



Australian Government
Department of Home Affairs

Emergency Response Fund Program Guidelines

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1. Introduction and program details

1.1 These guidelines provide information on the administration of the Emergency Response Fund (ERF). The guidelines may be updated during the course of the ERF Program to reflect further details of the ERF Program as it evolves.

1.2 The *Emergency Response Fund Act 2019* (the Act) commenced on 12 December 2019. The ERF allows the Australian Government to draw up to \$200 million in any given year, beyond what is already available, to fund natural disaster emergency response and disaster recovery and preparedness.

1.3 From 2019-20, the ERF will provide up to \$150 million per financial year to fund emergency response and recovery following natural disasters in Australia that have a significant or catastrophic impact, and \$50 million per financial year to build resilience to, prepare for or reduce the risk of, future natural disasters, and build the long-term sustainability of communities that are at risk of being affected by a future natural disaster.

Context

1.4 Many natural hazards are increasing in both frequency and intensity and more people and assets are exposed and vulnerable to these hazards. There is a growing potential for these hazards to trigger devastating disasters that could be the result of a single event or the cumulative effect of a number of events. Significant or catastrophic disasters are likely to have ongoing, national consequences that will likely be felt across a number of social and economic sectors.

1.5 The Australian Government already invests in resilience and recovery measures to support Australians build resilience to, prepare for and effectively recover from disasters triggered by natural hazards. However, the frequency, intensity and possible scale of disaster means programs and resources may be stretched.

Purpose of the ERF

1.6 The ERF provides an additional and sustainable source of funding for emergency response and recovery from natural disasters in Australia that have a significant or catastrophic impact. The ERF also provides an additional and sustainable source of funding to build resilience to, prepare for or reduce the risk of future disasters, or to build the long-term sustainability of communities that are at risk of being affected by a future disaster.

1.7 Funding from the ERF will complement existing sources of funding for emergency response and disaster recovery, such as the Disaster Recovery Funding Arrangements, and the Australian Government Disaster Recovery Allowance.

1.8 Funding from the ERF will also complement the Government's existing suite of arrangements helping Australia prepare for disasters, including strategic work being undertaken to reduce disaster risk, in line with the *National Disaster Risk Reduction Framework*.

2. Funding

Measures that can be funded

Recovery and post-disaster resilience

2.1 Under subsection 20(1) of the Act, the Emergency Management Minister may, on behalf of the Commonwealth, make an *arrangement* with or *grant* of financial assistance to a person or body for:

2.1.1 the carrying out of a project that is directed towards achieving either or both of the following:

- recovery from a natural disaster
- post-disaster resilience in relation to an area that has been affected (whether directly or indirectly) by a natural disaster

2.1.2 the provision of a service that is directed towards achieving either or both of the following:

- recovery from a natural disaster
- post-disaster resilience in relation to an area that has been affected (whether directly or indirectly) by a natural disaster

2.1.3 the adoption of technology that is directed towards achieving either or both of the following:

- recovery from a natural disaster
- post-disaster resilience in relation to an area that has been affected (whether directly or indirectly) by a natural disaster

2.1.4 a matter that is incidental or ancillary to a matter mentioned in 2.1.1, 2.1.2 or 2.1.3 above.

2.2 To facilitate this funding, the Emergency Management Minister¹ is required to make an *arrangement* with or make a *grant* of financial assistance to a person or body for the above purposes.

2.3 A person or body may include, but is not limited to:

- an individual or group of individuals
- an incorporated or unincorporated body
- a not-for-profit organisation
- an education institution (such as a university)
- an Australian Government agency, state or territory government, or local government body.

Pre-disaster resilience, preparedness, risk reduction and long-term community sustainability

2.4 Under subsection 20(1A) of the Act, the Emergency Management Minister may, on behalf of the Commonwealth, make an *arrangement* with or grant of financial assistance to a person or body for:

2.4.1 the carrying out of a project that is directed towards achieving any or all of the following:

- resilience to a future natural disaster that could affect an area (whether directly or indirectly)
- preparedness for a future natural disaster that could affect an area (whether directly or indirectly)

¹ A reference to the Emergency Management Minister includes a reference to his or her delegate under section 61 of the Act.

