



Australian Red Cross Public Submission to the Productivity Commission Review of the Future Drought Fund

19 July 2023

About us

Established in 1914 and incorporated by [Royal Charter in 1941](#), Australian Red Cross is auxiliary to the public authorities in the humanitarian field. We have a unique humanitarian mandate to respond to disasters and emergencies. This means governments can benefit from a trusted, credible, independent and non-political partner with local-to-global networks, who will work to implement humanitarian goals in a way that maintains the trust of governments and Australian society as a whole.

Australian Red Cross is one of 192 National Red Cross and Red Crescent Societies that, together with the International Committee of the Red Cross (ICRC) and International Federation of Red Cross and Red Crescent Societies (IFRC), make up the International Red Cross and Red Crescent Movement – the world’s largest and most experienced humanitarian network.

The Movement is guided at all times and in all places by seven [Fundamental Principles](#): Humanity, Impartiality, Neutrality, Independence, Voluntary Service, Unity and Universality. These principles sum up our ethics and approaches and are at the core of our mission to prevent and alleviate suffering.

We remain neutral, and don’t take sides, including in politics, enabling us to maintain the trust of all and to provide assistance in locations others are unable to go. Volunteering is in our DNA, and everything we do is supported by thousands of volunteers, helping respond to humanitarian needs and issues in their own communities. All our work is inspired by the principle of Humanity, seeking always to act where there is humanitarian need.

Here in Australia, our core areas of expertise include Emergency Services, Migration, International Humanitarian Law, International Programs and Community Programs.

Overview as of 2022:



20,000+
members and volunteers
acting for humanity



131,000+
Australians supported during
42 emergency activations

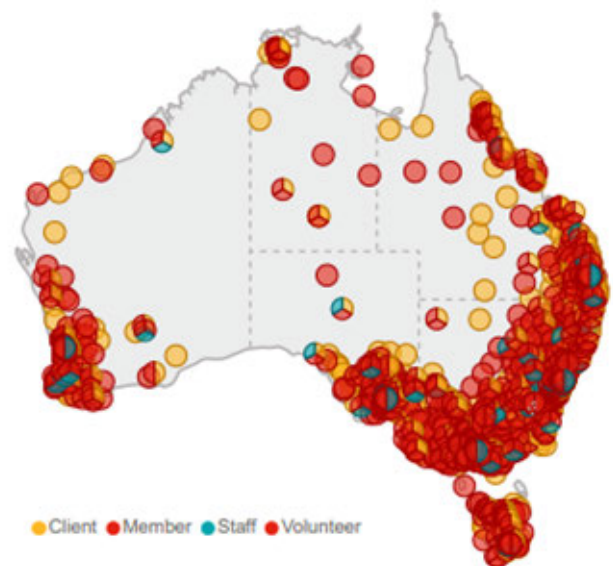


225,000+
social support hours delivered



37,500+
people supported through
emergency relief payments

Location of Red Cross people and clients



Executive Summary

As Australia's oldest disaster agency and one of the only working across all stages of disaster, Australian Red Cross has a strong interest in ensuring people and communities are resilient at all stages of all disasters – including protracted disasters like drought.

Drought has always been a part of life in Australia. Through climate change, however, Australia is increasingly experiencing more severe droughts that last longer than ever previously recorded.

In 2018, following several years of drought, Australian Red Cross launched the [Red Cross Disaster Relief and Recovery Appeal](#), which raised and distributed \$11.5 million in 7,452 grants to enable short term financial relief in drought-affected rural communities.

In addition, and in partnership with BHP Foundation, Australian Red Cross established a National Drought Resilience Program (Drought Program) with three objectives:

1. Support drought-impacted families and communities with a range of needs-driven services to better manage psychosocial impacts of drought.
2. Ensure community leaders, volunteers, partners and both existing and new service providers have enhanced capability and capacity to address the psychosocial needs of drought-impacted communities.
3. Improve policy and practice to reduce the psychosocial impacts of a changing climate.

