

Submission: Alternative Commonwealth Capabilities for Crisis Response Discussion Paper

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Introduction

This is a personal submission, provided in my individual capacity and reflecting my personal views, and does not reflect the views or opinions of my employer or any volunteer organisations with which I am affiliated.

I am currently employed as the Henry Baldwin Professorial Research Fellow in Health Systems Sustainability at the Menzies Institute for Medical Research, University of Tasmania. I am an economist with over 30 years' professional experience in the economics of health, healthcare and public financing. My primary field of research focuses on the economic challenges to healthcare systems in mitigating and adapting to climate change and the wider ecological crisis.

I am a current volunteer with the Tasmanian State Emergency Service (Southern Regional Unit Search and Rescue team), where I have been a member since 2012. I was also a member of Victoria SES between 2020 and 2021. Prior to emigrating to Australia, I was a volunteer with the UK Emergency Response Team – Search and Rescue (a volunteer charity), and previously served for 12 years as reserve officer in the British Territorial Army.

Current ADF support to crises / emergencies

The discussion paper highlights the main roles the ADF has traditionally played in emergency responses (p5) as planning support, logistics, communications, transport and provision of additional personnel. The specialist skills and knowledge associated with the first four areas are highly regarded and prized by state and local agencies. While there are clearly a number of options for providing a deployable body or bodies of generally trained additional personnel, all future alternatives will need to consider carefully how to develop, transfer and sustain these specialised *skills* over time. It is likely that the ADF would need to be closely involved in the process of developing and transferring skills to any other organisation(s) seeking to take over these roles – both in a phased manner, but also with the potential for some ongoing rotation of ADF personnel to support the new arrangements.

The importance of ADF equipment should also not be underestimated: aviation and marine transport, deployable heavy / engineering equipment and vehicles, and logistics support (e.g. emergency water supply and sanitation, emergency feeding, field hospitals etc.). It is entirely reasonable to shift responsibilities away from the ADF to enable them to focus on their core mission. However, any plans to do so which do not recognise from the outset the unavoidable need to invest substantially in duplicate civilian capabilities, equipment and infrastructure will be doomed to failure. The discussion paper rightly identifies the opportunity cost to the ADF of emergency relief deployments (p9). The judgement that the ADF's capability to defend Australia and its national interests is undermined by an increasing number of emergency relief deployments reflects precisely this opportunity cost. This opportunity cost to the ADF cannot be reduced without significantly increased spending on and investment in civilian alternatives. The need for such spending must be "taken on the chin" by the Australian Government as the primary revenue raising tier of government,

and it must be judged as achieving two parallel benefits: both improving emergency response capabilities *and* strengthening the force readiness of the ADF in its military role.

Additive Expanded Civilian vs. Expanded ADF Capacity

The discussion paper notes the need to free up ADF resources for national security reasons, through establishing alternative civilian capabilities. It also notes the assessment that the future will bring “...more frequent, severe, complex, cascading and compounding crises at home” (p8). A key logical consequence of these two premises is the following: the civilian capabilities which will replace the existing use of ADF resources must, over time, add *net additional* new capacity above beyond that displaced from the ADF – they cannot simply be a one-for-one substitute. In most areas of emergency response, this can be best done via civilian alternatives (see below). However, two areas might be better kept within the purview of the ADF to maximise economies of scale and flexibility, by adding additional resources and capability within the ADF itself: airlift and sealift capacity. There is a reasonable case to be made that the RAAF and RAN are likely to be more efficient operators of the heavy lift capabilities required for emergency response and evacuation, and that attempting to set up (or outsource) an equivalent civilian capability would be more expensive and less flexible. Consideration should therefore be given to the option of investing in additional capability (material and human) via the ADF in these two specific fields, by establishing and equipping new dedicated units specialising in these functions, able to train regularly with civilian agencies. Discussions of outsourcing should also be mindful of the significant potential for commercial civilian operators to simply “poach” current skilled ADF personnel, thus failing to lead to any net increase in national capacity.

Alternative Civilian Capabilities – Key Needs

Any strengthening of civilian capabilities to reduce dependence on the ADF must rigorously assess the appropriate balance between a number of potential trade-offs, most significantly:

- Numbers (“boots on the ground”) vs. specific skills / specialisations
- Strengthening locally based capacity vs. centrally deployable capacity
- Volunteer vs. professional
- Federally provided vs. federally funded and locally provided

As noted previously, there is a difference between mobilising personnel with good *generic* skills in emergency / rescue activities, and providing specialist personnel with high skills and confidence in specific areas such as planning, logistics, communications etc. Achieving these aims outside the ADF may require differing organisational models. In particular, there is a strong argument for more centralised provision of more specialist capabilities (perhaps based in two or three capital cities), ready for nationwide (or regional) deployment, where economies of scale make these infeasible to provide in every state and territory.

Striking the appropriate balance between expanding volunteer capabilities versus paid / professional staff expansion also requires careful attention to i) skill and specialisation levels and ii) frequency of deployment. Building new civilian organisations (or integrating new functions into existing organisations) to achieve high levels of capability in areas currently reliant on the ADF will require highly focused effort over a period of years. It is unlikely this could be achieved by volunteers alone, and is likely to require a higher level of skilled professional staff (with operational experience and

skills, not back office staff) than is currently common in SES and volunteer fire services. It must also be accepted that most volunteers could not undertake frequent and repeated interstate deployments, due to family and work commitments – while local volunteers are themselves impacted by the disaster at hand and hence cannot remain operational indefinitely. Given the need to expand overall capacity to deal with an accelerating burden of disasters, expansion of both volunteer and professional capabilities will be unavoidable.

