

The Auditor-General  
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Performance Audit

# **Commonwealth Emergency Management Arrangements**

Australian National Audit Office

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Canberra ACT  
28 April 2000

Dear Madam President  
Dear Mr Speaker

The Australian National Audit Office has undertaken an across-agency performance audit, in accordance with the authority contained in the *Auditor-General Act 1997*. I present this report of this audit, and the accompanying brochure, to the Parliament. The report is titled *Commonwealth Emergency Management Arrangements*.

Following its tabling in Parliament, the report will be placed on the Australian National Audit Office's Homepage—  
<http://www.anao.gov.au>.

Yours sincerely



P. J. Barrett  
Auditor-General

The Honourable the President of the Senate  
The Honourable the Speaker of the House of Representatives  
Parliament House  
Canberra ACT

## AUDITING FOR AUSTRALIA

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# Abbreviations

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ADF	Australian Defence Force
AEMI	Australian Emergency Management Institute
AFFA	Department of Agriculture, Fisheries and Forestry—Australia
AGSO	Australian Geological Survey Organisation
AMSA	Australian Maritime Safety Authority
ANAO	Australian National Audit Office
ATSIC	Aboriginal and Torres Strait Islander Commission
AusAID	Australian Agency for International Development
AUSVETPLAN	Australian veterinary emergency plan
BoM	Bureau of Meteorology
CCDTF	Commonwealth Counter Disaster Task Force
COAG	Council of Australian Governments
COMDISPLAN	National planning document for coordinating the provision of Commonwealth government assistance in the event of a disaster in Australia
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DACC	Defence Assistance to the Civil Community
DEH	Department of the Environment and Heritage
DFaT	Department of Foreign Affairs and Trade
DHAC	Department of Health and Aged Care
DIMA	Department of Immigration and Multicultural Affairs
DISPLANS	Disaster plans
DoCITA	Department of Communications, Information, Technology and the Arts
DOFA	Department of Finance and Administration
DRP	Disaster Relief Payment
DTRS	Department of Transport and Regional Services
EMA	Emergency Management Australia

EMLO	Emergency Management Liaison Officer
FaCS	Department of Family and Community Services
ICA	Insurance Council of Australia
NDO	Natural Disasters Organisation
NDRA	Natural Disaster Relief Arrangements
NDRMSP	Natural Disaster Risk Management Studies Programme
NEMC	National Emergency Management Committee
NEMCC	National Emergency Management Coordination Centre
NEMEG	National Emergency Management Executive Group
NEMETAG	National Emergency Management Education and Training Advisory Group
NEMSP	National Emergency Management Strategic Plan
PM&C	Department of the Prime Minister and Cabinet
PSCC	Protective Security Coordination Centre
PSITAB	Public Safety Industry Training Advisory Board
RFMP	Regional Flood Mitigation Programme

# **Summary and Recommendations**



*Australian Defence Force disaster relief operations after  
Tropical Cyclone Namu, May 1986.*

# Summary

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## Introduction

1. By their nature, emergencies are events that demand extraordinary attention from those affected by them and those organisations that are accountable for community safety. Emergencies may arise through one-off cataclysmic happenings, both natural and man-made (eg. a coastal oil spill), or can be spread out over a longer time frame as in the case of drought.

2. The foremost goal of ‘emergency management’ is the protection of life and property—a State responsibility under the Commonwealth Constitution. The Commonwealth has significant involvement in national emergency management arrangements through its roles in planning, coordination between agencies, operational response, financial support, education and training, public awareness and research activities. Many cooperative arrangements have been put in place between the Commonwealth and the States/Territories with the purpose of advancing public safety objectives, notwithstanding the existence of formal constitutional responsibilities. Thus the quality of public safety outcomes for Australians is very much tied up with the mix of Commonwealth, State and local government activities.

3. Emergency management arrangements across Australia are complex. They involve issues of Federal/State financial relations, government assistance programs (in areas as diverse as social welfare, business support, meteorological and seismological hazard monitoring, infrastructure development and community capability improvement) and international relations issues.

4. Emergency Management Australia (EMA), located within the Defence portfolio, is the Commonwealth’s dedicated emergency management agency. State governments may call upon the Commonwealth government for assistance where their resources prove inadequate to respond to a major disaster. All requests for Commonwealth assistance are made to the Director General, Emergency Management Australia (DGEMA). Following approval of a request by the Minister for Defence, DGEMA can call upon the total resources of the Commonwealth to satisfy a State request. A number of other Commonwealth agencies are involved in different emergency management activities.

5. Definitional issues make the costs of emergencies and disasters very difficult to determine. However, estimates indicate that Australia's average annual cost of disasters exceeds \$1 billion. Noting that the impact of emergencies can vary dramatically between years, the Australian National Audit Office (ANAO) estimated that the costs to the Commonwealth have amounted to at least \$100 million annually, and as much as \$200 million in 1990–91.

6. The objectives of the performance audit were to identify the Commonwealth's current emergency management arrangements; to provide assurance to Parliament concerning the adequacy of the arrangements; and to highlight areas for improvement. The audit sought to identify where these activities are being performed and trace the network of interrelationships that underpins the overall Commonwealth emergency management effort. A large part of the coverage of the report consequently comprises examination of strategic and coordination issues, with only a selective approach being taken to the examination of detailed areas of emergency management. Special attention has been given to education and training in view of the high cost of resources allocated to it and the significant role played nationally by EMA's Australian Emergency Management Institute at Mt Macedon. The audit does not purport to review State arrangements, which are beyond the mandate of the ANAO.

## Overall conclusion

7. There is currently no whole-of-government approach to Commonwealth emergency management. However, in an ANAO survey of the emergency management community, individual Commonwealth agencies were found to be meeting the needs of the community and to be responding to requests for assistance in a timely manner. The emergency management community generally supported the Commonwealth's role in providing leadership and best practice, mobilising national resources in disaster relief and recovery operations and in education and training. Nevertheless, the community considered that the Commonwealth should have a greater involvement with emergency management research and strategic issues.

8. The National Emergency Management Committee (NEMC) is the forum in which Commonwealth and State emergency management activities are coordinated. A Commonwealth Counter Disaster Task Force in the Department of the Prime Minister and Cabinet (PM&C) brings together many Commonwealth agencies in a consultative forum.

9. The ANAO considers that there is a demonstrable need for the emergency management coordination within the Commonwealth to be more focussed. The Commonwealth coordination functions for EMA could be given more substance and effectiveness through the creation of a Commonwealth emergency management forum located in Defence. This would also assist in ensuring that there are agreed Commonwealth positions conveyed to the NEMC. Arrangements made for such a forum should be designed to provide a single focus for Commonwealth coordination of emergency management strategic planning and to avoid duplication with the continuing role of PM&C.

10. The ANAO considers that EMA should further strengthen its links to scientific research agencies with a view to ensuring higher-level policy consideration is given to the implications that scientific research and technological change have for emergency management. In particular there is a need to consider the development of an emergency management information policy and to explore ways in which emergency management information can be better utilised.

11. Coordination of Commonwealth emergency management could be more effective if interdepartmental coordination arrangements were made more transparent and better directed and particularly if there was a closer relationship between the Defence portfolio and EMA. Ineffective Commonwealth strategic planning is one aspect of this impaired coordination. The ANAO considers that Defence should instigate a review of Commonwealth arrangements for strategic planning in regard to emergency management, with a view to formulating a comprehensive Commonwealth Emergency Management Strategic Plan agreed among all major operating agencies as well as being suitable for adoption as a Government endorsed plan.

# Key Findings

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## **The role of government in national emergency management (Chapter 2)**

12. Though all States have now enacted, or are in the process of enacting, emergency management legislation, there is no Commonwealth legislation specifically for emergency management. Commonwealth policy has been to deal with emergency management administratively.

13. In an ANAO survey of the emergency management community, individual Commonwealth agencies were found to be meeting the organisational needs of survey respondents and to be responding to requests for assistance in a timely manner. Survey respondents noted, however, that not all Commonwealth agencies maintained pro-active contact with them or kept them informed of changes to services provided. Additionally, the survey results highlighted the view that Commonwealth agencies do not effectively evaluate their performance in emergency management or consult other emergency management agencies in the evaluation process.

14. In the survey the ANAO found that State emergency management coordinators are generally comfortable with the balance of effort lying preponderantly with the States and accept the way some Commonwealth activities intersect with their areas of interest. Survey respondents:

- supported the Commonwealth's current role in providing leadership and best practice, mobilising national resources and in education and training;
- highlighted research, public awareness and the provision of financial assistance to State/Territory/local governments, as areas where the Commonwealth's current role was less than adequate;
- supported the Commonwealth's current level of involvement with disaster relief and recovery operations; and
- indicated that the Commonwealth should have a greater involvement with emergency management research and strategic issues.

## **Commonwealth role in national coordination and planning (Chapter 3)**

15. Unlike most other functional areas of Commonwealth/State activity, emergency management has no standing Commonwealth/State ministerial councils or committees. *Ad hoc* Ministerial emergency management meetings were held in 1974 (after cyclone Tracy's devastation of Darwin), in 1983 (after the Ash Wednesday fires in Melbourne) and in 1994 (after the devastating Sydney bushfires).

16. The Director General of EMA is the Chairperson of the National Emergency Management Committee (NEMC) and its coordinating group, the National Emergency Management Executive Group (NEMEG). EMA provides the secretariat for these bodies. The NEMC and NEMEG are the peak consultative forums for emergency management in Australia.

17. The volume and complexity of the business dealt with by EMA in the national planning and coordination framework are considerable. The ANAO considers that the demands being placed upon EMA are beyond its small staff and operating resources. A more streamlined and selective approach needs to be applied to the development of the NEMC/NEMEG work program in order to give adequate attention to priorities and better align work levels with available resources.

18. The ANAO understands that, in the absence of agreed Commonwealth positions being developed by an ongoing interdepartmental forum, Commonwealth positions are not always fully articulated for maximum effectiveness in the NEMC. This appears to have been the case with consideration of some mitigation issues. The ANAO notes that EMA is giving attention to more fully evaluating its work program so as to address priorities. The ANAO endorses this initiative but considers that a more critical appraisal should be undertaken of the scope of activity, purpose and structure of the NEMC, its focus and the resources applied to it.

19. An emergency management planning 'cascade' has been established from national to local and community levels. Departments develop portfolio-specific disaster plans (DISPLANS), for their own operations (eg. business continuity plans) or for program areas (eg. planning for the containment of agricultural diseases). Many Commonwealth agencies' DISPLANS are still under preparation. The ANAO considers that EMA should follow up those Commonwealth agencies still preparing DISPLANS.

## **Commonwealth operational activity in regard to emergencies (Chapter 4)**

20. The Commonwealth has a well-developed emergency response framework centred on Emergency Management Australia in the Department of Defence. Following approval of a request by the Minister for Defence, the Director General, Emergency Management Australia can call upon the total resources of the Commonwealth to satisfy a State request.

21. EMA operations and coordination tasks are conducted from the National Emergency Management Coordination Centre (NEMCC) in Canberra. As the NEMCC standard operating procedures were last updated in 1997 the ANAO considers that EMA should review the procedures to ensure that they take account of experience gained since then.

22. Defence's major emergency response roles are exercised through EMA with its coordination responsibilities and by the provision of Defence Assistance to the Civil Community (DACC). Defence does not collect and quantify the cost of all DACC assistance, as operational commanders do not always provide the required reports on task completion. However, in noting that the cost of DACC for emergency situations varies greatly between years, the ANAO estimated that it exceeded \$5 million in 1998–99. The ANAO considers that Defence should enforce the provision of required DACC reports and monitor the costs associated with the provision of DACC.

23. The ANAO considers that EMA should further strengthen its links to scientific research agencies such as CSIRO and AGSO with a view to ensuring higher-level policy consideration is given to the implications that scientific research and technological change have for emergency management. In particular there is a need to consider the development of an emergency management information policy and to explore ways in which emergency management information can be better utilised.

## **Commonwealth financial transfers (Chapter 5)**

24. The principal Commonwealth funding mechanism for State disaster relief is the Natural Disaster Relief Arrangements. The ANAO found dissatisfaction among States that draw most heavily on NDRA about the Commonwealth's management of changes it has made to the NDRA arrangements. State representatives indicated that initial Commonwealth communications were not clear, especially with regard to the requirement for mitigation strategies to be in place as a precondition for funding. The States also perceive inconsistency between the NDRA requirement for mitigation strategies and the condition limiting NDRA reimbursement to the restoration of damaged assets to pre-disaster standard.

25. As some States appear to be having difficulties with the administration of NDRA requirements, the ANAO considers that DOFA should re-examine the form in which the NDRA arrangements are expressed, to ensure that the Commonwealth's requirements do not impede the achievement of mitigation objectives.

26. Among the requirements for each disbursement of Commonwealth NDRA funds is the production of appropriate audit certification. DOFA advised that there is some concern that the audit function may be too narrow and that the Commonwealth may not have adequate performance information about the expenditure it incurs.

27. The Natural Disaster Risk Management Studies Programme (NDRMSP), a scheme of grants to finance natural disaster risk management and mitigation studies, is a dollar-for-dollar arrangement with the States and local government, capped at Commonwealth payments of \$3 million per year. The Regional Flood Mitigation Programme (RFMP), administered by DTRS, is intended to assist State governments and local agencies in the implementation of priority, cost effective flood mitigation works and measures in rural and regional Australia and has a Commonwealth commitment of \$20 million over three years.

28. Delays by DOFA in finalising the criteria and operating principles of the NDRMSP have meant that efforts to align the NDRMSP with the RFMP have not been successful for year one of the respective programs. The ANAO considers that agencies should strengthen efforts to align their different timetables. The ANAO further considers that the dysfunctional implications of this outcome underline the need for a more focussed approach to emergency management coordination within the Commonwealth, than exists at present.

## **Coordination of Commonwealth responsibilities (Chapter 6)**

29. The Commonwealth Counter Disaster Task Force in the Department of the Prime Minister and Cabinet brings together Commonwealth agencies in a consultative forum and provides a framework for advice to the Minister for Defence and the Prime Minister. Although the Commonwealth's overall coordination arrangements have been well served in the past by the CCDTF working in conjunction with EMA, it is open to question whether this function can be efficiently and effectively discharged in the contemporary and likely future emergency management environment.

30. For fully effective emergency management at the Commonwealth level, the ANAO considers that the new agenda requires a clear allocation of coordination and planning responsibilities to the portfolio with the primary emergency management responsibilities: the Defence portfolio. The PM&C role in ensuring quality in the coordination process and maintaining awareness of all relevant Commonwealth activity would remain undiminished by this strengthened Defence role.

31. EMA operates as an administrative unit in Defence. However, the view was expressed by a number of external stakeholders that EMA appeared to enjoy little policy influence within the Defence organisation. The ANAO found that the agency, while receiving normal corporate support services in Defence, was in fact very much left to its own devices in managing its substantive emergency management affairs and in carrying the interdepartmental coordination responsibilities. It had only a nominal place in Defence corporate and business planning and senior Defence executives did not involve themselves at all in its affairs or assist it to deal with the numerous inter-agency linkages that EMA maintains.

32. The Commonwealth coordination functions for EMA could be given more substance through the creation of a Commonwealth emergency management forum, a standing interdepartmental committee chaired at least at Divisional Head level in Defence to keep under review all aspects of Commonwealth emergency management and policy. This would also assist in ensuring that there are agreed Commonwealth positions conveyed to the NEMC.

33. As this measure should be designed to avoid any duplication of roles of Defence and PM&C, it would entail a corresponding refocussing of the role of the CCDTF, relieving it of some of the present expectations imposed upon that body by the emergency management community. A new forum, located in Defence, could exist side-by-side with the CCDTF, the NEMC and its subordinate groups, with the Director General and senior EMA executives being common members of all the coordinating bodies.

## **Emergency Management Australia—Corporate governance issues (Chapter 7)**

34. EMA's principal strategic document, the *Emergency Management Australia Corporate Plan 1998–2000*, identifies outcomes and associated outputs as those that the Commonwealth seeks from its commitment to emergency management activities and states that EMA is responsible for achieving 'key aspects' of these outcomes. The current wording of the corporate plan overstates the alignment and identification of EMA activities with Commonwealth-wide activities. The ANAO considers that, in the next revision of its corporate plan, EMA should consider re-wording the plan to focus more specifically on the achievement by EMA of its stated outputs and its role in providing direction to Commonwealth strategic policy on emergency management.

35. The ANAO considers that EMA business plans should be further developed to:

- adopt a more user-friendly format (in order to enhance ease of understanding);
- ensure the suitability of all reporting targets/criteria; and
- complete those areas of the plan that have limited information content.

36. EMA's Consolidated Expenditure Report does not readily enable the costs of EMA's delivery of Commonwealth emergency services to be distinguished from payments that are essentially transfers to the States. EMA's financial arrangements should enable a clearer picture to be obtained of the quantum of Commonwealth payments for State activity as against the Commonwealth's 'own purpose' outlays. The ANAO considers that the current format of the EMA Consolidated Expenditure Report should be restructured to distinguish the Commonwealth's 'own purpose' outlays from funds transferred to the States, thereby clarifying Commonwealth expenditures on EMA.

## **Emergency Management Australia—Education and training (Chapter 8)**

37. EMA's Education and Training Directorate operates the Australian Emergency Management Institute (AEMI), located at Mt Macedon in Victoria. In the ANAO survey, 81 per cent of respondents indicated that, bearing in mind the requirements of their organisation, the overall quality of AEMI courses is either good or very good. This represents a strong endorsement by the members of the emergency management community concerning the quality of AEMI courses. The survey results also show that the majority of respondents believes the quality of AEMI trainers to be good.

38. ANAO discussions with members of State and Territory emergency management agencies highlighted a concern that, in the past, AEMI has not adequately consulted with its clients in regard to its courses. Analysis of the survey responses has indicated that a significant section of the emergency management community would like AEMI to adopt a more proactive and consultative approach with its clients—in particular in regard to stakeholder input into AEMI courses. The ANAO endorses AEMI's recent initiatives to develop a more client-centred approach and considers that AEMI should continue to develop a stronger client focus to ensure that the products and services it provides fully meet the needs of its stakeholders.

39. The National Studies Program (NSP) is a funding mechanism used by EMA to encourage the development of emergency management research. The ANAO considers that EMA should review the timeliness of NSP processes as well as the way in which workshop outcomes are followed up and implemented. These initiatives should improve the benefits resulting from the conduct of workshops, which have the potential to be of considerable value to the Australian emergency management community.

40. The ANAO survey also sought opinions on the Commonwealth's role in public awareness of emergency management issues. Some 35 per cent of survey respondents believed that the Commonwealth's role was inadequate, with 44 per cent of respondents considering that the Commonwealth should have greater involvement in this area.

41. Both audit fieldwork and survey results indicate to the ANAO that EMA should consider ways it can improve the type and level of interaction it has with its key 'public awareness' stakeholders in the emergency management community. The ANAO notes that EMA has not undertaken any recent analysis of the effectiveness of its public awareness material. EMA needs to clearly articulate the outcomes it seeks and to

analyse the demands of its different clients, in order to determine the format and content of the public awareness material that it should produce.

### **Strategic emergency management issues (Chapter 9)**

42. Commonwealth activities in regard to disaster mitigation are extensive and involve significant public resource outlays. Though coordination among agencies has been uneven, informal liaison has achieved some worthwhile progress in working towards goals that are shared between agencies. The NEMC appears to be the principal place where Commonwealth agencies consult each other, but articulation of a Commonwealth strategic framework has not progressed very far. Because of the infrequency of its meetings, the Commonwealth Counter Disaster Task Force plays mainly a monitoring rather than a coordinating role in regard to developments in mitigation policy. In view of the potential savings in public outlays that seem likely to result from effective implementation of mitigation planning, a higher level of Commonwealth coordination should take place, with a view to defining overall Commonwealth strategic objectives for its mitigation activities and its involvement with the States.