The Drought Program ran from May 2019 to December 2021, during which many findings were integrated into our work. Australian Red Cross found the most effective programming in drought-affected regions had the characteristics of being:

- **All-hazard:** communities seldom face drought exclusively, so an all-hazard approach is most effective.
- **Community-led:** communities are experts in their own strengths and needs.
- **Strength-based:** focusing on actions and assets rather than fear and limitations is more effective.
- **Long-term and sustainably funded:** it takes time to build rapport, so funding should be for a minimum of three to five years.
- **Evidence-informed:** sound data informs sound decision making, which benefits communities more effectively.
- **Scalable and climate-ready:** successful programs can be scaled up, enabling learnings from one community to benefit others, this will become more important under a changing climate.

Summary of recommendations:

1. Consider classifying 'drought' as a disaster to ensure support is available for people affected by drought.
2. Increase the amount of funding available to communities at risk of drought impacts, to account for increased exposure driven by climate change.
3. Direct half of available drought funds to initiatives that build social capital, social resilience and strengthen social infrastructure for people and communities (including First Nations peoples and culturally and linguistically diverse people), before drought occurs.
4. Ensure funding is sustainable and multi-hazard, to ensure communities facing cumulative or concurrent disasters are supported.
5. Provide funding that supports drought affected communities that is guaranteed over the long-term and maintained even after drought conditions have eased to allow people to recover.
6. Allow community voices to be central and to direct funding in order to maximise impact, acknowledging that resilience is often built through harnessing and acting on community ideas.
7. Strengthen links between funding bodies and local communities to ensure that decision making is localised.
8. Identify and leverage the strength of diverse communities, including First Nations communities in developing approaches to disaster risk reduction.
9. Ensure funding is inclusive and meaningfully available to a diverse range of communities and community-members, including First Nations communities and people on temporary or insecure visas.
10. Ensure funding is equitable by reducing administrative burdens where possible and easing eligibility requirements.

Australian Red Cross Recommendations for the Future Drought Fund

Recommendations and reflections here are based on the findings of the National Drought Resilience Program, as well as other disaster programs run by Australian Red Cross.

1. Classification of drought as a disaster

1.1 Most governments in Australia do not classify drought as a disaster. For the purposes of this document, Australian Red Cross refers to drought as a disaster, reflecting how the communities we work with experience drought. As a slow onset disaster, drought is often misunderstood. It doesn't have a clear starting point, or end point, and the drought cycle can last months, seasons or even years. It can be as damaging as a flood or fire, decimating livelihoods, relationships and communities in its path. Communities often feel forgotten and left behind when the attention of policy makers, media and the general public moves on. Drought is disastrous for people in Australia and support should be provided accordingly.

Recommendation 1: Consider classifying 'drought' as a disaster to ensure support is available for people affected by drought.

2. Scope and uptake of funding

2.1 Climate change is classed as an existential threat and will result in longer, more frequent and more intense droughts in Australia. There is growing public awareness that considerable change is needed to support people and communities to adapt to the humanitarian impacts of climate change. While there is investment into farming communities when drought is in full swing, the drought cycle is long, and its impacts linger in communities long after national attention has moved on. Social connectedness and psychosocial wellbeing have emerged as a significant gap in the drought sector, with only 11% of drought funding directed here, as compared with logistical, innovation, research and development, scientific or infrastructure supports ([Acil Allen Drought Resilience Stocktake, 2020](#)). Within this, there are also social and cultural barriers prohibiting farming communities, farmers, and farm workers from taking up what support is available (such as social stigma).

Recommendation 2: Increase the amount of funding available to communities at risk of drought impacts, to account for increased exposure driven by climate change.

3. Technological solutions versus social infrastructure and social capital

3.1 While hard infrastructure projects are popular, valuable and provide clear outcomes, making them easier to approve, they are often prioritised over projects that build social capital (which underpins strong community responses to disasters and feeds into faster, better recovery

afterwards). Public funding arrangements have preferenced hard measures over social infrastructure for years, despite growing evidence that shows that a balance of investment in both is most effective. For example, in Japan in 2011 when a triple disaster occurred, where an earthquake triggered a tsunami and the Fukushima nuclear meltdown. It demonstrated how \$250 billion USD invested in 40+ foot tall concrete seawalls disrupted local ecosystems, angered residents, and did little to save lives, while the intangible, social bonds in coastal communities helped people survive and thrive ([Aldrich, 2023](#)).