- reduction of the risk of a future natural disaster that could affect an area (whether directly or indirectly)
- the long-term sustainability of a community or communities in an area that is at risk of being affected (whether directly or indirectly) by a future natural disaster

2.4.2 the provision of a service that is directed towards achieving any or all of the following:

- resilience to a future natural disaster that could affect an area (whether directly or indirectly)
- preparedness for a future natural disaster that could affect an area (whether directly or indirectly)
- reduction of the risk of a future natural disaster that could affect an area (whether directly or indirectly)
- the long-term sustainability of a community or communities in an area that is at risk of being affected (whether directly or indirectly) by a future natural disaster

2.4.3 the adoption of technology that is directed towards achieving any or all of the following:

- resilience to a future natural disaster that could affect an area (whether directly or indirectly)
- preparedness for a future natural disaster that could affect an area (whether directly or indirectly)
- reduction of the risk of a future natural disaster that could affect an area (whether directly or indirectly)
- the long-term sustainability of a community or communities in an area that is at risk of being affected (whether directly or indirectly) by a future natural disaster

2.4.4 a matter that is incidental or ancillary to a matter mentioned in 2.4.1, 2.4.2 or 2.4.3 above.

2.5 To facilitate this funding, the Emergency Management Minister² is required to make an *arrangement* with or make a *grant* of financial assistance to a person or body for the above purposes.

2.6 A person or body may include, but is not limited to:

- an individual or group of individuals
- an incorporated or unincorporated body
- a not-for-profit organisation
- an education institution (such as a university)
- an Australian Government agency, state or territory government, or local government body.

Requirements for all arrangements or grants

2.5 All arrangements or grants of financial assistance must:

- be in accordance with the Public Governance Performance and Accountability Act 2013 (PGPA)
- complement existing funding programs
- be consistent with relevant national principles, frameworks and guidance, including, but not limited to, the *National Disaster Risk Reduction Framework 2019*, the *National Strategy for Disaster Resilience* and the *National Principles for Disaster Recovery*.

² A reference to the Emergency Management Minister includes a reference to his or her delegate under section 61 of the Act.

2.6 All arrangements or grants of financial assistance must:

- detail the outcomes to be achieved, and
- contain a performance evaluation mechanism/s.

2.7 Under section 26 of the Act, information on each financial arrangement or grant entered into by the Emergency Management Minister must be published on the Department of Home Affairs website. Details to be published may include:

- the purpose of each arrangement or grant
- details of each funding recipient who are not individuals³, and
- the amount paid or payable.

2.8 Grants made will also be reported on the GrantsConnect website within 21 days of the grant agreement commencing.

³ To protect their privacy, the names of individuals will not be published.

3. Decision-making processes

3.1 A formal decision of the Government is required to access the ERF. The Emergency Management Minister has responsibility for developing proposals for Government consideration on when the ERF should be accessed and the design of programs to be funded, informed by advice of the Director General of Emergency Management Australia (Director General). The Director General is highly qualified for this role, as the senior official responsible for coordinating Australia's responses to crises, including providing both physical and financial support to those impacted by natural hazards. The Director General also oversees national resilience, preparedness and risk reduction, including national implementation of the *National Disaster Risk Reduction Framework*.

3.2 All decisions of the Government to access the ERF will be published as a Budget or Mid-Year Economic and Fiscal Outlook (MYEFO) measure that outlines the purpose and amount of funding to be provided. Following a Government decision of this nature, the Emergency Management Minister may make grants or arrangements as permitted by the legislation.

3.3 The Act established the Home Affairs Emergency Response Fund Special Account. When the Government makes a decision to access the ERF, the Emergency Management Minister will request that the agreed amount be debited from the ERF and credited to the Home Affairs Emergency Response Fund Special Account. Grants to a state or territory will be channelled through the COAG Reform Fund.

3.3 In preparing advice for the Emergency Management Minister, the Director General will consult with the state, territory and/or local governments and/or communities affected by the disaster or any other expert to understand the needs of the community.

4. Recovery and post-disaster resilience measures

4.1 Under section 34 of the Act, an amount of up to \$150 million per year may be disbursed from the ERF for recovery or post-disaster resilience measures.

Decision to enter into an arrangement or make a grant of financial assistance for recovery and post-disaster resilience measures

4.2 Following a natural disaster in Australia, the Emergency Management Minister may enter into an arrangement or make a grant of financial assistance for recovery or post-disaster resilience where he or she is satisfied that:

- the natural disaster has had a *significant or catastrophic impact*, or
- existing programs are insufficient to meet the scale of the response required.

4.3 As per paragraph 4.1 of these guidelines, in considering a proposal to access the ERF to fund recovery or post-disaster resilience measures, the Emergency Management Minister will be informed by advice from the Director General. At a minimum, this advice will consider the extent to which the natural disaster has had a *significant or catastrophic impact* (as defined below in paragraph 4.8), and the extent to which existing programs are insufficient to meet the scale of the response required.

4.4 The Director General's advice may also have regard to the specific recovery needs of the affected areas, communities and sectors and the recovery or post-disaster resilience outcomes sought to be achieved.

4.5 The Director-General's advice will take account of the requirement, under subsection 20(6) of the Act, that at least one arrangement or grant in relation to recovery from a natural disaster affecting an area is made before an arrangement or grant for post disaster resilience is made in relation to that area.