43. Commonwealth leadership in establishing the appropriate framework for partnerships with business and industry, and with community support organisations, has been flagged by some States as an important component of improved emergency management services. Concerns that arise here include the location of the specialist Commonwealth emergency management function in an apparently distant relationship with the Defence organisation and consequential lack of high government profile. The Commonwealth's strategic management of emergency arrangements will need to take account of these issues.

44. The one-page *Commonwealth Emergency Management Policy Statement* issued in 1994 contains the most recent enunciation of principles bearing on strategic planning and endorsed at Commonwealth Government level. This statement does not articulate a strategic framework in which effective planning could take place. It is formulated in general terms and appears to address only some of the wide range of the Commonwealth's actual emergency management activities.

45. The emergency management agenda is crowded with long-range planning and strategic concerns that compete for attention with short-range and operational issues, many of which are of pressing urgency. The ANAO considers, however, that although EMA has directed serious effort to these matters, it will need to give more attention to aligning the directions of the various planning processes that are in place so that

coherence and consistency with long-range concerns are achieved. In the survey of emergency management stakeholders, commissioned by the ANAO, respondents delivered a strong message that the Commonwealth should have a greater involvement with strategic planning issues.

**46.** Coordination of Commonwealth emergency management could be more effective if interdepartmental coordination arrangements were made more clear and directed and if there was a closer relationship between the Defence portfolio and EMA. Ineffective Commonwealth strategic planning is one aspect of this impaired coordination.

**47.** The ANAO considers that Defence should instigate a review of Commonwealth arrangements for strategic planning in regard to emergency management, with a view to formulating a comprehensive Commonwealth Emergency Management Strategic Plan agreed among all major operating agencies as well as being suitable for adoption as a Government endorsed plan.

**48.** The ANAO made fifteen recommendations directed towards improving the Commonwealth's emergency management arrangements. Agencies agreed to all recommendations.

# Recommendations

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Set out below are the ANAO's recommendations with report paragraph references and an indication of the agency responses. The ANAO considers that priority should be given to recommendations 1, 4, 8, 9, 13, 14 and 15, indicated below with an asterisk.

**\*Recommendation No.1** The ANAO recommends that EMA review the effectiveness of its business activities:

**Para. 3.15**

- a. to ensure that Commonwealth positions are more fully developed in advance of consideration of issues by the National Emergency Management Committee (NEMC); and
- b. to reappraise the scope of activity, purpose, focus and structure of the NEMC and the resources applied to it, in consultation with the States in the NEMC forum and guided by the directions of the National Emergency Management Strategic Plan.

*Agency responses:* Defence, DTRS, FaCS and Centrelink agreed with the recommendation.

**Recommendation No.2** The ANAO recommends that, in order to finalise outstanding disaster plans, EMA follow up those Commonwealth agencies with DISPLANS still under preparation.

**Para. 3.23**

*Agency responses:* Defence, DTRS, FaCS and Centrelink agreed with the recommendation.

**Recommendation No.3** The ANAO recommends that, to enhance operational effectiveness, EMA review the National Emergency Management Coordination Centre standard operating procedures to ensure that they take account of experience gained since their last update in 1997.

**Para. 4.11**

*Agency responses:* Defence, DTRS, FaCS and Centrelink agreed with the recommendation.

**\*Recommendation No.4 Para. 4.30** The ANAO recommends that, to improve the cost effectiveness of Defence Assistance to the Civil Community (DACC), Defence regularly monitors the costs associated with the provision of DACC and enforce the requirement for operational commanders to provide DACC reports to Headquarters Australian Theatre.

*Agency responses:* Defence, DTRS, FaCS and Centrelink agreed with the recommendation.

**Recommendation No.5 Para. 4.59** The ANAO recommends that, to ensure an opportunity is provided for high-level policy consideration to be given to the implications that research has for emergency management, EMA further strengthen its links to Australian scientific research agencies.

*Agency responses:* Defence, DTRS, FaCS and Centrelink agreed with the recommendation.

**Recommendation No.6 Para. 4.66** The ANAO recommends that, to develop a closer relationship with the emergency management community and to benefit rural and remote indigenous communities, ATSIC initiate discussions with EMA aimed at establishing an appropriate level of liaison with emergency management coordination authorities.

*Agency responses:* ATSIC, Defence, DTRS, FaCS and Centrelink agreed with the recommendation.

- Recommendation No.7**  
**Para. 5.21**
- The ANAO recommends that, with a view to improving Commonwealth administration of the NDRA, DOFA consider re-examining the following aspects of NDRA arrangements as soon as possible:
- a. the degree and extent of current communications arrangements with other Commonwealth and State agencies, bearing in mind Recommendations No.9 and No.15 aimed at strengthening Commonwealth coordination and strategic management;
  - b. the scope of the audit function and the adequacy of the post hoc expenditure performance information available to the Commonwealth; and
  - c. the form in which the NDRA arrangements are expressed, to ensure that the Commonwealth's requirements do not impede the achievement of mitigation objectives.

*Agency responses:* DOFA, Defence, DTRS, FaCS and Centrelink agreed with the recommendation.

- \*Recommendation No.8**  
**Para. 5.37**
- The ANAO recommends that, in order to promote effective disaster mitigation outcomes:
- a. DOFA continue to give increased priority to the implementation of the Natural Disaster Risk Management Studies Programme (NDRMSP); and
  - b. DOFA and DTRS consult closely to facilitate the alignment, where appropriate, of the NDRMSP with the Regional Flood Mitigation Programme.

*Agency responses:* DOFA, DTRS, Defence, FaCS and Centrelink agreed with the recommendation.

**\*Recommendation No.9**  
**Para. 6.42** The ANAO recommends that, in order to strengthen Commonwealth emergency management coordination arrangements:

- a. Defence consider raising its level of involvement with emergency management issues including through the provision of clear lines of access by EMA to senior management; and
- b. Defence and PM&C consider reviewing current arrangements for the coordination of Commonwealth involvement in emergency management, including whether those arrangements could be more effective with a high-level coordination forum in Defence involving all Commonwealth agencies with emergency management responsibilities.

*Agency responses:* Defence, PM&C, DTRS, FaCS and Centrelink agreed with the recommendation.

**Recommendation No.10**  
**Para. 7.12** The ANAO recommends that, in order to sharpen accountability for its corporate objectives, EMA consider rewording its Corporate Plan as part of its next revision, so as to clearly identify EMA's contribution to required outputs and outcomes.

*Agency responses:* Defence, DTRS, FaCS and Centrelink agreed with the recommendation.

**Recommendation No.11**  
**Para. 7.17** The ANAO recommends that, to make it easier to understand and compare Directorate business plans, EMA further revise Directorate business plans to:

- a. ensure consistency in the format of the plans; and
- b. complete those areas requiring additional information.

*Agency responses:* Defence, DTRS, FaCS and Centrelink agreed with the recommendation.

**Recommendation No.12**  
**Para. 7.35** The ANAO recommends that, in order to increase the transparency of Commonwealth expenditure, the current format of the EMA Consolidated Expenditure Report should be restructured to clarify the purpose of EMA expenditures.

*Agency responses:* Defence, DTRS, FaCS and Centrelink agreed with the recommendation.

**\*Recommendation No.13**  
**Para. 8.41** The ANAO recommends that, to improve emergency management training outcomes, AEMI:

- a. continue to develop a strong client focus to ensure that the products and services it provides fully meet the needs of its stakeholders;
- b. regularly review course evaluation surveys to identify areas for improvement in course content and delivery; and
- c. consider ways to improve the timeliness of the National Studies Program reporting and the follow-up of workshop recommendations.

*Agency responses:* Defence, DTRS, FaCS and Centrelink agreed with the recommendation.

**\*Recommendation No.14**  
**Para. 8.55** The ANAO recommends that, in order to improve the effectiveness of its public awareness material, EMA:

- a. improve the level of consultation that it has with recipients of its public awareness material;
- b. review the market demand for the material to ensure the appropriateness of the material produced; and
- c. continue to develop its Internet site and promote it among the emergency management community.

*Agency responses:* Defence, DTRS, FaCS and Centrelink agreed with the recommendation.

**\*Recommendation No.15**  
**Para. 9.45** The ANAO recommends that Defence instigate a review of Commonwealth arrangements for strategic planning in regard to emergency management, with a view to formulating a comprehensive Commonwealth Emergency Management Strategic Plan agreed among all major operating agencies and suitable for adoption as a Government endorsed plan.

*Agency responses:* Defence, DTRS, FaCS and Centrelink agreed with the recommendation.

# **Audit Findings and Conclusions**



# 1. Introduction

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*This chapter provides a background to emergency management in Australia and examines aspects of managing emergencies including the increasing use of risk management techniques. It also sets out the audit objectives, audit coverage and the structure of the report.*

## Emergency management in Australia

**1.1** The foremost goal of ‘emergency management’ is the protection of life and property—a State responsibility under the Commonwealth Constitution. The Commonwealth has significant involvement through its roles in law enforcement, national security, the maintenance of effective foreign relations, the corporations’ power and other activities conducted under Commonwealth heads of power specified in the Constitution. Many cooperative arrangements have been put in place between the Commonwealth and the States/Territories<sup>1</sup> with the purpose of advancing public safety objectives, notwithstanding the existence of formal constitutional responsibilities. Thus the quality of public safety outcomes for Australians is very much tied up with the mix of Commonwealth, State and local government activities.

**1.2** The arrangements developed in the Commonwealth sphere to deal with emergencies have been shaped by the infrequency of major disasters in Australia and the Commonwealth’s possession of resources that may be called upon to assist in the protection or relief of affected communities. Readily deployable physical assets such as air transport, manpower and other logistical supplies are under Commonwealth control, particularly in the Australian Defence Force (ADF). The Commonwealth also has financial resources to underwrite some of the costs of major emergencies when States cannot cope from within their own resources. The Commonwealth maintains numerous other programs that direct Commonwealth efforts in ways influencing emergency management.

**1.3** Emergency management arrangements across Australia are complex. They involve issues of Federal/State financial relations, government assistance programs (in areas as diverse as social welfare, business support, meteorological and seismological hazard monitoring, infrastructure development, education, training and community capability improvement) and international relations issues.

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<sup>1</sup> References to States hereinafter include Territories where appropriate.

1.4 The Commonwealth last reviewed its emergency management policy approach in December 1994 and issued a policy statement that defined a number of specific Commonwealth responsibilities.<sup>2</sup>

1.5 Definitional issues make estimates of the cost of emergencies and disasters very difficult to determine. However, the annual cost to the nation of major natural disasters was estimated in 1993 to be \$1250 million, with meteorological hazards accounting for most of this cost.<sup>3</sup> Emergency Management Australia estimates that during 1998 and 1999 the cost of major natural disasters to the Australian community was \$4.5 billion—almost double the yearly average of the past 25 years.<sup>4</sup> These estimates indicate that Australia’s average annual cost of disasters exceeds \$1 billion. Noting that the impact of emergencies can vary dramatically between years, an indicative calculation was undertaken by the Australian National Audit Office (ANAO) of the costs to the Commonwealth. The estimate of Commonwealth costs amounted to at least \$100 million annually, and as much as \$200 million in 1990–91.<sup>5</sup>

## The challenge in managing emergencies

1.6 By their nature, emergencies are events that demand extraordinary attention from those affected by them and those organisations that are accountable for community safety. Emergencies may arise through one-off cataclysmic happenings, both natural and man-made. The clearest examples of such emergencies are major cyclones and earthquakes or a coastal oil spill caused by faulty navigation or defective equipment. Emergencies may also develop as a result of coincident happenings, each of which may be in itself of relatively minor consequence but where the effects of one reinforce the impact of others to produce an emergency situation. Thus tidal conditions combined with storm surge and heavy rainfall in river catchments may combine to produce major, even catastrophic, flooding.

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<sup>2</sup> The text of this statement is contained in Appendix 1.

<sup>3</sup> Australian Urban and Regional Information Systems Association, Hazard Information Forum, Conference Papers, August 1993, p13. Cited in: Senate Standing Committee on Industry, Science, Technology, Transport, Communications and Infrastructure, Disaster Management, June 1994, p1.

<sup>4</sup> Emergency Management Australia Media Release, *Natural Disaster Costs Almost Double*, 10 February 2000.

<sup>5</sup> The ANAO estimate of the annual cost to the Commonwealth of emergency management activity included transfer payments to the States (\$66 million in 1998–99—the most recent year for which data was available—to a high of \$180 million in 1990–91) as well as an estimate of relevant Commonwealth agency operating costs.

**1.7** Small and medium emergencies occur in communities all the time. This fact determines the nature of many emergency management arrangements that are in place at the local and regional level and which play the principal 'front-line' role when major disasters strike. Fires in buildings, serious traffic or rail accidents, localised storms damaging dwellings, a deranged gunman at loose, all engage the attention variously of the metropolitan or country fire service, the State emergency and/or rescue service, the police and ambulance services, to name but a few. Social welfare services at local, State and Commonwealth levels are routinely engaged when these events happen.

**1.8** In major emergencies, individuals, groups and communities are the direct victims. Major incidents can be geographically localised yet their effects can reach far beyond the community directly affected, such as in the gas explosion at Longford, Victoria in 1998. The economic consequences of regionally located disasters can also be experienced well beyond the areas immediately affected, extending beyond State borders. These circumstances provide a strong basis for Commonwealth involvement. On the other hand, emergencies can also be national in their direct impact as well as having indirect consequences for the nation, such as civil defence requirements in wartime.

**1.9** Emergencies can also be spread out over a longer time frame as well as being highly visible one-off incidents. The clearest example of such events is drought—a disaster brought about by a pattern of adverse climatic developments, the effects of which accumulate over time.

**1.10** A further and major dimension to emergency management is the role of human behaviour and decisions in controlling the circumstances of emergencies, both cause and effect. Unlike natural disasters, man-made disasters are inherently avertible if adequate arrangements are made to contain the impact of the initial disruptive event or to stop it occurring at all. At a higher level, national security arrangements involve the coordination of significant Commonwealth and State resources in lowering risk to the Australian public that would arise from any deliberate or politically motivated creation of a public emergency. A well-developed package of Commonwealth/State arrangements is in place for protection of the community against violence.

**1.11** Planning is increasingly recognised as important to the effective management of emergencies. The Commonwealth has assumed a significant leadership role in emergency management planning over the last ten years. For such planning to be effective at a national level it must recognise the complex nature of many Commonwealth programs pursued in numerous agencies, each with different missions. But, even

more importantly, planning must recognise the numerous approaches developed in the different States and the sensitivities of many stakeholders at regional levels where the impact of emergencies will first be felt and be the most painful for victims.

## Risk management

**1.12** The role of planning and analysis in minimising risk to communities from natural as well as man-made disasters has assumed much greater prominence in the last half decade. This reflects the increased recognition of the importance of planning to achieve the best emergency management outcomes.

**1.13** The emergency management community has found it desirable to establish a single set of management arrangements capable of encompassing all hazards. This is referred to as the 'all hazards' approach. The community has also identified four major phases or elements of emergency management. These elements, along with measures typically associated with them, include:

- Prevention/Mitigation of hazard impact—eg. land use management, relocation, building regulations, safety improvements; legislation, tax/insurance incentives;
- Preparedness—eg. disaster/evacuation planning, community awareness, training exercises, warning/communication systems;
- Response—eg. notifying authorities, implementing plans, mobilising resources, search and rescue, providing medical assistance; and
- Recovery—eg. restoring essential services, community rehabilitation, counselling programs, temporary housing, financial support, restoration/reconstruction.

**1.14** In the past the prime focus of public policy attention was on the operational aspects of emergency management; that is, an incident-focussed process with predominant attention given to dealing with the prospects of occurrence of an emergency and to the necessary handling of consequences to provide relief.

**1.15** Since the early 1990's more emphasis has been given to the strategic setting of emergency management. In particular the tools and analytical techniques of risk management have been applied to the field. Increasingly the relevance of the equation

$$\text{Risk} = \text{Hazard} \times \text{Elements at Risk} \times \text{Vulnerability}$$

to the emergency management and public safety industry has been accepted, with significant analytical, institutional and funding initiatives

being taken in some disaster-prone countries, especially the United States. Such initiatives are described frequently as those that would form part of 'national mitigation strategies'. These strategies contain measures to lessen the risks to individuals and communities from emergencies by minimising the vulnerability they have, even when the severity of the hazard cannot be reduced. The strategies typically involve comprehensive risk analysis processes at all levels of government and community organisation.

**1.16** At the same time, public safety imperatives continue to require that there be no diminution of attention on the part of emergency management agencies to the more traditional agenda of 'Prevention, Preparedness, Response and Recovery'. The effectiveness with which public facilities actually support Australian communities in these four different ways when disasters actually strike remains as important as it ever was.

**1.17** While maintaining an ability to perform the traditional role, Australian emergency management arrangements are undergoing a transition towards embracing this wider strategic framework. In reviewing Commonwealth-level arrangements, the ANAO sought to give attention to both the traditional activities (Chapters 1 to 8) and the new agenda (Chapter 9).

## **The audit**

**1.18** The objectives of the performance audit were to identify the Commonwealth's current emergency management arrangements; to provide assurance to Parliament concerning the adequacy of the arrangements; and to highlight areas for improvement. The audit does not purport to review State arrangements, which are beyond the mandate of the ANAO.

**1.19** The audit coverage included the Commonwealth's role in national emergency management arrangements, planning, coordination between agencies, operational response, financial support, education and training, public awareness and research activities. It sought to identify where these activities are being performed and trace the network of interrelationships that underpins the overall Commonwealth emergency management effort. A large part of the coverage of the report consequently comprises examination of strategic and coordination issues with only a selective approach being taken to the examination of detailed areas of emergency management. Special attention has been given to education and training in view of the high cost of resources allocated to it and the significant role played nationally by the Australian Emergency

Management Institute at Mt Macedon. The audit does not address business continuity management as this was the subject of a recent ANAO Better Practice Guide.<sup>6</sup>

**1.20** The following criteria were used in conducting this audit:

- whether the Commonwealth strategic framework establishes a whole-of-government approach to emergency management and develops appropriate strategic guidance for Commonwealth agencies;
- whether coordination arrangements between Commonwealth and State emergency management agencies are effective;
- whether Commonwealth emergency management response arrangements are effective;
- whether Commonwealth emergency management training and education are appropriate; and
- whether the Commonwealth adequately fosters emergency management research.

**1.21** Most functional areas of government are involved in emergency management issues of one form or another specific to their sector of responsibility. An example is animal, plant and aquatic animal diseases and related quarantine policy issues. Extensive dedicated governmental and intergovernmental arrangements are involved in these matters. A recent ANAO report concentrated on these arrangements.<sup>7</sup> Accordingly they are not part of the current audit. Numerous other agencies of the Commonwealth are engaged in their own specialist emergency management fields: public health epidemic control, communications infrastructure failure, aviation disaster planning, marine safety issues, to name a few. The current audit examined these only in the intersections they may have with Commonwealth emergency management responsibilities generally.