3.2 For many, the most obvious methods of building resilience to drought are through technology, research and innovative farming practices. However, drought does not just damage crops and livestock. Research shows the economic costs of the social impacts of disaster (health, wellbeing, employment, education, safety issues) *are at least double that of restoring physical assets* ([Australian Business Roundtable, 2021](#)). The same report shows that reducing the psychosocial impacts of disasters is linked to a faster, more equitable post disaster recovery. Even though most governments do not classify drought as a disaster, our Drought Program found that this was also true in drought-affected communities.

3.3 In 2021, Australian Red Cross published results of a survey of people's preparedness and recovery experience for emergencies. Respondents were asked to assess their level of disruption during a disaster and assess their level of stress in the recovery process. The results can be viewed in this [report](#) which found that preparedness for disasters is an essential part of reducing stress and building confidence to respond to a disaster. Australian Red Cross stresses the importance of investment in community resilience building and preparedness, alongside the more traditional responses of increasing environmental security or investing in prevention measures such as building physical infrastructure, investing in technology, research and innovative farming practices. Greater investment in protecting social infrastructure and strengthening social capital would be more effective and efficient than the current emphasis on technological solutions, hard infrastructure and physical assets, as it will contribute to strong, thriving communities ([Australian Red Cross, 2021](#)).

3.4 There is strong evidence that highlights the benefits of investing in social capital:

- Four in five people in Australia have experienced a disaster at least once since 2019 ([Climate Council, 2023](#)).
- NEMA's figures show that for every dollar spent on disaster risk reduction, there is an estimated **\$9.60** return on investment ([NEMA, 2023](#)).
- People who are connected and participate in their community live happier, healthier and longer lives, and their neighbourhoods are better places in which to live ([Aldrich, 2012](#)).

3.5 Building the social capital and psychosocial wellbeing of communities means they can more readily anticipate hazards, withstand adversity, and will recover faster with reduced response and recovery time and costs. It will create jobs and make communities stronger, more connected

and therefore better able to withstand future disasters ([Australian Business Roundtable, 2013](#)). Social resilience is a critical element in the disaster cycle, without which, recovery will take longer and be more costly. This is equally applicable in the drought context.

3.6 Risk reduction programs focusing on individuals and families, such as education and awareness programs, are far less expensive to run than infrastructure and technology projects and have significant, positive community benefits that can be realised immediately, including strengthened social cohesion and connection ([Aldrich, 2015](#)). This will improve the ability of individuals and communities to endure drought and the numerous other hazards faced by people living in Australia.

Recommendation 3: Direct half of available drought funds to initiatives that build social capital, social resilience and strengthen social infrastructure for people and communities (including First Nations peoples and culturally and linguistically diverse people), before drought occurs.

4. Cumulative and concurrent disasters

4.1 The cumulative and multi-hazard nature of disasters will only grow more complex as climate change intensifies Australia's disaster landscape. Sustainable, holistic disaster funding will help address these challenges.

4.2 Most Commonwealth funding mechanisms available in Australia are single-hazard specific and lack scope for cumulative or concurrent emergencies. The findings of our Drought Program showed that most people facing drought were experiencing at least one other type of significant hazard. At one point during the program, certain regions in NSW were experiencing impacts of four disasters at once (drought, bushfire recovery, pandemic and then flood), and predictably, the more adversity people face, the more their wellbeing suffers, so our interventions in these regions were critical. People found it challenging when support was only available for one of the disasters they faced.

Recommendation 4: Ensure funding is sustainable and multi-hazard, to ensure communities facing cumulative or concurrent disasters are supported.