Against the backdrop of increasing frequency of compounding crises, it is also likely that new / additional centralised, deployable civilian capability will be required in the following specific areas:

- Additional rescue boat and swiftwater rescue capacity – rescue boats and skills are hard to maintain and manage at local SES unit level, and a number of recent flood events have seen local capabilities overwhelmed rapidly. The ability to deploy boats and competent crews centrally as flood events are predicted would be an important corrective.
- Larger scale evacuation, temporary accommodation and feeding capacity for displaced persons
- Safe water supply and sanitation for affected populations *in situ*
- Temporary healthcare services for affected populations (n.b. *not* field hospital / mass casualty handling, but deployable primary health care capability to manage ongoing, basic health needs under crisis conditions while local healthcare services are disrupted)

A Proposed Model for National and State Emergency Services

To meet the joint challenge of meeting increasing needs for emergency responses while also reducing reliance on the ADF, the following model is proposed.

A National Emergency Response Corps

Establish a *National Emergency Response Corps* (federally funded and provided). A paid / professional organisation, providing:

- Well-trained, instantly deployable personnel with general emergency / rescue skills to replace current reliance on the ADF for “additional personnel” (p5)
- An organisational core of more specialised skills (e.g. logistics, planning, relief management etc)
- Centrally deployable specialised / heavy equipment (including air and maritime assets if additional capacity could not be better provided via the ADF – see discussion above)

The National Emergency Corps would target its recruitment at young adults, offering a full-time, paid engagement of three years in the first instance. Successful completion of this service would qualify the individual for full cancellation of all HECS debt (for graduates or former members undertaking a degree post-service) or a tax-free cash bonus (indexed appropriately to HECS debt levels) for non-graduates. Leadership and trainers would initially be provided by a combination of seconded state emergency agencies and ADF personnel, with the NEC transitioning over time to become able to provide for its own pipeline of career and permanent staff. Incentives could also be designed to encourage former NEC members to volunteer with local emergency services following their exit.

The NEC would likely have establishments based in a number of (if not all) states and territories, but with clear expectations of immediate nationwide and/or overseas deployability. The NEC would also provide the potential kernel for expansion to a compulsory community service model for young adults in the future if conditions so required.

Strengthened State Emergency Services

Meanwhile, existing capabilities within each State Emergency Service should be strengthened via expanded federal funding to states and territories to enable:

- Strengthened central / specialised training capacity to provide easier access to higher-level training at regional / state level (e.g. swiftwater rescue, logistics, planning, intelligence)
- Specialised units able to provide and deploy more complex assets and skills – e.g. rescue boats – with clearer understandings of and availability for rapid deployments
- More exciting and well-resourced joint exercises, aimed not only to build skills but also to provide motivation / satisfaction and recruitment opportunities

Central to successful expansion in this space would be further development of legislated protections (federally and state and territory) for volunteer employment rights and remuneration for extended deployments, including visible enforcement via prosecution of non-compliant employers.

Local Prevention and Preparedness – a Jobs Guarantee Program

Finally, the Australian Government could leverage a dramatic increase in the capability of Local Governments to undertake prevention, preparedness and adaptation activities across the country by funding a “Jobs Guarantee” program.¹ This would provide funding – in the first instance via local councils - to offer a living wage job to anyone wanting it, to undertake a wide range of projects aimed at strengthening community resilience, prevention and preparedness.

Financing Alternative Capabilities

As noted, the very premise of establishing “alternative Commonwealth capabilities” to release the ADF from such a heavy burden of emergency response duties inherently and unavoidably requires additional expenditure and investment. The Australian Government is the pre-eminent tax-raising authority under Australia’s Constitution and fiscal federalist model; the additional financial resources required to establish and maintain these alternative capabilities must therefore be provided by the Australian Government. A wide range of progressive and socially beneficial taxation measures could raise the necessary resources: increased marginal income tax rates on high earners; high net wealth taxes; carbon / pollution taxes on high-polluting industries (responsible for driving climate damages).

I would, however, advise significant caution in pursuing the desire to “...attract increased investment in emergency management from the private sector” or to “...make it financially viable for other sectors to contribute to a Commonwealth crisis response capability” (p11). Perhaps the most useful steps here would be quite prosaic – finding ways for employers to guarantee deployment on full pay for their employees who are volunteers, and encouraging firms to engage generously with local preparedness, relief and recovery efforts. There may be significant risks and transaction costs attached to outsourcing and reliance on the private sector for key capabilities (see earlier discussion

on air and sea lift capacity). In the future foreseen by this discussion paper, it will not just be governments that struggle to meet increasing needs – the private sector will find its profits reduced and its resources stretched by the climate crisis, and will likely become less rather than more capable of supporting the public sector in the community's time of need.²

References:

1. Mitchell WF, Watts M. Investing in a Job Guarantee for Australia. Callaghan, NSW: University of Newcastle Centre of Full Employment and Equity; 2020 July 2020.
2. Hensher M, Tisdell J, Canny B, Zimitat C. Health care and the future of economic growth: exploring alternative perspectives. *Health Economics, Policy and Law*. 2020;15(4):419-39.