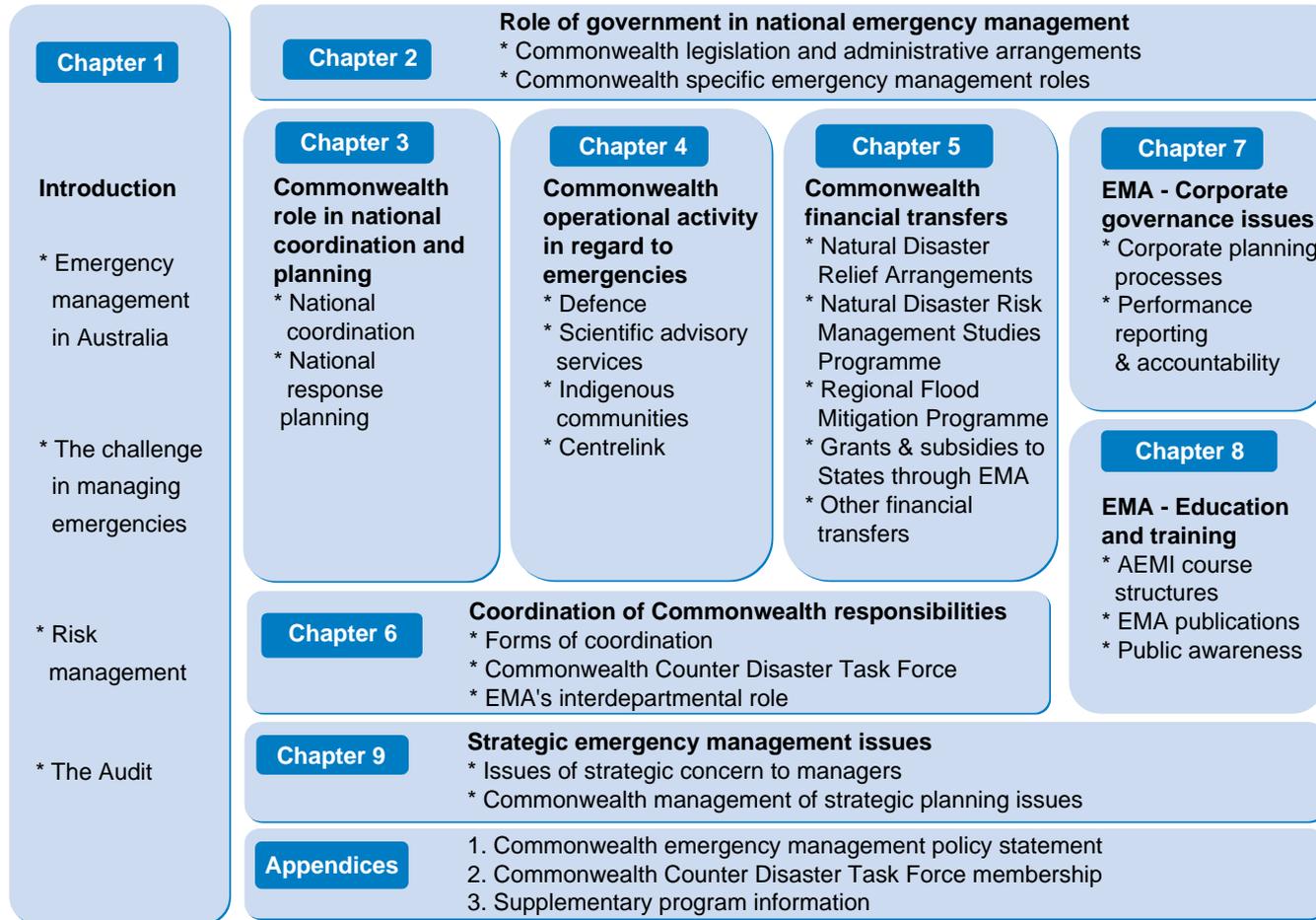
**1.22** The audit does not address the arrangements in place for protection of the community against violence (PAV). The links between PAV arrangements and the civil infrastructure for emergency management are, however, relevant to the overall Commonwealth emergency management effort. These links are examined in this audit. The present audit examines only those civil defence arrangements where functions are common to emergency management more generally. Australia's specific civil defence arrangements are beyond the scope of the audit. Figure 1 outlines the structure of the audit report.

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<sup>6</sup> ANAO Better Practice Guide, *Business Continuity Management*, January 2000.

<sup>7</sup> ANAO Audit Report No.9 1999–2000, *Managing Pest and Disease Emergencies, Agriculture, Fisheries and Forestry—Australia*.

**Figure 1**  
**Report structure**



**1.23** The audit encompassed fieldwork in the following agencies with primary emergency management responsibilities: Department of Defence—Emergency Management Australia (EMA), Department of the Prime Minister and Cabinet (PM&C), Department of Finance and Administration (DOFA), Department of Transport and Regional Services (DTRS), Department of Family and Community Services (FaCS), Centrelink and Aboriginal and Torres Strait Islander Commission (ATSIC).

**1.24** Issues were also discussed with Agriculture, Fisheries and Forestry—Australia (AFFA), Department of Foreign Affairs and Trade (DFaT)—Australian Agency for International Development (AusAID), Australian Geological Survey Organisation (AGSO), Commonwealth Scientific and Industrial Research Organisation (CSIRO), Department of Communications, Information, Technology and the Arts (DoCITA), Department of the Environment and Heritage (DEH)—Bureau of Meteorology (BoM), Department of Immigration and Multicultural Affairs (DIMA) and Department of Health and Aged Care (DHAC), as well as a range of other Commonwealth and State agencies with emergency management responsibilities. These agencies were also recipients of a client survey designed by the ANAO to gather stakeholder perspectives on the Commonwealth's current emergency management arrangements.

**1.25** Audit fieldwork was conducted substantively in the period from July to October 1999. A discussion paper consolidating the findings from the audit was distributed to relevant agencies in December 1999 and exit interviews were held in February 2000. The proposed report of the audit was put to agencies in February 2000 for comment. A consultant, Mr Christopher Conybeare AO, was engaged to provide expert advice to the audit team on the Commonwealth's emergency management framework and the ANAO appreciates the significant contribution he made to the audit. The audit was conducted in conformance with ANAO auditing standards and cost \$326 000.

## 2. The Role of Government in National Emergency Management

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*This chapter outlines the role of government in national emergency management in Australia, relevant Commonwealth legislation and administrative arrangements as well as Commonwealth specific emergency management roles.*

### Introduction

**2.1** As the States have constitutional responsibility for the protection of life and property in Australia, a significant proportion of Australian emergency management arrangements and expenditure resides with the States. State Governments control many regulatory arrangements that are essential for emergency management. Much of the service provision is devolved or delegated by the States to local organisations. There is also significant participation by volunteer groups.

**2.2** All States have set up emergency management committees or councils to bring focus at State level to these activities. They vary quite widely in their composition, lead agency and authority over devolved/delegated activities. These committees also function as a point of liaison among States and between States and the Commonwealth. Most States have enacted legislation to deal with emergencies and some have complete Departments dedicated to the management of emergencies.

**2.3** The main organisations providing emergency related services to Australian communities are State and Territory emergency and rescue services, the police forces, the metropolitan and rural fire brigades, hospitals, ambulance services, river management committees, bushfire committees as well as local government and regionally-based State government agencies. Many of these agencies are also the bodies responsible for prevention or mitigation activity, which often claims considerable financial resources. Many thousands of workers and service providers are involved, with widely varying employment structures. Highly developed professional, technical and management capability has come to be required of most workers in the sector. These capabilities form part of the spectrum of 'public safety' competencies now built into the national training and accreditation system.<sup>8</sup>

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<sup>8</sup> Since 1998 a separate public safety workers Industry Training Advisory Board (ITAB) within the framework of the Australian National Training Authority has been in operation to establish and maintain national standards of training, accreditation and competencies.

2.4 Local Government has significant responsibilities in determining the framework for public safety in the physical environment of communities; for example, in defining the role of public safety in urban planning, development applications and in developing local emergency and disaster plans.

2.5 Except in national emergencies involving a defence crisis or the external affairs power (for example, international activities associated with counter-disaster cooperation) the Commonwealth is not legally obliged to play a role in the management of civil emergencies or disasters.<sup>9</sup>

2.6 Outside the area of 'emergency management', the Commonwealth undertakes a wide range of policy, regulatory and administrative functions in many portfolio areas that create a framework for the activity of emergency managers. These functions are intended, as part of their outcomes but not as the sole purpose, to deliver high-quality public safety and economic well being for the community, thus reducing the risks and impact of emergencies on the public.

2.7 At the core of such functions are the Commonwealth's direct responsibilities in civil aviation, maritime safety, national communications, industry support, environmental protection and border management. Extensive risk management, crisis minimisation and safety net planning underlie much of the regulatory and compliance activity undertaken by agencies such as the Civil Aviation Safety Authority, the Australian Maritime Safety Authority (AMSA), DoCITA, the Australian Communications Authority and border management agencies like the Australian Quarantine and Inspection Service.

2.8 This report does not examine these larger and numerous Commonwealth operations, some of which in any case have been the subject of separate ANAO reports.<sup>10</sup> However, the effectiveness of arrangements to achieve a unified Commonwealth approach, which includes appropriate coordination with the specific-purpose emergency management activities of the Commonwealth and the States, is an important part of the success of Commonwealth arrangements in this field.

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<sup>9</sup> The Commonwealth has direct responsibilities for emergency management in its territories. It has empowered the Governments of the Northern Territory, the Australian Capital Territory and Norfolk Island to deal with civil defence and emergency services. It has established cooperative relationships with relevant State agencies to assist it to discharge these responsibilities in the Indian Ocean territories.

<sup>10</sup> These reports include, *Managing Pest and Disease Emergencies*, *op cit*, and ANAO Audit Report No.22 1999–2000, *Weather Services in the Bureau of Meteorology, Department of the Environment and Heritage*.

## Commonwealth legislation and administrative arrangements

**2.9** Though all States have now enacted, or are in the process of enacting, emergency management legislation, there is no Commonwealth legislation specifically for emergency management. Commonwealth policy has been to deal with emergency management administratively. This position was confirmed when Commonwealth emergency management arrangements were reviewed by the former Government in March 1995 following a Senate Committee Report.<sup>11</sup>

**2.10** The Administrative Arrangements Order makes the Minister for Defence the responsible Minister for emergency management matters. Under Government policy, the Minister for Defence is able to call on the resources of all Commonwealth agencies in responding to emergencies.

**2.11** Other Commonwealth Ministers are separately responsible for a range of activities conducted in other components of the Commonwealth role. For example, the Minister for Finance and Administration as the Minister administering the Appropriations legislation including payments arrangements between the Commonwealth and the States, is responsible for the Natural Disaster Relief Arrangements (NDRA). Ex gratia payments may also be made to groups under the Government's general Constitutional appropriation powers.<sup>12</sup> These payments are generally approved by Cabinet or relevant senior Government Ministers through an exchange of correspondence. The Minister for Family and Community Services has responsibility for the *Social Security Act 1991* and in that role possesses the relevant powers with regard to special disaster relief payments to individuals.

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<sup>11</sup> Senate Standing Committee on Industry, Science, Technology, Transport, Communications and Infrastructure, *Disaster Management*, June 1994. The Committee recommended legislation to provide a statutory basis for an independent Commonwealth emergency management agency located administratively within the Department of the Prime Minister and Cabinet. In rejecting this proposal the Government cited the Legislation Handbook provision that legislation should not be proposed simply to give a matter 'visibility' if it can be implemented without legislation and added that: 'Moreover, EMA has operated successfully for over 20 years under administrative arrangements.' (Government Response, March 1995).

<sup>12</sup> Ex gratia payments are discretionary payments of an ad hoc nature to provide relief from disasters or augment relief provided through other mechanisms. These are dealt with in more detail in Chapter 7.

## Commonwealth specific emergency management roles

**2.12** Notwithstanding the dominant role of the States in emergency management, the Australian emergency management framework reserves a particular place for the Commonwealth. Arrangements have evolved over many years across a number of portfolios. This report attempts to identify them and to assess the adequacy of their coordination.

**2.13** Starting with one or two Federal special payments to the States in the 1930's for natural disasters, the Commonwealth has accepted that it has an important role to play in handling emergencies in Australia, especially ones judged as major or having significant implications for the nation as a whole. The Commonwealth has developed a wide range of programs that reach into many of the emergency related activities undertaken in the States by non-Commonwealth bodies.

### Civil defence

**2.14** The role of and arrangements for emergency management in time of war overlap heavily with those established to handle emergencies borne of non-belligerent causes. Though, as with natural emergencies, the States bear the main operating responsibilities for the protection of life and property, coordination of national civil defence functions is an extension of Commonwealth responsibility for national defence under Australia's Constitution. The Commonwealth's external affairs power is also engaged through Australia being a party to the 1977 Protocols Additional to the Geneva Conventions.<sup>13</sup> Accordingly, both the Commonwealth and the States have civil defence responsibilities.

**2.15** The evolution of the Commonwealth's organisational arrangements to support the civil defence role since the Second World War and the 1950's experience of the Cold War is closely intertwined with the origins of the Commonwealth's agency dedicated to perform the civil emergency management role, Emergency Management Australia. EMA's antecedent in the 1950's was the Civil Defence Organisation. Civil defence training was the original role of the institution established at Mount Macedon, Victoria, now the Australian Emergency Management Institute within EMA. EMA and its predecessor, the Natural Disasters Organisation (NDO), have been located within the Defence portfolio since their establishment. EMA continues to have responsibility for Commonwealth responsibilities in civil defence, and the NEMC has a dedicated working party addressing issues in this area.

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<sup>13</sup> Australia ratified the Protocols in 1991 and enacted the *Geneva Conventions Act* in that year.

**2.16** Since the 1970's, the civil defence roles of emergency management agencies have been increasingly absorbed into the civil dimension of emergency management. The same institutions and procedures serve both ends. The lowered public profile of civil defence as a perceived need reflects the emergence of the relatively benign strategic environment of the last three decades and the absence of any threatened major defence emergency. In addition some of the functions of civil defence that distinguished it from public protection requirements under non-defence emergencies, such as maintenance of continuity of government and protection of national industry, are no longer regarded as civil defence functions under the international conventions to which Australia is party.

**2.17** The Commonwealth Government reviewed Australia's Civil Defence Policy, in consultation with the States, in 1994. Civil defence arrangements put in place following that review were to be aligned with developments in and formal reviews of the national strategic outlook.

### **Components of the Commonwealth's emergency management activities**

**2.18** The ANAO's analysis of emergency management activities being conducted at the Federal level indicates that the Commonwealth's role, while complex, can be divided into the following five components.

#### *Coordination and leadership of the national emergency management community*

**2.19** Provision of a coordination framework and national leadership for emergency management planning, capability development, research, strategic direction and identification of new issues and challenges; and a central 'clearing house' for interstate cooperation as well as interfaces with the range of Commonwealth agencies.

#### *Operational support*

**2.20** The provision of operational support to State activities and in international situations, in the response and relief stages of incidents, through logistic support, lending high-value or rare Commonwealth assets and immediately available manpower, through the maintenance of public scientific and predictive services and in assisting in overseas disaster situations under the Australian aid program.

#### *Financial support for State/local government or community organisations*

**2.21** Maintaining arrangements for the transfer of financial resources to States which recognise that, within the framework of Commonwealth/State financial relations and in special circumstances, extra Commonwealth resources should be available to the States to assist them to meet extraordinary requirements, to develop their resilience to disasters or limit adverse effects through remedial or mitigation measures.

### *Income support to individuals and financial support to business*

2.22 Directing income support payments to individuals, organisations or businesses affected by disasters beyond what they might be entitled to under ordinary Commonwealth income support arrangements or various State support schemes.

### *Support on a sectoral or area basis*

2.23 Provision to organisations and individuals, by Commonwealth departments and agencies, of support assistance on a sectoral basis (for example, Commonwealth/State cost sharing arrangements for animal diseases). Such support may be through cost-shared funding or reimbursement schemes including grants, loans, interest rate subsidies etc, to people or bodies affected by incidents or through assisting in funding organisations to undertake self-help projects.

2.24 Commonwealth activities often fall into a mix of these categories. This report examines them in three groups:

- the Commonwealth's role in national emergency management planning and coordination (Chapter 3);
- Commonwealth operational activities (Chapter 4); and
- Commonwealth financial transfers (Chapter 5).

### **Emergency management community perspectives on the Commonwealth's roles**

2.25 In an ANAO survey of the emergency management community Commonwealth agencies were found to be meeting the organisational needs of survey respondents and to be responding to requests for assistance in a timely manner. Survey respondents noted, however, that not all Commonwealth agencies maintained pro-active contact with them or kept them informed of changes to services provided. Additionally, the survey results highlighted the view that Commonwealth agencies do not effectively evaluate their performance in emergency management or consult other emergency management agencies in the evaluation process.

2.26 In the survey the ANAO found that State emergency management coordinators are generally comfortable with the balance of effort lying preponderantly with the States and accept the way some Commonwealth activities intersect with their areas of interest. Most State managers do not wish to see that balance change. They see it as appropriate that the Commonwealth should have a significant part to play in emergency management activities such as planning and coordination, training and the provision of financial support.

2.27 Equally, however, the ANAO found that the States have strong though very mixed views about the nature of the Commonwealth's role among its various components. Survey respondents:

- supported the Commonwealth's current role in providing leadership and best practice, mobilising national resources and in education and training;
- highlighted research, public awareness and the provision of financial assistance to State/Territory/local governments, as areas where the Commonwealth's current role was less than adequate;
- supported the Commonwealth's current level of involvement with disaster relief and recovery operations; and
- indicated that the Commonwealth should have a greater involvement with emergency management research and strategic issues.

# 3. Commonwealth Role in National Coordination and Planning

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*This chapter discusses the Commonwealth's role in national emergency management coordination and planning.*

## National coordination

**3.1** The Commonwealth delivers a range of services in regard to national emergency management coordination and planning. This function is focussed in the role of EMA. In turn, EMA is a major participant in Commonwealth processes for coordination among Commonwealth sector agencies. These functions are reviewed in Chapter 6.

**3.2** Unlike most other functional areas of Commonwealth/State activity, emergency management has no standing Commonwealth/State ministerial councils or committees. *Ad hoc* Ministerial emergency management meetings were held in 1974 (after cyclone Tracy's devastation of Darwin), in 1983 (after the Ash Wednesday fires in Melbourne) and in 1994 (after the devastating Sydney bushfires). Annual meetings of Police Ministers and Attorneys-General do not consider emergency management issues. The 1974 meeting preceded the Federal Government decision to establish (out of the Civil Defence Organisation) the Natural Disasters Organisation (EMA's predecessor) and the Commonwealth Counter-Disaster Task Force within the Department of the Prime Minister and Cabinet.

**3.3** At officials' level, formalised consultation and coordination processes between Commonwealth and State emergency managers have been in existence only since 1993.<sup>14</sup> Annual meetings of the Director-General of the Commonwealth agency with State Emergency Service heads had carried the main burden of coordination with the States until then.<sup>15</sup>

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<sup>14</sup> According to evidence given to the Senate Committee review of Disaster Management in 1994, high-level consultative arrangements with the States had existed until the mid 1960's *Report, op cit*, p119.

<sup>15</sup> In a program evaluation conducted in 1992, the absence of formal consultations with the States was noted. The evaluation further noted that this was despite the fact that an important ongoing ingredient of Commonwealth policy was to develop State emergency management capability, thereby lessening the dependence of the States on response-based Commonwealth funding. Department of Defence Inspector General's Division, *Natural Disasters and Civil Defence*, March 1992, paragraphs 220-232.

**3.4** A portfolio evaluation of the then Natural Disasters Organisation in early 1992 concluded that a formal consultative structure be established between the Commonwealth organisation and the States' emergency management councils.<sup>16</sup> In response to its recommendation, the National Emergency Management Committee was set up in the following year.