5. Long-term interventions have more impact

5.1 The Future Drought Fund Interim Report acknowledges the limitations of short-term funding projects and the value of investing in long-term disaster resilience programming and we take this opportunity to validate that conclusion. The need for long-term funding was a theme that was reiterated throughout the Drought Program and has also been echoed across other disaster resilience and recovery programs of Australian Red Cross. It takes time to build rapport and trust, to connect with the right people and to establish an effective presence. Short term programs therefore have limited effectiveness. It has been observed that despite the cyclical nature and

long-term duration of drought, funding and support is often reactive and available only during the 'response' or early phase of the drought. This continues to cause anxiety around the need for ongoing and long-term support.

Recommendation 5: Provide funding that supports drought affected communities that is guaranteed over the long-term and maintained even after drought conditions have eased to allow people to recover.

6. Centring community voices

6.1 The community is best placed to understand their own strengths and needs, and local community members often have a strong sense of where support should be directed. However, there are often fixed expectations from funders for how funding should be applied in communities. Constraints imposed by funding mechanisms can inadvertently limit community development. Allowing fund recipients to determine and implement solutions alongside communities in our experience, creates better results.

6.2 Through the Drought Program, staff and volunteers often heard from communities that the 'accidental counsellors' or 'unofficial supporters' in town were struggling and in need of additional support. This precipitated the development of our Support the Supporters workshop. This workshop was delivered in twelve communities and initially reached more than 150 key community members struggling with their own self-care while supporting the people around them. It targeted the unofficial supporters: publicans, hairdressers, school counsellors, council staff etc., who often find themselves as frontline responders, with limited resources and referral pathways. 94% of respondents said that because of the training, 'I have a better understanding of stress and recognising it in myself and others.' 99% said that as a result of the training, 'I feel more confident about placing importance on my own wellbeing'. The Supporting the Supporters workshop went on to be one of our most popular offerings – a testament to the importance of putting community voice at the centre.

Recommendation 6: Allow community voices to be central and to direct funding in order to maximise impact, acknowledging that resilience is often built through harnessing and acting on community ideas.

7. Localisation

7.1 One of the most important roles of the Commonwealth and state and territory governments is to embed localisation: funding local activities, amplifying local stories, streamlining practices for communities and the organisations that support them, and understanding and building on local

strengths and overcoming local challenges. There are significant barriers preventing localised funding for community-based assets and community infrastructure that must be addressed.

7.2 Decision making seldom sits with community itself and a disconnect between community priorities and the priorities of governments is evident. Local government areas have limited influence but can bear the consequences of decisions they did not get to make. Local councils often lack the resources and capability to tackle disaster resilience building, response and recovery in a meaningful way without national and state resources. Where efforts are being made, they are often in isolation, off the side of desks, so communities miss the opportunity to realise the benefits of consistent approaches, pilots and shared learning across jurisdictions. This not only slows progress but can also mean that some communities experiencing the greatest vulnerability are left behind.

7.3 One way to address this is to strengthen links between funding bodies and local communities. Fund administrators and policymakers should undertake regular visits to drought-affected regions to connect with what is happening on the ground throughout the drought cycle. They need to be more strongly embedded, with a presence alongside communities, helping simplify funding arrangements and as a result, benefitting from the value of local insights and greater ability to support community-driven approaches. Resourcing community resilience work will help guide decision-makers on local needs in a response, and in recovery. Australian Red Cross, as auxiliary to public authorities in the humanitarian field, operating nationwide and widely trusted and embedded in communities, can support governments in this work.

Recommendation 7: Strengthen links between funding bodies and local communities to ensure that decision making is localised.

8. Strength in diverse communities

8.1 In 2018, Australian Red Cross researched the complex factors shaping resilience and vulnerability in disaster-affected, culturally and linguistically diverse (CALD) communities ([Australian Red Cross, 2021](#)). CALD communities are widely considered more vulnerable to disaster impacts due to unfamiliarity with Australia's physical and social environment, low English proficiency, poor awareness of local hazards, undeveloped support networks or previous traumatic experiences. While the specific circumstances of CALD communities can create heightened vulnerability to disaster impacts, many migrants and refugees display elevated levels of resilience, knowledge and coping capacities, often because of having overcome the significant challenges of migration and settlement in a new country. With the three-fold increase to the number of Pacific Australia Labour Mobility scheme workers, from around 10,000 people pre-June 2021 to over 30,000 people as of May 2023, ([Department of Home Affairs, 2023](#)) the number of people on temporary visas living in regional Australia is increasing and need to be included in local plans, messaging and in any solutions.