4.6 The Director-General's advice may also consider:

- the impact, severity and any potential long-term implications of the disaster
- the people, communities and sectors likely to be affected by the disaster
- the extent and impact of damage to critical infrastructure
- the nature of assistance provided under existing programs
- the persons or bodies who should receive funding
- the projects, services, technologies, or related activities that should be carried out, provided or adopted to achieve recovery or post-disaster resilience
- the amount of funding that should be provided to each person or body, and
- the nature of the funding vehicle that should be used (i.e. a financial arrangement such as a contract, agreement or deed, or a grant).

4.7 In preparing this advice, the Director General will consult with the state, territory and/or local government and/or communities affected by the disaster or any other expert to understand the needs of the community.

Characteristics of a significant to catastrophic disaster

4.8 A natural disaster will be considered to have had a significant or catastrophic impact where one or more of the following has occurred:

- reduction in an Australian government's ability to perform its core functions, such as health, sanitation, security and community safety
- widespread destruction of, or significant disruption to, critical infrastructure, such as utilities (water, gas, electricity, fuel, waste disposal), medical and health facilities, food supply, and telecommunications
- requirement for long-term recovery over an extensive geographical area
- multi-sector and multi-jurisdictional impacts
- large numbers of fatalities
- large numbers of displaced or at-risk people, exceeding the abilities of existing evacuation and support mechanisms
- widespread psychosocial or social impacts, including impacts specific to particular communities
- a temporary or permanent negative economic shock with a high potential to cause lower economic growth rates in the mid-to-long term, impact trade or commerce, cause higher levels of unemployment (whether sector specific or geographically localised), and/or sudden and continuing price instability
- interruption to, or undoing of, recovery gains, whether financial or social made from previous disasters due to a rapid succession of disasters
- requirement for broad national coordination of inter-jurisdictional and international assistance, and
- inadequacy of business as usual emergency management systems and capabilities.

Types of recovery or post-disaster resilience assistance that may be provided

4.9 The Emergency Management Minister will decide the arrangements or grants that he or she will enter into, and the Director General will advise on when the ERF should be accessed for these activities and the design of funding arrangements. Recovery or post-disaster resilience measures may include:

- tailored financial assistance to help persons or bodies recover from, and build economic sustainability and resilience to withstand, transition or transform to reduce the impacts from a catastrophic natural disaster
- additional recovery grants to help primary producers or small business owners re-establish, transition or transform their enterprises/businesses
- economic aid packages to help the areas affected, either directly or indirectly, to recover and transition from a disaster
- training and information for individuals, primary producers, small businesses or non-government organisations on strategies to help with long-term recovery, including post-disaster risk reduction
- tools to better understand local climate variability and advice on climate risk applied to affected locations for future land-use planning
- financial management advice for persons or bodies to improve their ability to manage through lower income periods caused by a disaster
- improving data on the effects and consequences of natural disasters in areas that have been affected by disaster
- supporting industry to recover and develop post-disaster, future risk mitigation measures
- support and development of alternative solutions for supply chain operations, and

- infrastructure built to withstand, adapt or be relocated in anticipation of future natural disasters in areas that have been affected.

4.10 The above list provides examples of possible projects, and is not exhaustive or conclusive regarding the types of projects that may receive funding.

5. Pre-disaster resilience and preparedness, disaster risk reduction and sustainability measures

5.1 Under section 34 of the Act, an amount of \$50 million per annum may be disbursed from the ERF for pre-disaster resilience and preparedness, disaster risk reduction or sustainability measures.

Decision to enter into an arrangement or make a grant of financial assistance for pre-disaster resilience and preparedness, disaster risk reduction or sustainability measures

5.2 The Emergency Management Minister may enter into an arrangement or make a grant of financial assistance where he or she is satisfied that this funding will build resilience to, enhance preparedness for, or reduce the risk of a future disaster that could affect an area (whether directly or indirectly), or build the long-term sustainability of a community or communities in an area that is at risk of being adversely affected (whether directly or indirectly) by a future natural disaster.

5.3 As per paragraph 4.1 of these guidelines, in considering a proposal to access the ERF to fund pre-disaster resilience, preparedness, disaster risk reduction or sustainability measures, the Emergency Management Minister will be informed by advice from the Director General. This advice will consider the extent to which a proposal aligns with the priorities, strategies and outcomes of the *National Disaster Risk Reduction Framework*. This advice may also consider whether:

- a community, sector or area will be supported to understand the ways in which it is vulnerable to disaster into the future and identifies options to withstand, adapt or transform to reduce disaster risk
- a proposed measure is likely to build resilience in an area or region prone to natural disasters or an area or region that may experience a significant disaster in the future
- an area, region or sector of the economy needs special measures to build resilience to a future natural disaster as a result of a significant event likely to affect sustainability, such as drought
- a future natural disaster is likely to have a significant, negative impact on primary producers, small business or other sectors of the economy
- proposed research is likely to provide valuable information on resilience and disaster risk reduction, which may reduce the tangible and intangible cost of disasters in the long-term
- special measures are required to build Australia's long-term capability to effectively respond to natural disasters effectively (for example – measures to improve the resilience of fire and emergency services workers, including volunteers), and
- a proposal will improve the ability of people to factor future climate and disaster risks into their decision-making.