**3.5** The Director General of EMA is the Chairperson of the National Emergency Management Committee (NEMC) and its coordinating group, the National Emergency Management Executive Group (NEMEG). EMA provides the secretariat for these bodies. The NEMC and NEMEG are the peak consultative forums for emergency management in Australia.

**3.6** The NEMC comprises the chairs and executive officers of State emergency management committees and councils, a representative of the peak organisation for the fire services (Australasian Fire Authorities Council—AFAC), a New Zealand representative and, since November 1999, an observer from the Protective Security Coordination Centre (PSCC) in the Attorney-General's Department. It meets annually to provide advice and direction on the coordination and advancement of Commonwealth and State interests in emergency management issues and has established numerous working groups and advisory bodies to facilitate joint consideration of specialist matters. NEMEG, with a more operational orientation, is a grouping of executive officers of agencies in Commonwealth and State spheres and meets between sessions of the NEMC.

**3.7** The NEMC, NEMEG and their subordinate bodies are Commonwealth-funded 'national' forums. They are the principal vehicles by which the Commonwealth and the States communicate with each other and cooperate. They provide a channel for States to influence Commonwealth policies and to shape Commonwealth expenditures on emergency management improvement. They have no executive powers.

**3.8** A significant part of EMA's activities now consists in the work it performs in and around the NEMC to coordinate and provide national leadership to the separate efforts of the States to develop the inputs required for effective management of emergencies. EMA in the NEMC context also provides international liaison between overseas emergency management expertise and the State systems and facilitates national (Commonwealth and State) input into multilateral initiatives like the United Nations International Decade for Natural Disaster Reduction (IDNDR).

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<sup>16</sup> *Ibid.*

**3.9** Equipped with a national consultative apparatus involving the key State participants in the form of the NEMC and the NEMEG, EMA has formed the centre of a vigorously expanding domain of emergency planning and coordination. Key elements of the planning framework are emergency management manuals containing best practice guidelines. Since the development of an Australia/New Zealand Risk Management Standard in 1995 an integrated Emergency Risk Management statement has been developed to incorporate these principles, adapted to emergency management.<sup>17</sup> This document was prepared by EMA within the Commonwealth/State consultative process.

**3.10** The ANAO noted that the volume and complexity of the business dealt with by EMA in the national planning and coordination framework are considerable. The NEMC/NEMEG (with EMA carrying all the burden of support) appears to have at least the following tasks:

- developing guidelines for interstate assistance in emergencies;
- deciding the nature of relationships between the NEMC process and many other functional groupings and professional associations in the private as well as governmental sectors;
- administering the 'State Support Package' and developing various protocols in regard to funding application processes;
- acting as a sounding board for State interests in the shape and quantum of Commonwealth funding programs and becoming involved in advocacy either for existing Commonwealth approaches or for the States;
- maintaining and developing increasingly complex emergency management planning processes;
- monitoring and reporting on developments in Commonwealth and international arenas which may impact on the emergency management community;
- developing international projects;
- overseeing training developments in the States as well as the Commonwealth;
- developing public awareness of emergency management; and
- generating strategic planning on behalf of the Australian emergency management community.

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<sup>17</sup> Australia/New Zealand Standard AS/NZ 4360: 1995—Risk Management.

**3.11** These activities often involve highly specialist knowledge and its sustained application. The ANAO noted the considerable technical and policy complexities of many of the developments initiated in the NEMC and the sensitive Commonwealth/State interrelationships a number of them raise. Considerable research and analytical effort is enjoined on EMA staff to handle such an agenda. The ANAO considers that the demands being placed upon EMA are beyond its small staff and operating resources.<sup>18</sup> A more streamlined, selective and prioritised approach needs to be applied to the development of the NEMC/NEMEG work program in order to give adequate attention to priorities and lessen EMA's volume of work.<sup>19</sup>

**3.12** A consequence of the heavy workload of EMA is that the planning framework is being exposed to criticism for failure to follow up useful initiatives.<sup>20</sup> EMA, rather than the 'national' mechanism, which the NEMC actually comprises, is held responsible. Furthermore, unreasonable and unrealistic expectations of the extent of the Commonwealth's involvement may be created by such a wide-ranging but thinly resourced planning and coordination activity. The ANAO heard such criticisms from a number of stakeholders during the audit fieldwork.

**3.13** A recent trend is for EMA to invite other Commonwealth agencies to attend sessions of either bodies to discuss particular items when issues of direct relevance to these other agencies arise. They then carry responsibility for any relevant action in their agency at the Commonwealth level, though such action will necessarily be within the framework of the policy of the agency and Ministerial views. The ANAO understands the basis for this approach but notes that, in the absence of agreed Commonwealth positions being developed by an ongoing interdepartmental forum, Commonwealth positions may not be fully articulated for maximum effectiveness in the NEMC. This appears to have been the case with consideration of some mitigation issues. The ANAO notes that EMA is giving attention to more fully evaluating its work program so as to address priorities. The ANAO endorses this initiative but considers that a more critical appraisal should be undertaken of the scope of activity, purpose and structure of the NEMC, its focus and the resources applied to it.

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<sup>18</sup> At the time of audit, EMA had 24 staff in its Canberra office and 30 at AEMI, Mt Macedon, Victoria.

<sup>19</sup> The NEMC strategic planning document, developed during the audit, identifies States and other entities as agencies responsible, along with EMA, for carrying out a range of tasks.

<sup>20</sup> Chapter 9 examines strategic planning and management in more detail.

**3.14** The development by EMA in the NEMC of the National Emergency Management Strategic Plan (more fully discussed in Chapter 9), presents an opportunity to clarify directions and determine relative priorities in national coordination.

## **Recommendation No.1**

**3.15** The ANAO recommends that EMA review the effectiveness of its business activities:

- a. to ensure that Commonwealth positions are more fully developed in advance of consideration of issues by the National Emergency Management Committee (NEMC); and
- b. to reappraise the scope of activity, purpose, focus and structure of the NEMC and the resources applied to it, in consultation with the States in the NEMC forum and guided by the directions of the National Emergency Management Strategic Plan.

### *Agency responses*

**3.16** Defence, DTRS, FaCS and Centrelink agreed with the recommendation. Defence noted that: 'EMA will be undertaking a comprehensive review of its business activities during 2000 as part of the development of its next corporate plan. As part of the Emergency Management Strategic Plan 2000—2005, which was recently developed by the NEMC, a specific requirement is included to "*Evaluate existing Commonwealth—State committee arrangements and implement necessary changes*". This will ensure that the matters raised in this recommendation receive comprehensive attention.'

## **National response planning**

**3.17** A planning 'cascade' has been established from national to local and community levels through this consultative process. Principles developed in the framework serviced by EMA inform planning arrangements in a wide range of functional areas. For example, the Risk Management Standard has been incorporated in National Emergency Management Competencies that are supervised by the new Public Safety Industry Training Advisory Board (PSITAB).

**3.18** A core function of EMA has been to prepare national disaster response plans for handling emergencies. These are kept under review to incorporate developing risk management practice.

**3.19** EMA maintains COMDISPLAN as the key national planning document for coordinating the provision of Commonwealth government assistance in the event of a disaster in Australia or its offshore territories (this superseded AUSDISPLAN in December 1997). State DISPLANS interlock with COMDISPLAN. In turn, it is intended that local government or local organisations should prepare plans for local area emergency management. The ANAO understands that progress with local and regional planning is uneven.

**3.20** EMA has developed other plans to address certain specific emergency causal events. Like COMDISPLAN, these plans are accompanied by interlocking plans developed by the States in consultation with EMA. They include:

- Australian Contingency Plan for Radioactive Space Re-entry Debris (AUSCONPLAN SPRED—developed in November 1989 and re-issued in March 1998)—To coordinate and control the activities of Commonwealth agencies in support of State authorities involved in locating, recovering and removing radioactive space debris and monitoring and neutralising any radiological contamination threat arising from re-entry of radioactive space debris;
- Commonwealth Government Reception Plan (COMRECEPLAN—draft developed in September 1997 and final expected to be issued in March 2000)—To coordinate the reception of Australian citizens and other approved persons evacuated into Australia following an overseas event; and
- Australian Government Overseas Disaster Assistance Plan (AUSASSISTPLAN—based on PLAN AUSAID and reissued April 1998)—To coordinate the provision of Australian emergency assistance, using Commonwealth government physical and technical resources, following a disaster in another country.

**3.21** Departments develop portfolio-specific DISPLANS, for their own operations (eg. business continuity plans) or for program areas (eg. planning for the containment of agricultural diseases). Other Commonwealth response planning activity includes:

- Australian Veterinary Emergency Plan (AUSVETPLAN)<sup>21</sup>—national plan for the containment of animal diseases;
- National Plan to Combat Pollution of the Sea by Oil—AMSA;
- Marine and Aviation Search and Rescue—AMSA;

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<sup>21</sup> The Commonwealth-level counterpart plan is COMVETPLAN.

- National Anti-Terrorist Plan—PSCC;
- Management of Communicable Diseases—Department of Health and Aged Care;
- visits by nuclear powered warships;
- airport emergency planning;
- response to chemical, biological and radiological incidents; and
- warning of impending tsunami impacts on the Australian coastline.

3.22 The portfolio plans are intended to adopt the same methodology as the principal COMDISPLAN and develop consistent and interlocking strategies and actions. Many Commonwealth agencies' DISPLANS are still under preparation.<sup>22</sup> The ANAO considers that EMA should follow up those Commonwealth agencies still preparing DISPLANS.

## Recommendation No.2

3.23 The ANAO recommends that, in order to finalise outstanding disaster plans, EMA follow up those Commonwealth agencies with DISPLANS still under preparation.

### *Agency responses*

3.24 Defence, DTRS, FaCS and Centrelink agreed with the recommendation.

3.25 Equivalent Defence Australian Joint Service Plans (AJSPs) detail ADF responses to requests for assistance in the event of a natural disaster or civil emergency, in support of AUSASSISTPLAN or in response to activation of AUSCONPLAN SPRED. Defence component commands and subordinate units maintain supporting plans to the AJSPs to detail local responses to civil emergency situations. During the audit Australian Defence Headquarters was preparing Military Strategic Planning Guidance (MSPG) documents to provide strategic guidance to support the development of detailed operational plans for various ADF activities. The operational plans derived from the MSPGs may eventually supersede the AJSPs.

3.26 Once tasked to coordinate assistance, EMA activates the appropriate plan through a series of readiness phases from: 'white'—highlighting a potential requirement for emergency relief assistance; through 'yellow'—indicating an imminent request; 'red'—for response approved; to 'green'—for assistance completed.

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<sup>22</sup> The ANAO report, *Managing Pest and Disease Emergencies, op cit*, commented that the planning process in that field within AFFA was very uneven.

## 4. Commonwealth Operational Activity in Regard to Emergencies

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*This chapter details Commonwealth operational activity in regard to emergencies including its domestic and overseas disaster assistance, the role of Defence, scientific advisory services, the impact of disasters on indigenous peoples in remote area communities and the role of Centrelink in providing assistance to disaster victims.*

### Introduction

4.1 The Commonwealth's involvement in the provision of emergency assistance to communities in Australia and in international disaster relief efforts is one of the most important of its emergency management roles and one with a high public profile. The Commonwealth has a well-developed emergency response framework centred on Emergency Management Australia in the Department of Defence.

4.2 EMA is the only Commonwealth agency dedicated full time to emergency administration and management (Chapters 7 and 8 of this report look at EMA's operations in further detail). However, preparations for and service delivery during emergency incidents are conducted by numerous Commonwealth agencies. For some emergency response activities, such as those provided by the scientific advice agencies and Centrelink, this work forms part of a wider spectrum of outputs being delivered continuously as part of their normal missions.

4.3 As noted above, the Minister for Defence has the responsibility for marshalling Commonwealth resources in response to an emergency. This would generally occur as the result of a request from the relevant State authority or, in the case of an overseas disaster, from the international community through the AusAID in the Department of Foreign Affairs and Trade.

### Commonwealth domestic disaster assistance

4.4 In the event that State government or commercial resources are inadequate, inappropriate or unavailable, State governments may call upon the Commonwealth government for assistance. Each State and Territory has an authorised officer empowered to request assistance from the Commonwealth. All requests for Commonwealth assistance are made to the Director General, Emergency Management Australia (DGEMA).

**4.5** Following approval of a request by the Minister for Defence, DGEMA has access to, and can call upon, the total resources of the Commonwealth to satisfy a State request. Commonwealth agencies provide resources and, as necessary, seek relevant ministerial approval to satisfy the request.

**4.6** The Commonwealth has responded to requests in respect of numerous incidents, including: NSW and VIC bushfires in 1997 and 1998; tropical cyclone 'Katrina' in QLD (Townsville) and also floods in the NT (Katherine) in Jan/Feb 1998; tropical cyclones 'Gwenda', 'Vance' and 'Elaine' in WA in March 1999; and the Sydney hailstorm in April 1999. Other recent events in which Commonwealth agencies have been involved include:

- 'Operation Safe Haven' for the housing of Kosovar refugees (where the Department of Immigration and Multicultural Affairs was the lead agency);
- the reception in Darwin of Internally Displaced People from East Timor (where EMA was the lead agency) and their subsequent relocation to safe havens (where the Department of Immigration and Multicultural Affairs was the lead agency); and
- the containment of the Newcastle disease of poultry (where AFFA was the lead Commonwealth agency).

**4.7** Commonwealth agencies likely to become involved in emergency response have appointed Emergency Management Liaison Officers (EMLOs) to assist with provision of specified physical resources and specialist skills available within their agencies. EMLOs form a Commonwealth network, with EMA at the centre. They are informed about emergency management arrangements and are regularly briefed in sessions (sometimes incorporating training exercises) by EMA. EMLOs may be required to perform this liaison role during the initial response and ongoing recovery phases of a disaster operation. Depending on the severity of a given situation or complexity of requests for assistance, EMLOs may be formed into committees to coordinate such issues as evacuation, transport, health, welfare and accommodation. Only those agencies that provide resources or have a key function in disaster response have EMLOs.

**4.8** EMA sponsors a computer-based disaster victim information system known as the National Registration and Inquiry System (NRIS). This system uses information supplied from the disaster-affected State or Territory and is maintained on computer systems operated by the Department of Health and Aged Care. Exercise 'Murphy' is conducted each year to test the NRIS procedures, software and communications systems between the Commonwealth and the State agencies.

**4.9** EMA operations and coordination tasks are conducted from the National Emergency Management Coordination Centre (NEMCC) in Canberra. The NEMCC is activated in response to incidents and is operated by three full time personnel during business hours and by on-call personnel rostered from EMA staff after hours. As part of EMA's business continuity planning a separate backup site is maintained in Canberra. EMA estimates the annual cost of maintaining these two facilities to be in the order of \$350 000.



*The National Emergency Management Coordination Centre operations room in Canberra.*

**4.10** The NEMCC provides a range of facilities for monitoring incidents and maintaining communications with relevant agencies, including secure voice and facsimile lines. The facilities include a conference room as well as a separate media room providing phone and computing facilities for visiting media representatives. Incidents are logged on a Lotus Notes system known as 'EM2000'. This system enables EMA personnel to manage the flow of information and data relating to an incident, including the details of requests for assistance, the timing of events and the resulting requests for tasking of Commonwealth agencies. The NEMCC played a central role in preparing for the Year 2000 systems changeover by operating the Year 2000 National Coordination Centre. As the NEMCC standard operating procedures were last updated in 1997 the ANAO considers that EMA should review the procedures to ensure that they take account of experience gained since then.

## Recommendation No.3

**4.11** The ANAO recommends that, to enhance operational effectiveness, EMA review the National Emergency Management Coordination Centre standard operating procedures to ensure that they take account of experience gained since their last update in 1997.

### *Agency responses*

**4.12** Defence, DTRS, FaCS and Centrelink agreed with the recommendation. Defence noted that: 'Standing Operating procedures will be reviewed by mid-2000.'

### **Commonwealth overseas disaster assistance**

**4.13** The Commonwealth's overseas aid program administered by the Department of Foreign Affairs and Trade provides for a substantial emergency aid contribution from Australia within the overall development cooperation program administered by AusAID. The amounts entailed vary from year to year. In 1998—99 the value of Australian overseas humanitarian and emergency assistance exceeded \$45 million.

**4.14** The ANAO strategic audit planning process has identified a separate performance audit of the administration of emergency aid by AusAID. Accordingly the present audit did not investigate the overseas program in detail.

**4.15** Requests for Australian assistance are generally made by the government of a disaster-affected country to the head of the appropriate Australian diplomatic mission. A decision to undertake overseas emergency relief projects and to participate in regional development cooperation projects involving emergency preparedness planning and capability development is taken in the first instance by the Minister responsible for the overseas aid program.

**4.16** The decision will take into consideration the appropriateness of, and capability for, an Australian response. If a physical or technical response is approved, AusAID will task EMA to coordinate the response within the AUSASSISTPLAN guidelines. This contingency plan, which is prepared by EMA and managed by AusAID, covers the provision of Commonwealth assistance during the immediate post-impact phase of a disaster. It does not provide for long term reconstruction assistance.

**4.17** Assistance under AUSASSISTPLAN is designed to alleviate distress or preserve life and property, according to the needs of the requesting country. As far as possible the priorities set by the requesting government will be followed, using the most effective resources available. One of the most difficult decisions to be made is the appropriateness of different forms of aid—some 'gifts' may not be appropriate as they may be difficult to transport or simply too expensive to send.

**4.18** Once EMA activates AUSASSISTPLAN it then arranges for delivery of Australian assistance to the disaster-affected country. This necessarily requires EMA to maintain liaison with a range of Australian and overseas agencies, as well as managing an extensive coordination effort to organise aspects such as the purchase of stores and services and the transport and delivery of relief assistance. In order to be effective such a complex process requires ongoing communication and sharing of information between participants.

**4.19** EMA is also required to monitor the delivery of relief supplies and to provide daily analysis and situation reports to AusAID, the relevant overseas mission and to other Commonwealth agencies. Separately, EMA maintains normal professional and functional linkages with emergency services organisations and planners in developing countries in the region.

## Defence

**4.20** Defence<sup>23</sup> holds a key position in the Commonwealth's emergency management framework. Defence's major emergency response roles are exercised through EMA with its coordination responsibilities and by the provision of Defence Assistance to the Civil Community. DACC is the provision of Defence resources for the performance of tasks that are primarily the responsibility of the civil community.

**4.21** By virtue of its organisation and its availability of trained personnel, its wide range of equipment and facilities, and its mobility and state of operational preparedness, Defence has considerable capacity to assist the civil community in tasks that are often beyond the capability of civilian agencies. Requests for DACC receive favourable consideration if it can be demonstrated that no suitable alternative source of assistance is available. Policy and procedures for DACC are detailed in Defence Instruction—General DI(G)OPS 05—1. The three categories of Defence assistance for emergencies are detailed in Appendix 3.

**4.22** In addition to assistance under the DACC categories, Defence can be asked to provide:

- support for requests from other countries for Australian physical and technical assistance following a disaster of any type. This includes any country but is generally focused on assistance to the countries of the South West Pacific; and
- assets as part of coordinated activities of Commonwealth agencies in support of State and Territory operations to locate, recover, monitor

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<sup>23</sup> 'Defence' comprises the Department of Defence and the Australian Defence Force (Navy, Army and Air Force).

and neutralise hazards arising from the re-entry and impact of radioactive space debris on Australia and its territories. Defence has a major role in the provision of personnel and equipment for such an occurrence.



