



Natural Disaster Funding Arrangements
Productivity Commission
Locked Bag 2
Collins Street East
MELBOURNE VIC 8003

Tuesday 21st October 2014

Dear Commissioners,

The Bushfire and Natural Hazards CRC welcomes the opportunity to provide a second submission to the Productivity Commission's inquiry in to Natural Disaster Funding Arrangements.

We wish to make two points:

- The first is a simple correction. The Bushfire and Natural Hazards CRC is not actually an Australian Government organisation; it does, however, receive around 65% of its cash funding and approximately 30% of its total support (cash and in-kind) from the Australian Government through the Co-operative Research Centres Program. The remainder comes from member organisations including agencies in the states and territories and in the private sector.
The Bushfire and Natural Hazards CRC is a not-for-profit public company limited by guarantee. We would be happy to be listed as an Australian Government-funded research organisation.
- The second point relates to the Commission's Draft Recommendation 3.2. While the Bushfire and Natural Hazards CRC supports the increase in funding toward mitigation activities, if the only available proactive mitigation funding is directed entirely to the States and Territories on a per capita basis, there could be limited funding for nationally significant projects. For example, those currently supported under the National Emergency Management Program, such as the Fire Danger Rating system review, or the National Warnings Project, may be placed at risk because States and Territories may find it difficult to direct funds to these kinds of projects instead of their more local strategies.

As mentioned in our previous submission, the Bushfire and Natural Hazards CRC is conducting research that will help to underpin many of the draft recommendations in the report, particularly for Recommendation 4.10, as well as economic and policy aspects.

The Bushfire and Natural Hazards CRC notes that there is extensive discussion about national data sets and research co-ordination and that the Commission also notes (p. 326):

Natural disaster research can also support risk management by households, businesses and governments. This includes detailed scientific investigation of natural disasters as well as research into mitigation options, community responses to natural disasters and the consequences of disasters (including economic, social and environmental costs).



... There is a case for governments to fund this research when there are net public benefits. These benefits will generally be greatest when research is co-ordinated and prioritised to meet the needs of the community. Making publicly funded research transparent and accessible can help to achieve this, as can engaging stakeholders when identifying research needs and priorities. ...

However, this discussion does not result in a recommendation. Instead, the Commission makes a finding (Finding 4.1) relating more to prioritisation rather than levels of funding or importance of the outcomes.

The research currently funded is delivering valuable information and findings that underpin the activities of governments at all levels, reducing the impacts and consequences of disasters in the community. However, recent announcements of the review of science programs, and in particular the CRC program, are seeing priorities shift away from these public benefit areas toward more industry and commercially focused priorities. (See terms of reference for CRC program review http://www.business.gov.au/grants-and-assistance/Collaboration/CRC/CRC-Programme-Review/Documents/CRC-Terms_of_Reference.pdf)

The importance of ongoing focus on this area of research needs the support of the Commission, as while currently research funded by the various levels of government and the private sector exists that addresses many aspects of natural hazard risk reduction through organisations such as ours, it is at risk if a sole focus on commercial exploitation of research is pursued.

The Bushfire and Natural Hazards CRC would welcome the Productivity Commission explicitly including a recommendation endorsing research to underpin the mitigation activities as a priority area for continued funding by the Commonwealth, states and territories, together with the private sector.

If the Bushfire and Natural Hazards CRC can be of any further assistance to the Commission, please do not hesitate to contact me.

Yours sincerely,

Dr Richard Thornton
Chief Executive Officer
Bushfire and Natural Hazards CRC