5.4 In entering into an arrangement or making a grant of financial assistance to fund pre-disaster resilience and preparedness, disaster risk reduction or sustainability measures, the Emergency Management Minister may look favourably upon proposals that:

- promote long-term resilience, preparedness, risk reduction or sustainability
- complement existing programs and do not supplant other sources of funding or operate as a disincentive for existing resilience strategies, such as the take up of insurance and mitigation planning and implementation
- offer opportunities for collaboration, translation and scalability to other areas of Australia, and
- promote continuous improvement, innovation and sharing of lessons, data and knowledge.

5.5 The Director General's advice may also consider the needs of specific communities, the types of proposals that have received funding in the past, the likely impacts of climate change on the relevant area, and the outcomes sought to be achieved.

5.6 In preparing this advice, the Director General will consult with the state, territory or local governments and communities affected by the disaster or any other expert to understand the needs of the community.

Types of pre-disaster resilience and preparedness, disaster risk reduction and sustainability assistance that may be provided

5.7 The Emergency Management Minister will decide the arrangements or grants that he or she will enter into, and the Director General will advise on when the ERF should be accessed for these activities and the design of funding arrangements. Pre-disaster resilience and preparedness, disaster risk reduction and sustainability assistance measures may include:

- projects that support communities, individuals and/or small businesses to understand disaster risks and impacts relevant to what they value and the choices they make
- research that will establish new data sets and knowledge relating to the disaster risk profile of a given area that will improve public awareness of, and engagement on, disaster risks and impacts (hazard, exposure, vulnerability, capacity and environment)
- development of technological advancements, including smart infrastructure, to create improved disaster risk information
- establishment of sector-specific professional development and guidance materials, including infrastructure and land-use planning tools, to build the capability of decision makers to make disaster risk-informed decisions
- review processes for standards, codes and specifications to minimise the creation of new disaster risks
- creation of clear governance structures and planning frameworks for pursuing disaster risk reduction projects, and
- inclusive community partnership projects with diverse stakeholders, including culturally and linguistically diverse communities.

5.8 The above list provides examples of possible projects, and is not exhaustive or conclusive regarding the types of projects that may receive funding.

6. Definitions

Arrangement: An arrangement may include a contract, agreement or deed. As per section 20(5)(b) of the Act, an arrangement does not include a loan.

Disaster: A serious disruption of the functioning of a community or a society at any scale due to hazardous events interacting with conditions of exposure, vulnerability and capacity, leading to one or more of the following: human, material, economic or environmental losses and impacts (*National Disaster Risk Reduction Framework*).

Disaster Risk: The potential loss of life, injury, or destroyed or damaged assets which could occur to a system, society or a community (*National Disaster Risk Reduction Framework*).

Emergency Management Minister: Minister for Natural Disaster and Emergency Management or, in the event of a revised Ministry list, the Minister whose title includes the words “Emergency Management”.

Grant: Paragraph 2.3 of the Commonwealth Grant Rules and Guidelines describes a grant as ‘as arrangement for the provision of financial assistance by the Commonwealth or on behalf of the Commonwealth:

- a. under which relevant money ...is to be paid to a grantee other than the Commonwealth; and
- b. which is intended to help address one or more of the Australian Government’s policy outcomes while assisting the grantee achieve its objectives.

Natural disaster: Natural disaster in Australia. ‘Natural disaster’ is not defined in the Act, so is therefore given its ordinary meaning.

Preparedness: Activities and measures taken in advance to ensure effective responses to the impacts of hazards, including the issuance of timely and effective early warnings

Resilience: The ability of a system, community or society exposed to hazards to resist, absorb, accommodate, adapt to, transform and recover from the effects of a hazard in a timely and efficient manner, including through the preservation and restoration of its essential basic structures and functions through risk management. (*National Disaster Risk Reduction Framework*).

Recovery: The restoring or improving of livelihoods and health, as well as economic, physical, social, cultural and environmental assets, systems and activities, of a disaster affected community or society, aligning with the principles of sustainable development and “build back better”, to avoid or reduce future disaster risk (*UNDRR and Community Recovery Handbook*).