*Australian Defence Force C130 transport on cyclone relief operations, Vanuatu, January 1985.*

**4.23** Areas within Defence with direct responsibilities for coordinating DACC include:

- Headquarters Australian Theatre (HQAST)—Emergency Assistance Coordination;
- Army/Navy/Air Force Headquarters—Coordination staff;
- Army/Navy/Air Component Headquarters—Operations staff;
- Headquarters Northern Command—Operations staff. Also provides liaison officers to civil emergency centres when established and to deployed forces in the field during emergencies; and
- Defence Corporate Support Centres in capital cities and Townsville. These centres provide the major link between Defence and the State civil authorities. They also provide liaison officers to civil emergency centres when established and deployed forces in the field during emergencies.

**4.24** No specific resources are maintained by Defence for the provision of DACC. When required, use is made of ADF assets maintained primarily for operational and/or training requirements but available at the time of the request. Urgent, high profile tasks may necessitate the diversion of assets from Defence tasks. Resources utilised include: personnel, equipment, stores, supplies, facilities and expenditure from Defence outlay on administration, personnel, equipment operation, repair and maintenance.

**4.25** As no forces are maintained exclusively for DACC tasking, initial response to a request from a civil agency for assistance is to ascertain what assets are available and suitable for the task. Some units maintain response forces, and contingency plans identify suitable assets for use, but tasking is supplementary to primary Defence roles. The most effective response is often not an option because of the absence of assets on primary tasks. In high priority or critical civil emergency situations, ADF assets may have to be diverted from Defence roles, often to the detriment of operations and training.

**4.26** The coordination mechanisms for DACC within Defence appear to be well established. Audit fieldwork in the States indicated that, despite the lack of resources dedicated to DACC, responses to requests for DACC have generally been timely and effective. State agencies indicated an awareness of the limitations on ADF capabilities to satisfy all requests for assistance and they expressed appreciation for the support provided.

**4.27** No funds are allocated specifically for DACC activities. DACC for emergency situations is normally provided free of charge to the civil organisations requesting assistance, although some Defence costs for providing aid to overseas countries are recovered from organisations such as AusAID. Reduction or waiver of costs may be authorised in certain circumstances.

**4.28** Defence does not collect and quantify the cost of all DACC assistance as operational commanders do not always provide the required reports to HQAST on task completion. However, in noting that the cost of DACC for emergency situations varies greatly between years, the ANAO estimated that it exceeded \$5 million in 1998—99.

**4.29** The inadequacies of the DACC information base have implications for the management of this function including the support for effective policy generation as well as the ability of Defence to charge for services provided, and to plan and manage the allocation of resources to DACC tasks. The ANAO considers that Defence should enforce the provision

of required DACC reports and monitor the costs associated with the provision of DACC. Enhanced management information should facilitate decision making relating to DACC, in particular in relation to the cost effectiveness of DACC provision and in determining the impact of DACC activities on operations and training.

## **Recommendation No.4**

**4.30** The ANAO recommends that, to improve the cost effectiveness of Defence Assistance to the Civil Community (DACC), Defence regularly monitors the costs associated with the provision of DACC and enforce the requirement for operational commanders to provide DACC reports to Headquarters Australian Theatre.

### *Agency responses*

**4.31** Defence, DTRS, FaCS and Centrelink agreed with the recommendation. Defence noted that: 'HQAST [Headquarters Australian Theatre] is in the process of rewriting the policy guidelines for Defence Assistance to the Civil Community (DACC). The relevant Defence Instruction DI(G) OPS 05—1 requires annual returns to be submitted as at 30 June each year. Service officers are aware of this requirement and it will be reinforced by HQAST.'

## **Scientific advisory services**

**4.32** Three Commonwealth agencies provide ongoing advice services to assist with emergency management at Federal as well as State and local government levels. These are the Bureau of Meteorology, the Australian Geological Survey Organisation and the Commonwealth Scientific and Industrial Research Organisation.

**4.33** A number of research facilities having a focus on the emergency management spectrum operate in the research and academic sectors; eg. the Natural Hazards Research Centre at Macquarie University. In addition, a privately-funded foundation, the National Tidal Facility in Adelaide, has standing arrangements with the Bureau of Meteorology to provide technical data for the Bureau's predictive services involving the combined impact of atmospheric and tidal conditions.

**4.34** Of the three Commonwealth agencies the Bureau of Meteorology has a particularly close and long-standing relationship with the emergency management organisations at State and Federal levels. Because weather-based conditions comprise by far the largest source of naturally occurring hazards in Australia, the Bureau has an extensive and routine involvement in hazard monitoring across Australia and is involved in a wide network of State and Commonwealth agencies.

### *Bureau of Meteorology*

**4.35** The Bureau of Meteorology (BoM), a statutory body within the Environment and Heritage portfolio, provides Australia's national meteorological services in the public interest generally and, in particular, for the purposes of the Defence Force, navigation, shipping, civil aviation, and to assist those engaged in primary production, industry, trade and commerce. Under the *Meteorology Act 1955* the BoM forecasts weather, warns of weather conditions likely to endanger life or property, publishes meteorological information and cooperates with international meteorological agencies.

**4.36** The ANAO has recently conducted a separate audit of the Bureau of Meteorology.<sup>24</sup> Accordingly this audit of emergency management arrangements confined its attention to those aspects of BoM services which form part of the pattern of consultation with other emergency sector organisations and which contribute to the Commonwealth's emergency management effort. Appendix 3 contains additional information on the role of the Bureau of Meteorology in emergency management.

**4.37** The Bureau has established strong regional operations in the States. Bureau program managers emphasised to the ANAO the importance of the BoM relationship with EMA in establishing and maintaining appropriate functional networking relationships within and among the States on a national basis.

**4.38** With the emergence internationally of more sophisticated strategic planning approaches to emergency management, Bureau managers noted that EMA had taken a significant role in articulating these developments for application in Australian conditions and was stimulating action by specialist agencies like the BoM to implement complementary approaches. Accordingly, EMA and the BoM were working to upgrade hazard awareness and preparation in the States by facilitating adaptation and alignment of local arrangements with best practice arrangements and by utilising the newly developed Public Safety Risk Management Standard in State disaster planning, on a consistent basis across Australia. The BoM expected that this collaborative work would in turn enhance the effectiveness of the Bureau's own strategic planning and program quality. EMA's lack of formal powers in regard to these matters, vis a vis the clear State prerogatives, had not prevented good progress being made.

**4.39** Bureau officers also underlined the role of EMA in coordinating Bureau and other scientific advice into Australian contributions to the International Decade for Disaster Reduction.

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<sup>24</sup> ANAO Report, *Weather Services in the Bureau of Meteorology*, *op cit*.

**4.40** The ANAO endorses the steps being taken by BoM to contribute more fully to strategic planning in the emergency management sector.

#### *Australian Geological Survey Organisation*

**4.41** The Australian Geological Survey Organisation (AGSO) within the Industry Science and Resources portfolio has in recent years been focussing more closely on its capability to support emergency management arrangements.

**4.42** AGSO, formerly the Bureau of Mineral Resources, Geology and Geophysics, carries the Commonwealth's scientific capability in geological hazard and risk assessment, using such tools as Geographic Information Systems and their geoscientific applications. AGSO is also the major custodian of Australia's geoscientific databases and possesses advanced technical data management and image-based analysis and processing facilities.

**4.43** The Organisation's professional skills and its data management expertise enable the production of comprehensive hazard mapping and risk assessments particularly in urban environments, relating to geological hazards such as earthquakes, landslides, coastal erosion, tsunamis and volcanoes. AGSO is also equipped to produce integrated 'all-hazard' assessments which embrace meteorological and hydrogeological/hydrological factors where relevant scientific information inputs are obtained from the Bureau of Meteorology and other research organisations.

**4.44** In a recent re-organisation of its structure, AGSO created a Geohazards and Geomagnetism Division as one of its three research divisions alongside the mining industry-linked Minerals and Petroleum & Marine Divisions. The restructure reflects the Organisation's decision to participate more fully in national emergency management activities. Working to reduce hazards to the Australian public from natural phenomena—especially 'geohazards'—is now included in the Organisation's Mission Statement.

**4.45** A number of Australian technical assistance geohazards projects are being undertaken by the organisation in Papua New Guinea (under AusAID funding) and the Philippines.

**4.46** AGSO scientists perceived the potential of cross-sectoral hazard and risk analyses on a geographic basis in the early 1990's. Initial concepts led to an Australian natural hazards potential analysis project in 1994 in the Pacific Southwest region (funded under the IDNDR program). AGSO was principal coordinator of this project: the Pacific Southwest Region

Natural Hazards Potential mapping survey.<sup>25</sup> The study involved production of a regional natural hazards map and report covering the interaction of tropical cyclones, earthquakes, volcanoes, landslides, tsunamis, severe thunder storms, floods, droughts, bushfires, wave heights and ice.

**4.47** In the period since its work on this project AGSO has given increased emphasis to community hazard vulnerability analysis in Australia. One of its current major projects, the National Geohazards Vulnerability of Urban Communities Project—the ‘Cities Project’—has as its focus the causes of geohazard phenomena and how these events interact with other factors such as infrastructure ageing and population distribution, as well as weather and tidal conditions to produce impacts on population concentrations in Australia. The project’s first phase was undertaken for the Cairns region. It is presently under way for regions further south in other areas of coastal Queensland. Queensland governmental and research agencies are also participants in such vulnerability assessments. NSW Government interest is also being shown and work has commenced in Newcastle, Botany Bay (Sydney) and Wollongong.

**4.48** AGSO sees the Cities Project and its methodology as having significant value for disaster mitigation planning across Australia and is working within the EMA working group framework to further this objective.

**4.49** A further current project in the scoping phase is a plan for a joint inter agency information network for disaster managers known as the Australian Disaster Information Network. AGSO stated that the aim of the project is to devise a way for scientific agencies in Australia to provide relevant and appropriately formatted information to emergency managers at State, local and Commonwealth levels targeting emergency management in the preparedness/prevention and response/recovery parts of the spectrum of activities.

**4.50** AGSO noted that information and database material is distributed widely among agencies in the three spheres of government in Australia. The project would bring this data into integrated form. For example, in the response/recovery module of the system, immediately an incident occurs the network could be remotely accessed by emergency workers and its full analytical powers put to use by operational managers. The system would be comprehensive and national. It would be based on all data sets; for example, satellite imaging, human settlement detail, river

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<sup>25</sup> *Natural Hazards: their Potential for the Pacific Southwest*, AGSO, 1995.

basin data, current and forecast weather data and wind/temperature scenarios. In a developing flood situation, for example, local emergency services workers would be able to plot areas and populations needing to be evacuated against trend data available in a constantly updating system. The prevention/preparedness module would similarly provide a robust platform for consideration of cost-effective priorities among mitigation proposals of various kinds.

**4.51** AGSO considers that implementation of such a project would position Australia to be among the leading practitioners of emergency management in the world. It is planning to pursue it in the NEMC framework, with plans being made to commence an implementation phase by the end of 1999—2000. Funding contributions would need to come from States as well as the Commonwealth. The Organisation has let a tender for a preliminary study of the issues, funded from its own resources. The ANAO considers that the type of collaboration with the emergency management community that AGSO is pursuing, should significantly increase the effectiveness of Commonwealth emergency management arrangements. The ANAO further considers that EMA's capacity as the coordination point for national information management for emergencies would be strengthened by a project of this kind.

#### *Commonwealth Scientific and Industrial Research Organisation*

**4.52** The CSIRO Division of Atmospheric Research provides scientific advice on issues involving the atmospheric environment and the climatic system. These issues include the greenhouse effect, ozone depletion, climatic variability and extreme weather. The associated research is directed towards meeting the needs of government, industry and the community. Research tools include a range of computer based climate and atmosphere models as well as remote sensing and other atmospheric monitoring instruments.

**4.53** The Division undertakes collaborative activities with other research organisations in Australia and overseas. It has a joint collaborative research plan with the Bureau of Meteorology involving the Tropical Cyclone Coastal Impacts Program (TCCIP) as well as studies examining extreme rainfall events and Probable Maximum Precipitation. Contact with EMA has occurred through the TCCIP and through invitations to workshops. EMA has also been involved with CSIRO on fire research and has provided funding for fire research project 'Vesta'. The Division has had limited interaction with AGSO but expects more on the Cities Project in relation to storm surges and landslides. The Division also participates in international programs such as the International Geosphere-Biosphere Program and the World Climate Research Program, as well as a range of joint projects with laboratories in many countries.

**4.54** The Division's research covers the economic, social and environmental impact of weather and climate, as well as the effect of economic and social activities on climate and atmosphere. Issues include natural phenomena such as severe storms, tropical cyclones, drought and climate change. In considering possible trends in natural disasters CSIRO highlights two main issues:

- strong population growth in Australia's northern and coastal regions will increase community exposure to many natural disasters in these areas; and
- possible effects of global warming on natural disasters include increased fire risk, modest to moderate increases in cyclone intensities, slight increase in storm surge heights and increased likelihood of extreme rainfall events.

*Other scientific advisory activities*

**4.55** The Commonwealth arranges in various ways to obtain input from the other major research and academic organisations specialising in aspects of emergency management, geo- and weather-based hazards and other risk management expertise. For example, CSIRO participates in the Cooperative Research Centre for Southern Hemisphere Meteorology based at Monash University. The centre has three research programs: ozone, global transport modelling and southern hemisphere climate dynamics.

**4.56** Other research organisations include Macquarie University's Natural Hazards Research Centre, Tropical Environmental Studies and Geography at James Cook University and most recently the Bureau of Transport Economics in the Department of Transport and Regional Development. A proportion of this activity is commissioned research funded by the Commonwealth. The research indications of possible increased severity and frequency of natural hazards hold clear implications for emergency management.

**4.57** AGSO emphasised to the ANAO that information management is becoming recognised as one of the key issues that must be addressed by emergency managers in the 21<sup>st</sup> century. The vast array of information that is available to assist managers continues to grow exponentially. This is being driven, to a large extent, by technological advances in areas such as remote sensing, geographic information systems, relational databases, distributed networks, satellite navigation systems, digital technologies and new approaches to technical standards. Internationally the development of a Global Disaster Information Network is gaining significant momentum.

**4.58** The ANAO considers that EMA should further strengthen its links to scientific research agencies such as CSIRO and AGSO with a view to ensuring higher-level policy consideration is given to the implications that scientific research and technological change have for emergency management. In particular there is a need to consider the development of an emergency management information policy and to explore ways in which emergency management information can be better utilised.

## Recommendation No.5

**4.59** The ANAO recommends that, to ensure an opportunity is provided for high-level policy consideration to be given to the implications that research has for emergency management, EMA further strengthen its links to Australian scientific research agencies.

### *Agency responses*

**4.60** Defence, DTRS, FaCS and Centrelink agreed with the recommendation. Defence noted that: ‘The Emergency Management Strategic Plan includes a strategy to “Facilitate and set priorities for directed emergency management research”. EMA is currently negotiating options for establishing collaboration research activities with two tertiary institutions.’

## Indigenous communities

**4.61** The approach adopted by EMA for providing emergency management services is that all regions and communities in Australia should be supplied equally on the basis of need. Programs with involvement at the Commonwealth level designed for indigenous peoples or remote area communities include:

- ‘Disasters and Remote Communities in Northern Australia’—Exploration of the role of local government in disaster impact reduction and recovery in remote communities in northern Australia, especially in relation to flooding and cyclones—1997;
- ‘Strategic Planning Workshop on the Development of Enhanced Disaster Awareness Education Programs and Resources for Remote Aboriginal and Torres Strait Islander Communities’—1997;
- ‘Cyclone Vulnerability, Awareness and Preparedness in Remote and Aboriginal Communities of the Gulf of Carpentaria’—1999;
- ‘Development of a Standard Module on Disaster Recovery in Remote Aboriginal Communities, Northern Territory’—1999; and
- ‘Message Sticks—Natural Hazard Warning and Action Devices for Aboriginal Communities’—To develop a simplified set of natural hazard warning and action devices for Aboriginal communities—1999.

**4.62** The Aboriginal and Torres Strait Islander Commission (ATSIC) maintains a consultative dialogue with EMA through its EMLO in Canberra. Regional directors of ATSIC offices retain close linkages with State emergency services and emergency planning bodies, especially in the Northern Territory.

**4.63** ATSIC has itself organised special emergency relief involving evacuations and food supply arrangements for indigenous communities affected by incidents, using its own resources. Two recent examples of this concerned the floods at Katherine (NT) in January 1998 and at Onslow (WA) as a result of cyclone Vance in March 1999. ATSIC undertook this activity to fill a perceived gap in service provision by the State and Commonwealth agencies. The episodes appear to reveal deficiencies in Commonwealth and State agencies' coordination and effort.

**4.64** It would appear that ATSIC's primary involvement with the Commonwealth's emergency management effort is at the non-policy level. Yet a significant part of the population of Australia vulnerable to natural hazards of cyclone, flood and storm surge are regional and remote area communities with a concentration of indigenous populations. Some of these groups have special circumstances that need to be taken into consideration in formulating Commonwealth emergency management policy.

**4.65** The ANAO found that ATSIC is not a participant in any of the Commonwealth's coordinating bodies such as the Commonwealth Counter Disaster Task Force (CCDTF). The ANAO considers that there would be advantage to both ATSIC and the emergency management planning managers in the Commonwealth if a closer relationship were established. The objective would be to ensure that indigenous regional and local planning authorities were placed in a position to be informed about, and to influence, planning activity by the Commonwealth designed to minimise damage to remote communities caused by emergencies and natural disasters. Such involvement would also facilitate better relationships leading to fuller and more appropriate service to rural and remote area indigenous communities at times of actual incidents.

## **Recommendation No.6**

**4.66** The ANAO recommends that, to develop a closer relationship with the emergency management community and to benefit rural and remote indigenous communities, ATSIC initiate discussions with EMA aimed at establishing an appropriate level of liaison with emergency management coordination authorities.

## *Agency responses*

**4.67** ATSI, Defence, DTRS, FaCS and Centrelink agreed with the recommendation.

## **Centrelink**

**4.68** As the service delivery agency for Commonwealth income support payments to eligible recipients, Centrelink and its national network of offices and public shop fronts are extensively involved in emergency management.

**4.69** Centrelink's role in major emergencies is built upon the ongoing and routine services which the agency provides under Commonwealth income support programs. Individuals whose access to income is interrupted by circumstances defined in relevant legislation, such as unemployment, illness and disability, may be eligible for payments to assist them during the period of hardship. Such circumstances may be caused by disasters and emergencies. Special Benefit, NewStart and other support payments will thus be delivered to affected individuals by Centrelink on behalf of FaCS in its own portfolio and other Departments and programs.

**4.70** In major emergencies such as natural disasters or events involving the dislocation or evacuation of individuals and communities from their normal places of residence, Centrelink may be assigned a payments delivery role for exceptional payments or for payments where discretion may be exercised to waive threshold eligibility requirements. In these circumstances the agency's delivery of normally-available support may exist side-by-side with a payments delivery role for extraordinary payments such as those determined by the Government on an *ex gratia* basis. Centrelink's electronic information management systems maintain records on some six million clients who have accessed Commonwealth income support payments and this provides a platform for assisting accountability and effectiveness during emergencies.

**4.71** Centrelink's distributed network facilities, its expertise in assessing individuals' needs and circumstances and its knowledge of available statutory entitlements provide it with a central role to play in major emergencies or in exceptional situations. Centrelink also has logistical management experience in situations where normal facilities such as banks, cash supplies and communications may be disrupted by the emergency. In addition Centrelink employs a significant network of social workers able to provide on-the-ground information and referral services as well as counselling.

**4.72** To facilitate these roles Centrelink officers participate closely in the communications and consultation network based in EMA. This participation provides the framework in which the agency receives operational data about emergencies and in which it fashions its management response. Information from its own extensive office network, and policy information from FaCS, supplements that available to the agency on a continuing basis from EMA, and that information is in turn shared with other Commonwealth bodies involved in the EMA-managed network.