8.2 The Australian Red Cross CALD study is informative to the drought context, highlighting that community engagement strategies that focus on existing strengths can be more effective at generating resilience than approaches centred on vulnerability. Adopting a strengths-based approach to disaster risk resilience building will better support communities to reduce their disaster risk.

Recommendation 8: Identify and leverage the strength of diverse communities, including First Nations communities in developing approaches to disaster risk reduction.

9. Supporting marginalised people and communities

9.1 Disasters do not affect everyone equally. Across Australia we need to prioritise an inclusive approach, so that people who have been marginalised and placed at risk can benefit in culturally safe, systematic and meaningful ways ([IFRC, 2022](#)). Some people or communities face particular barriers to developing their own resilience and require additional support.

9.2 We recommend taking a risk and capacity-based approach. This helps determine who might be at risk and the capacities they have to deal with those risks, such as health status, connection to Country, community and place, financial and physical security and access to knowledge. For example, in the 2022 NSW floods, members of our First Nations Recovery Team supported Aboriginal and Torres Strait Islander communities in disaster-impacted locations. The culturally safe response they provided resulted in the emergence of a greater number of First Nations communities seeking help. Additionally, the recent Australian Red Cross pilot programs included groups representing Culturally Linguistic and Diverse Communities (CALD) and youth which empowered them to inform the CALD [report](#), referenced above.

Recommendation 9: Ensure funding is inclusive and meaningfully available to a diverse range of communities and community-members, including First Nations communities and people on temporary or insecure visas.

10. Eligibility requirements

10.1 Those seeking financial support through drought and other disasters face significant barriers in knowing about what's available and accessing it. The application process, even for small grants, can be onerous, with different processes run by each body administering their own funding. Australian Red Cross regularly receives feedback from people impacted by disaster that they would benefit from a streamlined process. For example, people in regions facing both drought and bushfire, are often asked to recount the same information in applying for grants from two pools – this can be stressful, time-consuming and for some, an inhibitor preventing access to funding.

10.2 Eligibility criteria often includes requirements around residency which means that people who are not residents (such as people on temporary visas or insecure visas) but who are equally impacted by the disaster, are not eligible for support. During COVID-19, Australian Red Cross supported nearly 150,000 temporary visa holders and people who were not eligible for mainstream support or exceptional measures with the provision of cash-based assistance through Commonwealth-funded programs. This meant that people without access to any safety net were able to meet their basic humanitarian needs.

10.3 In another example, following recent floods in Tasmania, New South Wales and Victoria, the Victorian State governments ensured that state funding was available to everyone impacted, irrespective of visa type. By supporting *all* impacted people, rather than limited groups, governments ensure communities can work equitably together to overcome challenges.

Recommendation 10: Ensure funding is equitable by reducing administrative burdens where possible and easing eligibility requirements.

Summary

Investment in the social resilience of communities is fundamental to ensuring all people in Australia are as prepared as possible for future disasters of all kinds, including drought. Social resilience:

- helps strengthen the social fabric and social capital of communities, which can be called upon when facing any problem.
- brings communities together, strengthens networks and personal connections, builds capability in local organisations, decreases social isolation, and strengthens psychosocial wellbeing – all of which contribute to faster, more equitable recovery.
- builds the skills, knowledge, awareness and long-term positive attitudinal change required to adapt to future climate change.
- is of particular importance in remote, regional and rural communities, which can often be overlooked and forgotten during protracted disasters like drought.

International and domestic frameworks set out the status of all National Societies in the International Red Cross and Red Crescent Movement to be auxiliary to the humanitarian services of the public authorities. Through this link to other national societies also active in emergencies, we can both draw on experiences and learnings from the international disaster management space to benefit Australia, and share lessons from Australia back to the wider network to inform improved policy and practice beyond our borders. We would be pleased to draw on this network to provide further insights from other countries should this be of use.

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