result of a major disaster for up to 13 weeks.<sup>30</sup>

<sup>29</sup> <https://www.disasterassist.gov.au/Pages/disaster-recovery-payment.aspx#:~:text=Australian%20Government%20Disaster%20Recovery%20Payment,either%20in%20Australia%20or%20overseas>

<sup>30</sup> <https://www.disasterassist.gov.au/disaster-arrangements/disaster-recovery-allowance>