**4.73** Centrelink emphasised to the ANAO that its knowledge of developments during emergencies, including the responses and activities of the State government agencies, local government and voluntary organisations, is heavily dependent on the link with EMA and the role played by that agency. Centrelink's capacity to deliver assistance to needy people is seen to be vitally supported by EMA's operational expertise and knowledge of the specialist facilities such as communications that Centrelink may need to operate at the disaster site. EMA's early warning of possible involvement of Centrelink when situations develop, such as the evacuation to Darwin in September 1999 of Australian and UN personnel from East Timor, facilitates smooth planning by Centrelink. The flow from EMA of situation reports on geographical impacts and communities affected, prospects for the development of the crisis and likelihood of further needs arising plays a role seen as being of the utmost value to Centrelink.

**4.74** The extensive functions Centrelink performs in most emergencies, whether special Commonwealth assistance to disaster victims is provided or not, are undertaken for the most part without budget supplementation to the agency.

**4.75** Centrelink undertakes its emergency management work under relevant purchaser/provider service agreements with purchaser departments, principally: the Department of Family and Community Services; the Department of Employment, Workplace Relations and Small Business; Agriculture, Fisheries and Forestry—Australia; and the Department of Finance and Administration (for *ex gratia* payments). Centrelink functions as a service provider under contract to the Commonwealth in undertaking these tasks. The Commonwealth, as purchaser, is in a position to contract other agencies to perform this work. It did so in the case of cyclone Vance in 1999, when an agreement was made with the Western Australian Department of Family and Children's Services to deliver payments agreed to be made by the Commonwealth.

**4.76** Extra costs facing Centrelink in carrying part of the Commonwealth's response in emergencies have generally been absorbed by the agency, as they are perceived to be small in relation to the overall administrative budget of the organisation and are included in base funding taken over from allocations to Departments at the time of Centrelink's establishment. Centrelink is seeking to fund the cost of development and implementation of a purpose-designed computer system to process emergency payments of an ex gratia kind, which will interface with the agency's central information system for its mainstream clients.<sup>26</sup>

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<sup>26</sup> Costs of some \$300 000 are involved. Funds are being applied from readjustments in other systems.

## 5. Commonwealth Financial Transfers

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*This chapter details the range of Commonwealth financial transfers provided to meet the needs of States, organisations and individuals in relation to disasters, including: the Natural Disaster Relief Arrangements, the Natural Disaster Risk Management Studies Programme, the Regional Flood Mitigation Programme, grants and subsidies to the States provided through Emergency Management Australia, as well as other financial transfers.*

### Introduction

**5.1** The Commonwealth provides a number of discrete financial support schemes to meet certain needs of States, organisations and individuals in relation to disasters. The payments offer a varying mix of immediate hardship relief for individuals, rehabilitation or restoration of damaged infrastructure, business recovery facilitation and mitigation or control of risks. The schemes vary widely in the degree of co-participation by State Governments, local government and/or business organisations, and in the character, terms and conditions of the funding.

**5.2** Since the early 1960s, Commonwealth/State financial arrangements have incorporated the policy of specific-purpose, matching grants for disasters. The policy has been progressively developed to provide defined special financial assistance involving mixes of grants and loans for natural disasters or naturally-caused crises affecting rural production. The main facility is the Natural Disaster Relief Arrangements administered by the Department of Finance and Administration. Under NDRA, State expenditures in certain circumstances are reimbursed by the Commonwealth. Since 1989, NDRA has excluded drought as an eligible disaster.<sup>27</sup> In the 30 years to 1989, half of total Commonwealth expenditure on natural disaster payments to the States was for drought relief.

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<sup>27</sup> Drought relief arrangements are discussed under Exceptional Circumstances payments below.

5.3 Other payments arrangements are administered by Agriculture, Fisheries and Forestry—Australia and the Department of Transport and Regional Services. EMA administers the ‘State Support Package’ that includes payments to States to assist development of emergency management capability. The Department of Finance and Administration also administers a new Commonwealth allocation to provide finance for risk management studies. As the Minister for Finance and Administration is the Minister responsible for any *ad hoc* Commonwealth payments such as ex gratia payments to groups, the Department is also involved in policy and delivery arrangements for ex gratia payments, which usually involve other departments and agencies. Several of these ex gratia payments have been seen as top-ups for payments made under the NDRA where NDRA criteria limited the scope or amounts of payments judged to be appropriate in the circumstances.<sup>28</sup>

5.4 The underlying basis for the Commonwealth system of financial support is that individuals, businesses, industries and organisations must take primary responsibility for their own welfare and income continuity arrangements but that, in disasters and crises, it is appropriate that public funds in certain circumstances be allocated to provide assistance. The payments are made in a public marketplace framework where commercially-available insurance may not be available at reasonable cost in relation to all risks that actually eventuate, and where individuals and organisations may not reasonably have been expected to take risk minimisation steps of their own.

5.5 At the same time, the Commonwealth and some State Governments are in active dialogue with the insurance industry to expand the scope for private insurance against disaster risk.

5.6 In more recent years Commonwealth policy has been to rationalise payments schemes where possible so as to limit Commonwealth outlays to situations of real need. This has also been applied to the broad design of the relationships between schemes, especially those relevant to the rural sector. In rural-oriented schemes, the linkages with various industry policies are close. In these schemes, Commonwealth policy has sought to constrain responses to demands made in crises where the circumstances

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<sup>28</sup> Department of Finance and Administration briefing note:

*Commonwealth Disaster Relief Assistance Provided to the States/Territories 1990–91 to 1998–99.*

Funding for most disasters have generally been provided within the NDRA guidelines—except for three occasions, ie. Newcastle Earthquake, the Sydney Bushfires and the Katherine floods—when the Commonwealth departed from the NDRA funding threshold arrangement to provide more generous funding assistance.

may be superimposed on underlying and endemic problems facing regions, such as long-term competitiveness issues for particular commodities.

5.7 Commonwealth policy in some payments schemes is also giving emphasis to providing incentives for individuals and organisations to help themselves by hedging risks and adopting preventive strategies.<sup>29</sup> As such directions are also being extensively pursued by all State Governments, there is a basis for significant new Commonwealth/State cooperative activity in this field of policy, although Commonwealth initiatives do not appear to be fully accepted in some States.

## Natural Disaster Relief Arrangements

5.8 The principal Commonwealth funding mechanism for State disaster relief is the Natural Disaster Relief Arrangements.<sup>30</sup> Its purpose is to reduce the excessive financial burden on the States caused by the effects of natural disasters. Disaster causes are specified in the scheme as bushfires, cyclones, earthquakes, floods and storms. The scheme has been in operation since the late 1970's, when informal arrangements between the Commonwealth and the States were progressively replaced by more structured ones.

5.9 The current scheme is provided under terms and conditions set out in a Ministerial Determination of Terms and Conditions issued under *Appropriation Act (No 2) 1995—96*.<sup>31</sup> It is not an agreement between the Commonwealth and the States though it is supported by both formal administrative agreements and informal understandings. The NDRA provides year-on-year reimbursement to the States for expenditure incurred by States on eligible relief measures in defined circumstances.

5.10 The framework effectively guarantees that, at the time of a particular disaster, a proportion of expenditure incurred by States for provision of certain kinds of disaster relief will be reimbursed by the Commonwealth subject to NDRA criteria being met. Appendix 3 contains additional information on NDRA eligibility criteria.

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<sup>29</sup> These issues are examined in greater depth in the chapter dealing with strategic issues.

<sup>30</sup> The scheme is administered by the Department of Finance and Administration as part of the output group 'Public Sector Financial Management—Management of Discretionary Payments', which includes all payments of a discretionary nature including Act of Grace payments to individuals.

<sup>31</sup> Determination of the Minister for Finance and Administration, 22 July 1998.

**5.11** Within total Commonwealth payments to the States, payments for disaster relief under NDRA (even when drought was an eligible disaster) have been quite small, representing no more than 1.2 per cent of total payments in any one year in the 30 years to 1990. In 1996—97 the figure was 0.1 per cent of total payments to the States. Table 1 provides details of NDRA expenditures over the last ten years.

**Table 1**  
**NDRA appropriations and expenditure \$m**

Year	Appropriation	Expenditure						
		Total	NSW	Vic	Qld	NT	SA	WA
1990–91	163.1	<b>163.1</b>	104.8	-	57.8	0.5	-	-
1991–92	88.0	<b>51.2</b>	13.6	0.4	37.2	-	-	-
1992–93	60.0	<b>3.2</b>	-	-	2.2	0.2	0.8	-
1993–94	70.0	<b>33.0</b>	29.0	3.8	0.0	-	-	0.2
1994–95	45.0	<b>15.7</b>	14.8	-	0.8	-	-	0.0
1995–96	35.0	<b>3.9</b>	1.0	0.2	2.5	-	-	0.2
1996–97	31.0	<b>20.5</b>	2.3	0.4	17.8	-	-	-
1997–98	35.0	<b>75.1</b>	0.0	0.0	43.9	31.1	-	-
1998–99	39.0	<b>48.8</b>	0.5	0.0	42.8	5.2	-	0.2
1999–00	39.0	-	*30.0	*6.0	*30.0	*1.0	-	*0.1

Source: Department of Finance and Administration.

\* estimated expenditure.

**5.12** A Government review in 1994 of national emergency management arrangements foreshadowed the need for a review of the NDRA to see whether it was up to date, and in particular to check whether there was duplication with other disaster assistance programs, especially the Disaster Relief Payment (DRP) created in 1991 following the Newcastle Earthquake and administered by the then Department of Social Security. The review of NDRA was undertaken in 1996 in the form of a DOFA portfolio evaluation. The review found the scheme to be meeting its objectives satisfactorily but made a number of recommendations for improvement. One of these was a proposed requirement for States to have in place disaster mitigation strategies, a recommendation incorporated in the latest Ministerial Determination. Other recommendations have been or are being implemented.

**5.13** The ANAO found dissatisfaction among States that draw most heavily on NDRA about the Commonwealth's management of changes it has made to the NDRA arrangements. State representatives indicated that initial Commonwealth communications were not clear, especially with regard to the requirement for mitigation strategies to be in place as a precondition for funding. In follow-up discussions DOFA noted that it is actively involved with key stakeholders, particularly EMA and State and Territory emergency managers.

**5.14** The ANAO considers that maintaining sound and open dialogue between Commonwealth policy makers and program managers and State emergency management agencies should be an important part of Commonwealth practice. Considering the importance of NDRA in overall Commonwealth emergency management activity, this requirement would mean that there should be readily available channels of effective dialogue between the States' emergency management communities and DOFA. The recommendations made in Chapters 6 and 9 of this report, on the creation of more effective Commonwealth coordination arrangements, would facilitate an improvement of this dialogue.

**5.15** The States also perceive inconsistency between the NDRA requirement for mitigation strategies and the condition limiting NDRA reimbursement to the restoration of damaged assets to pre-disaster standard. For example, a local government authority could make an NDRA claim for expenditure to restore a bridge only to pre-disaster condition and not the expenditure required to improve it in order to make it more flood resistant.

**5.16** States question the consistency of this requirement with the Commonwealth's support of flood mitigation practices and its pursuit of long-term cost reductions. The States' position appears to be that NDRA processes inhibit them and local governments in implementing mitigation strategies. Views expressed by the States to the ANAO ranged widely on this issue. At one extreme some State views criticise the NDRA scheme for not providing funds for the enhancement. On the other hand, some States and local authorities, though accepting the broad Commonwealth policy framework, appear to be experiencing administrative problems in distinguishing components of reconstruction projects that only achieve restoration of the asset.

**5.17** The ANAO considers that the NDRA scheme is not inconsistent with mitigation objectives. Furthermore, it would appear appropriate that funding for enhancements to pursue mitigation objectives should be the subject of separate and careful consideration. As some States appear to be having difficulties with the administration of NDRA requirements,

the ANAO considers that DOFA should re-examine the form in which the NDRA arrangements are expressed, to ensure that the Commonwealth's requirements do not impede the achievement of mitigation objectives.

**5.18** Among the requirements for each disbursement of Commonwealth NDRA funds is the production of appropriate audit certification. DOFA advised the ANAO that, while there is close day-to-day liaison with the State authorities (mainly State treasury/finance areas) on the operations of the NDRA, there is some concern that the audit function may be too narrow and that the Commonwealth may not have adequate performance information about the expenditure it incurs. DOFA indicated that it would examine NDRA processes as part of its commitment to continuous improvement.

**5.19** The ANAO considers that such an examination is desirable and that it should occur on a regular basis. In conducting the re-examination DOFA should have in mind:

- the significantly enhanced State planning and coordination structures in emergency management that have been developed in recent years;
- the emphasis being placed by most States on improved risk management and mitigation approaches to projects undertaken at State and local government levels;
- the value for Commonwealth policy of considering NDRA issues in the wider context of Commonwealth disaster assistance activities; this would enable greater account to be taken of the range of Commonwealth emergency management programs in addition to NDRA and help make them mutually reinforcing in their effect;
- the Commonwealth emergency management forum proposed in Chapter 6 would be a suitable Commonwealth consultative framework in which these wider NDRA issues could be pursued; and
- the need to ensure fuller accountability by the States in their use of NDRA funds; that is, to ensure that outcomes designed to be achieved by NDRA funding are in fact achieved, in addition to financial compliance.

**5.20** Many of these issues are of concern in the wider emergency management environment. For these reasons the ANAO considers that DOFA should consult closely with other Commonwealth emergency management agencies on these matters. In particular, the Commonwealth emergency management forum (using the mechanisms developed in Chapter 6) would be an appropriate framework. Use of that mechanism should ensure Commonwealth positions are coordinated before discussions take place with the States in the NEMC.

## Recommendation No.7

5.21 The ANAO recommends that, with a view to improving Commonwealth administration of the NDRA, DOFA consider re-examining the following aspects of NDRA arrangements as soon as possible:

- a. the degree and extent of current communications arrangements with other Commonwealth and State agencies, bearing in mind Recommendations No.9 and No.15 aimed at strengthening Commonwealth coordination and strategic management;
- b. the scope of the audit function and the adequacy of the post hoc expenditure performance information available to the Commonwealth; and
- c. the form in which the NDRA arrangements are expressed, to ensure that the Commonwealth's requirements do not impede the achievement of mitigation objectives.

### *Agency responses*

5.22 DOFA, Defence, DTRS, FaCS and Centrelink agreed with the recommendation. DOFA noted that: 'The Department is actively involving key stakeholders, particularly EMA and State and Territory Emergency Managers, on proposed refinements to NDRA arrangements and the development and implementation of the Natural Disasters Risk Management Studies Programme.'

## Natural Disaster Risk Management Studies Programme

5.23 In August 1998 the Minister for Finance and Administration announced the Commonwealth's initiation of a scheme of grants to finance natural disaster risk management and mitigation studies. The scheme, referred to as the Natural Disaster Risk Management Studies Programme (NDRMSP), is a dollar-for-dollar arrangement with the States and local government, capped at Commonwealth payments of \$3 million per year but with a total of \$9 million available if other spheres of government contributions are included.

5.24 The scheme had been under consideration in DOFA for some years and formed part of the logic followed by the Commonwealth in introducing the mitigation strategy requirement into some of the funding available to States under the NDRA. It was effectively an acknowledgment by the Commonwealth of the financial realities some of the smaller and financially weaker local government areas would face in fulfilling the Commonwealth's new mitigation requirement introduced into the NDRA since June 1998, and an indication of readiness to help.

**5.25** DOFA, which is responsible for managing the scheme, is liaising with the Department of Transport and Regional Services to ensure that it is complementary to the Regional Flood Mitigation Programme (RFMP) administered by DTRS. There are, however, significant differences between the DOFA scheme and the DTRS one, not the least being that the former's scope is not confined to rural and regional areas but may be available for capital city urban areas. DOFA noted that the Minister for Finance and Administration declined consideration of integrating NDRMSP with the RFMP as the former is intrinsically linked to the efficiency and effectiveness of NDRA and is applicable to all natural disasters, not just flood mitigation.

**5.26** The ANAO noted that various delays meant that the scheme was not operational as at the completion of audit fieldwork in November 1999. The completion of natural disaster risk management and mitigation studies has direct implications for the success of other State and Commonwealth mitigation programs. DOFA advised that application forms and guidelines have now been sent to all local governments and State lead agencies and that the grant approval process is expected to be completed by the end of June 2000. The ANAO considers that DOFA should continue to give increased priority to the implementation of the NDRMSP.

## **Regional Flood Mitigation Programme**

**5.27** The policy framework for Commonwealth involvement in development initiatives at local, regional and urban levels has changed over the years. Until 1998, the Federal Government's approach had been to reduce its involvement in these areas in favour of State and local government initiatives.

**5.28** The pattern of severe flooding and cyclone damage that occurred in 1998 and early 1999 in several States, put local resources under some pressure. Community preparedness issues, and the quality of local planning and physical infrastructure, were highlighted in media and other public commentary. Public focus was directed towards the nature of the roles of the respective spheres of Government. The possibility was canvassed that national programs may have a useful role to play in assisting State and local government efforts to reduce communities' vulnerability in disaster-prone areas.

**5.29** Several State Governments took these matters up in Commonwealth/State councils. They canvassed the concept of new Commonwealth-level involvement in disaster-related activity, in particular for preventive, ameliorative or mitigation funding projects related to floods. Cross-border considerations and financial burden-sharing ideas

were pursued. In late 1998, both the Queensland and New South Wales Governments pursued initiatives along these lines in the Council of Australian Governments context.

**5.30** In the 1999–2000 Budget the Government announced that it would create the RFMP scheme, with a Commonwealth commitment of \$20 million over three years. The Department of Transport and Regional Services (DTRS) was given responsibility for implementing the scheme.

**5.31** The RFMP is intended to assist State governments and local agencies in the implementation of priority, cost effective flood mitigation works and measures in rural and regional Australia. Metropolitan capital cities, as defined by the ABS Capital City Urban Centres, are not eligible. Better floodplain management is a central objective of the scheme. The Commonwealth contribution to eligible projects will be a maximum of one-third total cost, with two-thirds of approved projects being met 'by the combined resources of the State and local agencies with the State at least matching the Federal Government funds'.<sup>32</sup>

**5.32** DTRS consulted closely with State government agencies, such as emergency services organisations, local government associations as well as other Commonwealth and non-government bodies in developing the guidelines for operation of the scheme. DOFA was consulted in the planning stages of the RFMP. DTRS sought to align the scheme as closely as possible to the NDRMSP. DTRS commented to the ANAO that in many ways the schemes are complementary to each other, though DOFA's is not confined to floods or rural/regional areas but is to address all natural hazards.

**5.33** DTRS had observed that, without being able to generate economies of scale, many small regional shire councils faced difficulties mobilising funds for feasibility studies of development projects. DTRS had appropriately built into its program requirements that all local agencies executing the flood mitigation projects (and/or State governments) 'undertake or oversee all technical, environmental, heritage and risk assessments according to the appropriate legislative requirements and in accordance with accepted best practice principles and guidelines'.<sup>33</sup>

**5.34** Both DTRS officers and DOFA officers agree that the DOFA program seems well placed to assist some of the smaller agencies to undertake these studies, dovetail with the DTRS program and thus break a cycle that has often frustrated implementation of local infrastructure initiatives to obtain benefits that need longer lead times.

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<sup>32</sup> *Regional Flood Mitigation Programme—A Federal Government Program in partnership with State, Territory and Local Governments*, brochure issued by the Department of Transport and Regional Services, 1999, p6.

<sup>33</sup> *Regional Flood Mitigation Programme*, *op. cit.*, p6.

**5.35** Delays by DOFA in finalising the criteria and operating principles of the NDRMSP has meant that efforts to align the NDRMSP with the RFMP have not been successful for year one of the respective programs. DTRS advised that their year two process has already been agreed by the Minister for Regional Services, Territories and Local Government and has commenced. The ANAO considers that DOFA and DTRS should consult closely to facilitate the alignment of the NDRMSP and the RFMP schemes. This would promote overall Commonwealth objectives in achieving effective mitigation outcomes at the State and local government levels.

**5.36** Given that the policy positions of both DTRS and DOFA seem to be fully consistent with each other on this matter, the ANAO was unable to ascertain reasons why the timing of the development of the two schemes should have been so different in the two agencies. The ANAO considers that strengthened efforts should be made by the agencies to align their different timetables. The ANAO further considers that the dysfunctional implications of this outcome underline the need for a more focussed approach to Commonwealth emergency management coordination than exists at present.<sup>34</sup>

## **Recommendation No.8**

**5.37** The ANAO recommends that, in order to promote effective disaster mitigation outcomes:

- a. DOFA continue to give increased priority to the implementation of the Natural Disaster Risk Management Studies Programme (NDRMSP); and
- b. DOFA and DTRS consult closely to facilitate the alignment, where appropriate, of the NDRMSP with the Regional Flood Mitigation Programme.

### *Agency responses*

**5.38** DOFA, DTRS, Defence, FaCS and Centrelink agreed with the recommendation.

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<sup>34</sup> This is examined in greater detail in Chapters 7 and 9.

## Grants and subsidies to the States provided through Emergency Management Australia

**5.39** Emergency Management Australia administers a program of Commonwealth payments to the States known as the 'State Support Package'. All payments and support activities are intended to enhance emergency management capability across the States and are not incident-related. The payments to the States are part of the national planning and coordination role performed by EMA and are expected to amount to \$7.3 million in 1999–2000.

**5.40** The State Support Package has three components:

- Directed Assistance;
- National Assistance; and
- Optional Assistance.

**5.41** The largest component is Directed Assistance, some \$4.4 million in 1999–2000. The funds are allocated among the States according to a formula based on that used by the Commonwealth Grants Commission and adjusted to reflect the likely occurrence of disasters in each State. A Memorandum of Understanding between each State (NSW has a Letter of Agreement) and EMA regulates the use of the monies and imposes performance measures and reporting requirements. The determination of these conditions is undertaken by EMA after consultation with the States. The NEMC forum is regularly used to discuss these arrangements and the States indicated no disagreement with them to the ANAO.

**5.42** The National Assistance component, comprising some \$2.8 million, encompasses all activities either undertaken or administered in relation to emergency management. It is divided among the functional areas of EMA: Education and Training, Public Awareness, Planning and Coordination and the International Decade for National Disaster Reduction. EMA advised the ANAO that the funds under this category are used for State purposes; eg to provide travel costs for State personnel to attend workshops and meetings convened by EMA. Expenditure in this component is, however, controlled by EMA. Some States expressed concerns to the ANAO about the effectiveness of consultation by EMA in allocating these funds and questioned the visibility of this process.<sup>35</sup>

**5.43** The Optional Assistance component of \$0.1 million is for projects and research funding for which individual States indicate an interest and EMA assesses the relative merits of proposals.

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<sup>35</sup> This issue is pursued further in Chapter 8.

## Other financial transfers

**5.44** This section of the report outlines a range of financial transfers made by the Commonwealth to enhance emergency management capability and to support victims of emergencies. Appendix 3 contains additional information on these financial transfers.

### Exceptional Circumstances payments

**5.45** A scheme for Exceptional Circumstances (EC) payments addresses problems facing rural industry in times of drought and other 'rare and severe events'. The events may be meteorological conditions, agronomic conditions, environment conditions (or mixes of these) though not animal and plant diseases and pests.<sup>36</sup>

**5.46** The scheme was modified as part of the Commonwealth's 1997 Agriculture—Advancing Australia package of rural policies. The policy recognised that 'there are exceptional circumstances beyond the scope of normal risk management and that in these exceptions the Government should provide assistance'.<sup>37</sup> Introduction of the policy followed a period of some years of effort by Commonwealth policy, following the withdrawal of drought as an NDRA-eligible disaster in 1989, to phase out relief payments to farmers affected by downturns in rural conditions.

**5.47** The support available under the arrangements currently in place is intended to provide short-term targeted assistance to long-term viable farmers by way of interest subsidies ('Business Support') and income support ('Exceptional Circumstances Relief Payment'). Appendix 3 contains additional information on EC payments. Table 2 identifies Commonwealth funding for the Business Support and Exceptional Circumstances Relief Payments over the period 1995–96 to 1998–99.

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<sup>36</sup> To assist in EC determinations, the Bureau of Meteorology provides a drought watch service (initiated in the mid 1960s) and seasonal rainfall outlook service (initiated in 1989).

<sup>37</sup> Exceptional Circumstances Guidelines, 5 March 1999.

**Table 2****Commonwealth Funding for Business Support and Exceptional Circumstances Relief Payments**

<i>State</i>	<i>Element</i>	<i>1995–96 \$m</i>	<i>1996–97 \$m</i>	<i>1997–98 \$m</i>	<i>1998–99 \$m</i>	<i>Total \$m</i>
QLD	Business Support	32.1	23.7	12.4	7.2	75.4
	ECRP	64.3	56.2	39.2	19.8	179.5
NSW	Business Support	34.8	24.9	7.8	3.0	70.5
	ECRP	61.3	51.6	22.2	3.2	138.3
VIC	Business Support	0.9		2.2	2.4	5.5
	ECRP	0.2	0.4	0.6	6.6	7.8
SA	Business Support	0.6	0.3			0.9
	ECRP	3.0	1.8	0.7		5.5
TAS	Business Support	1.0	0.6		0.2	1.8
	ECRP	1.2	1.0	0.4	0.2	2.8
	Total Business Support	69.4	49.5	22.4	12.8	154.1
	Total ECRP	130.0	111.0	63.1	29.8	333.9
	Total EC Payments	199.4	160.5	85.5	42.6	488.0

Source: Agriculture, Fisheries and Forestry—Australia.

**5.48** The ANAO noted that coordination of Commonwealth policy work on the development of these arrangements is informally undertaken among agencies. Their logic is very much driven by the purposes and outcomes the Commonwealth seeks to achieve in the agriculture and rural industry area. Yet the interfaces between the scheme and other payments arrangements (even within the AFFA portfolio) are many and complex. The absence of any articulated overarching Commonwealth emergency management policy is evident.<sup>38</sup> The ANAO considers that such a policy would provide an effective framework in which payments arrangements could be set and reviewed.

### **Commonwealth/State cost sharing arrangements for Animal and Plant Diseases and Pests**

**5.49** Management of pest and disease emergencies was examined in a separate ANAO audit in 1999 and the issues identified in that report were not revisited in this audit.<sup>39</sup>

<sup>38</sup> This is examined in greater detail in Chapters 7 and 9.

<sup>39</sup> ANAO Report, *Managing Pest and Disease Emergencies*, *op cit*.

**5.50** Severe cases of animal and plant disease infection and pests are part of the spectrum of emergencies dealt with by Commonwealth emergency management arrangements. Such cases can seriously impact on property, livelihoods and even life. They can have interfaces with other disaster scenarios. Some veterinary and agricultural diseases and bacteria such as Anthrax are potential threats in the context of Chemical, Biological and Radiological attack.<sup>40</sup> Without proceeding into the veterinary, horticultural and quarantine issues relevant to the specific emergency management arrangements in this sector, the broader aspects of their management requires consideration of these matters as part of the Commonwealth's emergency management arrangements.

**5.51** A long-standing framework of Commonwealth/State arrangements has been developed to combat the spread of certain agricultural disease emergencies in Australia. AFFA is the principal responsible Commonwealth agency, with scientific inputs from the CSIRO, the Bureau of Meteorology and a wide range of State and industry research organisations. The framework is fully developed for terrestrial animal diseases. Planning and systematic coordination are much less developed for fisheries and plants. Any Commonwealth financial contributions for eradication programs in these areas are decided on an event-by-event basis.

**5.52** Only in the case of terrestrial animal diseases have strong relationships been established with the central Commonwealth emergency management planning framework administered by EMA. These are evidently robust and mutually productive.

**5.53** Beginning in the early 1980s and with the active involvement of EMA and its predecessor the Natural Disasters Organisation, an emergency management planning system for disease eradication has been established. This system incorporates a cost-sharing arrangement between all of the States and the Commonwealth, which provides for reimbursement payments to States for costs of work done, and for compensation payments made to farmers whose stock are slaughtered. The system is the Australian Veterinary Emergency Plan—AUSVETPLAN—see section on AUSVETPLAN in Appendix 3.<sup>41</sup>

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<sup>40</sup> Politically Motivated Violence, as an emergency threat, is outside the scope of this audit but the scientific evaluation and technical risk management activity conducted in this field is common to the work done in the Commonwealth sector in the veterinary and plant diseases area.

<sup>41</sup> The first seminar on the concept of national model control plans for veterinary disease control was convened at EMA's facility at Mt Macedon in 1980. Further seminars were convened by EMA later in the 1980's. AUSVETPLAN is modelled on the National Disaster Planning guidelines agreed by the National Emergency Management Committee.

**5.54** AFFA is committed to working with the States to develop arrangements for plant diseases and pests and for aquatic diseases that parallel in some degree the integrated planning approach embodied in AUSVETPLAN. They point out, however, that new resources will be needed to achieve a similar Commonwealth/State cost-sharing arrangement that would facilitate preventive and proactive national approaches, and that these resources may be difficult to identify.

**5.55** Although not all Commonwealth costs for animal and plant health emergencies are captured, available data for the period 1994–95 to 1998–99 are summarised in Table 3.

**Table 3**

**Commonwealth expenditure on animal and plant emergencies**

Period of expenditure	\$m
1994–95	0.610
1994–95 to 1998–99 *	0.677
1995–96 to 1998–99 *	16.665
1996–97	0.100
1996–97 to 1998–99 *	1.397
1997–98	4.860
1998–99	1.971
<b>Total</b>	<b>26.280</b>

\* Expenditure for these emergencies is not separately quantified by year and is only identified as having been spent over a range of years.

Source: ANAO Audit Report No.9 1999–2000, *Managing Pest and Disease Emergencies*, Appendix 1.

### **Business recovery payments**

**5.56** Payments have been made by the Commonwealth for business recovery purposes in three recent disasters. The Commonwealth decisions were taken at the time of the floods in Katherine in January 1998 and cyclones Elaine and Vance in the Exmouth and Moora areas of Western Australia in 1999. Business assistance was also a component of the Commonwealth's commitment made as a result of the gas explosion at Longford, Victoria in 1998—see section on the Victoria Gas Emergency Payments in Appendix 3.

**5.57** The Katherine and Exmouth payments have been allocated to the Department of Transport and Regional Services to administer. The schemes target small businesses which suffered in the two incidents.

**5.58** In the case of Katherine, the intention was that the funds would be shared on a tripartite basis, between the Commonwealth, the Northern Territory and the business community, each contributing one third of \$10 million which would be disbursed through an ad hoc trust fund

controlled by the three funding partners. The Commonwealth's contribution of \$3.3 million was made, as was that of the NT Government. However, difficulties in mobilising funds from the private sector limited that component to some \$300 000.

**5.59** With cyclones Elaine and Vance a trust fund of the same size was established but without a contribution component from business. The trust fund was also used for community reconstruction projects, local government clean-up costs and assistance with temporary accommodation. The Commonwealth and the WA Government each contributed \$5 million to this fund. State and Territory audit certificates were required on all spending from Commonwealth funds in both trust funds.

**5.60** Government decisions on the size and nature of the contributions were made at the time of field visits by government ministers, including the Prime Minister, to the locations of the disasters. Formal structures to administer the schemes needed to be established after the event, with DTRS engaging in extensive negotiations with the State/Territory governments involved to establish and operate them.

**5.61** The assistance contributions are not *ex gratia* payments. Funding of the contributions as administered items is appropriated through the DTRS portfolio, in both cases through an Advance from the Minister for Finance. But they are one-off payments, very similar to *ex gratia* payments. No provision has been made for new payments in the 1999–2000 Budget.

**5.62** DTRS is absorbing the running costs of administering the two schemes, estimated at about \$65 000 each. They are not subject to oversight by DOFA's Financial Framework Branch, which controls the Commonwealth's other discretionary payments to assist the States in disaster relief. The Branch in DTRS which manages the RFMP, is also responsible for the management of these *ad hoc* payments.

## **Disaster Relief Payments**

**5.63** Under the *Social Security Act 1991*, Special Benefit payments are available to people who are in financial hardship and who do not have an entitlement to another social security pension or allowance. But because of the relatively stringent assets test requirements of Special Benefit and because the payment cannot be backdated, its deficiencies in meeting the needs of people affected by major emergencies (the Newcastle earthquake in 1989 exposed particular shortcomings) led to the introduction of the Disaster Relief Payment in the *Social Security Act 1991*. The DRP is available only following the declaration of a disaster by the Minister for Family and Community Services.

**5.64** The original purpose of DRP was to provide people affected by a disaster with immediate income to purchase essential goods and services, without application of the normal assets test. However, the restrictive criteria for the Minister's declaration of an emergency required by the legislation have meant that in practice the DRP system has rarely been activated. The Act requires that all of the circumstances of loss of life, serious illness and injury and significant property damage to be present before an emergency can be declared, triggering DRP payments and therefore the flow of funds to disaster victims. In most actual disasters, evidence of these conditions is rarely available at the time when payments are needed. The last time the payment was made was in the Sydney bushfires in 1994.

### **Ex gratia payments**

**5.65** The Commonwealth has made discretionary payments of an *ad hoc* nature to increase the level of relief provided through other mechanisms (usually the NDRA) or to make payments to organisations or individuals judged to be deserving of assistance but not otherwise eligible under standing schemes. Such payments have been made since the Newcastle Earthquake.

**5.66** It is in the nature of ex gratia payments that they are made on a case-by-case basis with no set eligibility criteria. Administrative arrangements vary from event to event, though Centrelink has been the agency predominantly utilised to deliver the payments. In the case of a grant made in cyclone Vance in 1999, the Commonwealth agreed to the Western Australian Department of Family and Children's Services delivering the payments. No procedure agreed among Ministers appears to be in place.

**5.67** Since the Katherine floods, ex gratia payments have been made with increasing frequency. For eight incidents since 1993–94 aggregate funding contributed by the Commonwealth through ex gratia payments administered by DOFA was over \$27 million. Payments are summarised in Table 4.

**Table 4****Commonwealth Ex Gratia Payments Administered by DOFA**

<i>Incident/Disaster</i>	<i>Period</i>	<i>State</i>	<i>Amount \$</i>
Sydney bushfires <sup>1</sup>	1993–94	NSW	1 375 000
Coffs Harbour storms <sup>2</sup>	Nov/Dec 1996	NSW	100 000
Katherine floods <sup>3</sup>	Jan/Feb 1998	NT	11 191 000
Newcastle Disease outbreak <sup>4</sup>	May/Oct 1999	NSW	300 000
Wingello fire-fighters <sup>5</sup>	1998–99	Vic	10 000
Cyclone Vance: Exmouth/Moora <sup>6</sup>	Mar 1999	WA	6 428 400
Crookwell bushfires <sup>7</sup>	1998–99	NSW	122 000
Victorian Gas Emergency Fund <sup>8</sup>	1998–99	Vic/NSW	8 100 000
<b>TOTAL</b>			<b>27 626 400</b>

<sup>1</sup> Payment of \$1000 per adult and \$200 per child to fire victims.

<sup>2</sup> Payments to banana growers.

<sup>3</sup> Payments: \$7.857 million to persons affected by the disaster; and \$3.334 million towards a \$10 million Katherine re-establishment program.

<sup>4</sup> Payments to chicken farmers.

<sup>5</sup> Payment towards a relief fund for injured fire-fighters.

<sup>6</sup> Payment of \$1000 per adult and \$200 per child; and \$5 million towards a \$10 million business recovery program.

<sup>7</sup> Payments: \$72 000—farmers; and \$50 000—Crookwell Council Trust to assist farmers.

<sup>8</sup> Payments to assist individuals, small businesses and community organisations in Victoria and New South Wales that incurred additional costs as a result of the gas explosion at Longford Victoria in 1998.

Source: Department of Finance and Administration

**5.68** Appropriate eligibility criteria for ex gratia schemes intended to assist groups of individuals have been set by the Department of Family and Community Services, Centrelink and, in the case of payments made to farmers in the Newcastle Disease outbreak in 1999, by AFFA. A basic standard for individual payments is a rate equivalent to NewStart. The agencies involved in determining terms and conditions appear to regard their roles as advisory on these matters, with no actual program responsibility.

**5.69** There appear to have been concerns among agencies about the administrative difficulties and inefficiencies of continuing to deal with each ex gratia payment management on a case-by-case basis. The Commonwealth Government confirmed in December 1998, however, that it continued to support flexible arrangements for ex gratia payments rather than seeking to develop a codified body of criteria for payments.

## 6. Coordination of Commonwealth Responsibilities

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*This chapter considers the coordination of Commonwealth emergency management activity including the role of the Department of the Prime Minister and Cabinet, the Commonwealth Counter Disaster Task Force and Emergency Management Australia's interdepartmental role.*

### Forms of coordination

**6.1** An objective of this performance audit was to evaluate the administrative effectiveness of the Commonwealth's planning and response strategies in emergency management with particular reference to coordination of the Commonwealth's involvement. Chapters 2 to 5 deal with the wide range of activities that the Commonwealth undertakes in the emergency management sphere. This chapter reviews the arrangements made by the Commonwealth to coordinate these activities.

**6.2** Commonwealth emergency management activity is coordinated in several ways:

- in Federal Cabinet, especially in discussion of matters brought to it by the Minister for Defence as the Commonwealth Minister responsible for emergency management;
- through submissions to Cabinet by other Ministers on issues related to emergency management;
- by the interdepartmental activities of EMA as an organisational unit of the Department of Defence; and
- through operations of the Commonwealth Counter Disaster Task Force, a standing body established administratively within the Department of the Prime Minister and Cabinet, with membership of a number of Commonwealth agencies. The CCDTF coordinates various Commonwealth agency inputs into emergency decision-making involving matters going beyond the responsibilities of the Minister for Defence.<sup>42</sup> This activity is linked with PM&C's broader coordinating and advising roles.

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<sup>42</sup> Refer Appendix 2 for membership of the Commonwealth Counter Disaster Task Force.

**6.3** The emphasis of successive Federal governments over the years has been to use administrative arrangements to deal with emergencies and to avoid investment in policy and machinery development involving multiple agencies. Few submissions have been brought to Federal Cabinet by Ministers over three decades: most of those that have been brought to Cabinet have been in the wake of major disasters such as the January 1994 Sydney bushfires or December 1989 Newcastle earthquake. In the last four years one Submission was made to Cabinet: a proposal by the Minister for Family and Community Services dealing with income support payments. No policy changes were made as a result of that submission.

**6.4** In consequence the framework for Commonwealth coordination continues to be the policy decided by the then Government in December 1994,<sup>43</sup> and in March 1995 in response to the Senate Committee Report on Disaster Management.<sup>44</sup> A polycentric approach to Commonwealth emergency management has in effect been recognised and sanctioned. This approach involves three streams.

**6.5** Firstly, the main operational role of the Commonwealth is vested in EMA, which has principal carriage of coordination with other Commonwealth agencies. Second, the Commonwealth Counter Disaster Task Force in the Department of the Prime Minister and Cabinet brings together Commonwealth agencies in a consultative forum and provides a framework for advice to the Minister for Defence and the Prime Minister. Third, Commonwealth/State financial assistance issues are the province of DOFA, working through its linkages with State finance and treasury agencies.

**6.6** The ANAO considers that these three streams of coordination activity have significant and interlocking roles. They reflect the functional accountabilities of the different portfolios in which they are housed. Only one of these activities has a whole-of-government focus, with the authority to bring together all the threads of Commonwealth activity: the CCDTF. The mandate given to the Task Force enables it to embrace the activities of all relevant Commonwealth agencies. The CCDTF is perceived by all stakeholders (in the Commonwealth and the States) as the Commonwealth's coordination entity and the body responsible for overarching Commonwealth strategic planning. The authority of the CCDTF is supported by the more general role in government of the Department of the Prime Minister and Cabinet.

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<sup>43</sup> Refer Appendix 1 for the Commonwealth emergency management policy statement.

<sup>44</sup> *Disaster Management*, Report of the Senate Standing Committee on Industry, Science, Technology, Transport, Communications and Infrastructure, Chair Senator B.K. Childs, Parliament of the Commonwealth of Australia, 1994.

## **The Department of the Prime Minister and Cabinet**

**6.7** The coordinating role of the Department of the Prime Minister and Cabinet gives it a central interest in emergency management. Major events are likely to invite whole-of-government responses. PM&C possesses the relevant coordination expertise and houses the formal government coordination machinery, in particular the Cabinet and its committees. The Department also has broad oversight of Commonwealth/State relations.

**6.8** PM&C has no line management role for any emergency matters. The Branch dealing with emergency management and providing the secretariat for the CCDTF (the Defence, Intelligence and Security Branch) works through coordination and liaison with other agencies, especially Emergency Management Australia and other areas of PM&C. Other than in the Council of Australian Governments context, it utilises these channels and other contacts with State administrations by Departments such as DOFA and Treasury to maintain knowledge of developments in emergency management in the States and at the local level.

**6.9** With the Prime Minister directly involved with Premiers in the Council of Australian Governments (COAG) context, discussion of emergency management questions in the Senior Officials Meetings (which report to COAG) involve PM&C directly in contacts with State governments and officials. COAG meetings over the past year have in fact addressed strategic emergency management questions at the initiatives of Queensland and New South Wales.

**6.10** When emergencies and disasters occur with an impact likely to have nation-wide implications or arousing significant public interest, the Department is responsible for providing appropriate briefing to the Prime Minister. To do this it assembles all relevant information about incidents by obtaining inputs from Commonwealth agencies with operational/professional knowledge of actual occurrences (in particular EMA), agencies with policy interests in the event or with ongoing programs likely to be relevant to the incidents. It has sometimes convened special meetings of the CCDTF in conjunction with these incidents.

**6.11** The speed of developments in an emergency and the need for exceptionally responsive arrangements from government often mean that government decisions are made quickly and with less formal processes than those entailed by Cabinet-level decisions. Consultation among only a small group of Ministers, including the Prime Minister, on the options for the Commonwealth and the optimum course of action to take, typically must suffice. PM&C facilitates this process by providing a clearing house for agreed Commonwealth-level information so that Ministers have a broadly common basis for the urgent decision-making required.

## Commonwealth Counter Disaster Task Force

**6.12** The ANAO considers that PM&C's emergency management responsibilities are critical to maintaining the Commonwealth's whole-of-government effectiveness as a partner in delivering the services required of all spheres of government in emergencies.

**6.13** To date, in arrangements endorsed by the 1994 review of Commonwealth emergency management policy, the role of the CCDTF has been maintained and to some extent developed by PM&C, particularly in the light of the comments of the Senate Committee review which recommended that both EMA and the CCDTF should commit themselves to more proactive Commonwealth strategic planning approaches.<sup>45</sup> In practice EMA, both in its own right and in supporting the work of the CCDTF, has taken on the principal role.

**6.14** Chaired by a senior officer of the Department (presently the head of the Defence, Intelligence and Security Branch) the Task Force meets annually or more frequently as required, especially in the event of an emergency. Officers of the Division work very closely with EMA in their management of the Task Force's agenda and direction. This link with EMA is also reflected in the formal accountability of the Task Force, under Commonwealth Government policy, to the Minister responsible for EMA, the Minister for Defence, rather than the Prime Minister or a Minister Assisting.

**6.15** The existence of the CCDTF forum has led to it being readily able to assist in the coordination of Commonwealth wide activities required to respond to specific emergency events such as the evacuation of personnel from East Timor in 1999. The ANAO considers that the framework of consultation and liaison that the CCDTF provides, and the authority which PM&C, as its chair, possesses as the central agency advising the Prime Minister, will continue to underpin the Commonwealth's effectiveness in responding to particular incidents.

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<sup>45</sup> Senate Report p.118. The Report notes that the CCDTF was set up in the wake of the Darwin disaster in 1974 and cites guidelines on the group issued by the Department of the Prime Minister and Cabinet in 17 November 1978: that the group is to 'coordinate forward planning of Australian Government disaster relief systems, both short and long term'.

**6.16** Although the Commonwealth's overall coordination arrangements have been well served in the past by the CCDTF working in conjunction with EMA, it is open to question whether this function can be efficiently and effectively discharged in the contemporary and likely future emergency management environment. That environment is characterised by new features, the most salient of which the ANAO observed to be:

- recognition of the economic effectiveness outcomes that more strategic approaches to emergency management will deliver;
- investment by the States in a diverse range of specialised professional emergency management services providers; these networks are generally well coordinated at the State level and are looking for enhanced Commonwealth capability to provide appropriate national leadership on a continuous basis; and
- availability and progressive introduction of advanced technologies for hazard data generation and management, and more sophisticated risk assessment approaches being used in the management of emergency related issues in all spheres of government and internationally.

These developments are further analysed in other chapters of this report.

**6.17** For fully effective emergency management at the Commonwealth level, the ANAO considers that this new agenda requires a clear allocation of coordination and planning responsibilities to the portfolio with the primary emergency management responsibilities: the Defence portfolio. The PM&C role in ensuring quality in the coordination process and maintaining awareness of all relevant Commonwealth activity would remain undiminished by this strengthened Defence role.

**6.18** In reaching this judgement the ANAO was mindful of the cautious attitude adopted by the Government in 1995, in response to the Senate Committee report on Disaster Management. The Government statement noted that, though the committee recommended that the CCDTF should commit to more proactive Commonwealth strategic planning approaches for disaster relief,<sup>46</sup> 'the Government does not envisage that the CCDTF will take a significantly more detailed role in planning for natural disaster relief. It is likely that planning responsibility at the Commonwealth level

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<sup>46</sup> In its response to the Senate Report, *Disaster Management*, in March 1995 the Government stated:

*'Finally, the Committee recommends that the CCDTF take on the wider role of coordinating forward planning of Commonwealth Government disaster relief systems, both short and long term. The Government agrees that the Task Force should play a more active role in developing the policies which will produce a comprehensive and integrated approach to all aspects of emergency management at the national level.'*

will remain primarily with the key Commonwealth programs which provide the direct response to natural disasters.<sup>47</sup>

**6.19** Although the CCDTF has given increasing attention to strategic issues, the burden of effective Commonwealth strategic planning, and the counterpart activities linking Commonwealth and State strategic planning efforts has fallen chiefly on EMA. That role will be most effectively performed in the Defence organisation if EMA's function and profile in the portfolio is enhanced by the measures recommended elsewhere in this report.

**6.20** The ANAO considers that such a re-allocation of responsibilities between the Prime Minister and Cabinet and Defence portfolios will have the benefits of locating the coordinating focus of Commonwealth emergency management responsibilities clearly in one portfolio, presentational coherence in the eyes of State and local government stakeholders and freeing PM&C to perform its emergency management responsibilities along lines consistent with its role as a central agency in most Commonwealth policy and service delivery areas. Specifically PM&C would be able to:

- ensure that Commonwealth government machinery for emergency management is operating most efficiently and effectively;
- ensure that it can function to full effect as a readily identifiable centre of operations for individual incidents when the Prime Minister, as head of government, needs to be informed and equipped to make appropriate decisions;
- to be well informed about, but not accountable for, emergency management developments taking place in other portfolios; and
- providing the Prime Minister with appropriate briefing on relevant issues being brought to Cabinet by Ministers, including the Minister for Defence as emergency management Minister.

**6.21** The ANAO expects that the role of the CCDTF would be reassessed by PM&C to focus on these activities. Ongoing PM&C involvement in all aspects of emergency management would be served by PM&C's membership of the Defence coordinating mechanism proposed below. In turn, Defence would continue to play a full role in the CCDTF. These arrangements should aim to avoid any duplication of activity. They might take into account the principles outlined above, differentiating the functions of Defence from those of PM&C. The cross-membership of both portfolios in the other's consultative frameworks should be actively utilised to minimise any duplication in the two portfolios' emergency management work.

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<sup>47</sup> Government Response p28.

## Emergency Management Australia's interdepartmental role

**6.22** Since 1994 EMA has vigorously developed its coordinating role among Commonwealth agencies both in the context of giving the NEMC national coordination process a 'window' onto the Federal administrative sphere—a point of contact with Commonwealth administration—as well as its primary role of enhancing the Commonwealth's 'own purpose' effectiveness in emergency management.

**6.23** In 1992 the Defence evaluation of the Natural Disasters Organisation, EMA's predecessor organisation, found that NDO had not been sufficiently focussed on addressing the wider Commonwealth coordination agenda and the task of facilitating the development of State capabilities. It found that the NDO was excessively the preserve of the State Emergency Services and had not widened its consultative network to include the much more diversified emergency management communities that had come into being in the States and in the Commonwealth since the 1970s. The evaluation made a number of recommendations to change this state of affairs, most of which were implemented.

**6.24** The ANAO found that EMA has now developed a solid reputation among numerous Federal Departments as a credible agency with sound professional expertise, competent to function as the Commonwealth's specialist agency for most technical emergency management issues.

**6.25** EMA provides to other Commonwealth agencies:

- the Commonwealth's authoritative source of information about emergencies as they happen;
- assurance that the processes of engagement of Defence resources in individual incidents will be timely and effective, with appropriate delegations of authority to the field;
- effective mobilisation of resources both at its own disposal (held in a storehouse in Sydney) and in obtaining supplies from State agencies and organisations;
- a source of best practice advice and central procedural guidance on risk management and emergency response procedures;
- assistance with development of Commonwealth disaster plans;
- a source of specialist training; and
- an effective agency for coordinating inputs required for international aid purposes.

**6.26** In discussions with a range of Commonwealth Departments the ANAO found that EMA fulfils satisfactorily the range of services and coordination roles that such agencies require for their portfolio purposes. For example, the Department of Health and Aged Care, which maintains a significant role in disaster medicine and in coordinating health services inputs from the States into national and international disaster relief, perceives the role played by EMA as effective, timely and robust.

**6.27** A good example of EMA's effectiveness in developing an appropriate profile has been the development over the last 18 months of close relations between the civil emergency management sphere, with its Federal/State inter-relationships, and the police-system oriented counter-terrorist framework, coordinated by the PSCC. Each of these Commonwealth/State planning and coordination mechanisms has found value in mutual cooperation and support, to the point where each has agreed to exchange representation on each other's coordination forums. The stimulus for this cooperation has been the possibility of terrorist threat from chemical, biological and/or radiological sources to the Sydney Olympic Games and the identified need for linkages to the national emergency management processes in the event of an incident taking place. Senior officials of the PSCC noted the value of ongoing cooperation with EMA.

**6.28** However, EMA's profile has not always been as high with other agencies. In the Environment and Heritage portfolio, for example, other than in the Bureau of Meteorology, the expertise and responsibilities of EMA in developing public safety risk management procedures (which could be helpful in DEH's liaison with international bodies such as the OECD in the area of chemical accidents), has not been well understood. This indicates a need for more effort to be made to extend the EMA consultative network among Commonwealth agencies. More importantly it provides an example of an area of Commonwealth hazard management activity which could benefit from more effective strategic planning processes, at the level of both the Commonwealth and the NEMC.<sup>48</sup>

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<sup>48</sup> This is examined in greater detail in Chapters 7 and 9.

## EMA's location in Government administration

**6.29** EMA operates as an administrative unit in Defence. However, the view was expressed by a number of external stakeholders that EMA appeared to enjoy little policy influence within the Defence organisation. The ANAO found that the agency, while receiving normal corporate support services in Defence, was in fact very much left to its own devices in managing its substantive emergency management affairs and in carrying the interdepartmental coordination responsibilities that the 1992 Defence Portfolio Evaluation had recommended. It had only a nominal place in Defence corporate and business planning. Senior Defence executives did not involve themselves at all in its affairs, nor in assisting it to deal with the numerous inter-agency linkages which EMA maintains. ANAO fieldwork also highlighted a limited awareness by senior Defence management of EMA's role in Commonwealth emergency management arrangements.

**6.30** The question of whether the Defence Portfolio is an appropriate location for EMA was raised by a number of Commonwealth and State emergency management agencies during audit fieldwork. The perception of lack of high-level influence among Commonwealth authorities appears to form part of the background for calls for EMA to be relocated to a portfolio with major coordinating responsibilities and intra-governmental influence.<sup>49</sup>

**6.31** While acknowledging the force of the argument in favour of higher-level Commonwealth coordinating resources being applied to the emergency management function, the ANAO does not accept that the performance of the emergency management coordination function requires that the organisation be located in a central agency. Coordination responsibilities are inherent in most Commonwealth program areas.

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<sup>49</sup> A proposal on these lines was made in the Senate Committee 1994 report on Disaster Management (*op cit*) which recommended that the function be shifted to the Department of the Prime Minister and Cabinet. The Government rejected the recommendation. The same idea had been implicitly favoured in the Defence Program Evaluation conducted in 1992. The evaluation report concluded as follows:

*'The Evaluation identifies a number of options for the location of the sub-program [EMA] and, while noting that a decision should be subject to formal interdepartmental (and possibly governmental) consideration, notes a preference in the States and Territories for the sub-program to be placed within the Department of the Prime Minister and Cabinet.'* Report, p3.

**6.32** A number of possible portfolio locations for EMA were suggested to the ANAO during the audit. These included: PM&C (given its coordination role); the Department of Transport and Regional Services (which carries the Commonwealth responsibility for its territories and with its regional and local government focus); the Attorney-General's Department (law enforcement and connections with State police systems which form part of the State emergency management community); and the Department of Finance and Administration (administers the NDRA and residual Commonwealth administrative functions). Although each of these has close interests in aspects of EMA's roles, none of them has close synergies with wider EMA responsibilities.

**6.33** The ANAO considers that EMA's location in the Defence portfolio gives EMA the strong advantage of close operational links with the ADF and Defence assets at times of emergency. This will be a core Commonwealth role in emergencies in any policy scenario.

**6.34** After commencement of the audit fieldwork, responsibility for EMA was transferred from Support Command Australia (SCA) to the Corporate Support area of Defence. Corporate Support operates a regionally-based network of defence centres in the States. It appears that reasons for this change included the need to respond to the Defence reorganisation subsequent to the 'Defence Reform Program' as well as a view at senior levels in the Department that EMA had few if any synergies with SCA and operated as a separate outrider in relation to that Defence function.

**6.35** The ANAO considers that the move of EMA to Corporate Support gives the Defence organisation the opportunity to strengthen its emergency management role and assist it to upgrade the interagency coordination responsibilities it has.

**6.36** The ANAO considers that the Commonwealth coordination effort would be strengthened by the elevation within Defence of the level of strategic involvement of senior management in emergency management concerns and by the provision of clear lines of access by EMA to senior management. Emergency management issues could be progressed, both within the Commonwealth and in the States, if emergency management activities were better integrated with wider portfolio objectives. Without diminishing the Director General's stature in any way, this would allow EMA to access the normal elements of senior management involvement in wider Commonwealth policy developments and in inter-agency dealings, according to the significance of individual matters.

**6.37** There are distinct advantages to be gained from strengthening EMA's position within Defence:

- there are synergies to be gained between the linkages that EMA has developed with State emergency management organisations and those that the Corporate Support Regional Support Centres have with State public sector, industry and community groups, in supporting the Defence mission;
- the Regional Support Centres as well as EMA interact with State emergency management organisations in responding to DACC requests;
- additional opportunities will arise for contact/networking between senior Defence personnel and State and Commonwealth agencies;
- Defence will gain a higher profile within the core group of Commonwealth emergency management agencies; and
- there will also be benefits in strengthening the linkages between Defence and PM&C.

**6.38** With EMA better positioned in the Defence organisation the question is raised of how best Commonwealth-wide capabilities in emergency management can be coordinated and given strategic focus. At present EMA does not maintain standing Commonwealth coordination processes other than its EMLO network at the operational level. Commonwealth policy level coordination is undertaken in the Department of the Prime Minister and Cabinet, specifically in the Commonwealth Counter Disaster Task Force. As indicated above, constraints exist on the capacity of the CCDTF to undertake the ongoing higher level coordination activities and strategic development work that contemporary emergency management demands. In Chapter 9 deficiencies in Commonwealth management of strategic development in mitigation policy are specifically identified.

**6.39** Repositioning of EMA in the Defence organisation would enable greater focus to be given by the Department of Defence to Commonwealth coordination of emergency management.

**6.40** The Commonwealth coordination functions of EMA could be given more substance and effectiveness through the creation of a standing interdepartmental committee chaired at least at Divisional Head level in Defence to keep under review all aspects of Commonwealth emergency management and policy. The Division Head could be the head of the Defence program responsible for EMA—Corporate Support. This Commonwealth emergency management forum would include representatives of all Commonwealth agencies involved in emergency

management but would have as core members senior representatives of such agencies as PM&C, DOFA, DTRS, AFFA, AG's, the BoM and AGSO. The forum would be more effective with the active involvement by FaCS, Centrelink, DHAC, ATSIC and the Department of Environment and Heritage.

**6.41** As this measure would be designed to avoid any duplication of roles of Defence and PM&C, it would entail a corresponding refocussing of the role of the CCDTF, relieving it of some of the present expectations imposed upon that body by the emergency management community. The new forum, located in Defence, would exist side-by-side with the CCDTF, the NEMC and its subordinate groups, with the Director General and senior EMA executives being common members of all the coordinating bodies.

## **Recommendation No.9**

**6.42** The ANAO recommends that, in order to strengthen Commonwealth emergency management coordination arrangements:

- a. Defence consider raising its level of involvement with emergency management issues including through the provision of clear lines of access by EMA to senior management; and
- b. Defence and PM&C consider reviewing current arrangements for the coordination of Commonwealth involvement in emergency management, including whether those arrangements could be more effective with a high-level coordination forum in Defence involving all Commonwealth agencies with emergency management responsibilities.

### *Agency responses*

**6.43** Defence, PM&C, DTRS, FaCS and Centrelink agreed with the recommendation. Defence noted that: 'With the transfer within Defence this year of EMA to Defence Corporate Support, there has been substantial strengthening of the involvement of Defence senior management in emergency management issues. Defence will initiate action with a view to establishing a high-level inter-agency coordination forum to strengthen emergency management policy development as a complement to the responsibilities of the CCDTF.'

# 7. Emergency Management Australia—Corporate Governance Issues

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*The focus of this chapter is on corporate governance issues in Emergency Management Australia including corporate planning processes and performance reporting and accountability.*

## Introduction

**7.1** As indicated in the previous chapter, EMA was recently transferred within Defence to the Corporate Support Organisation. The Corporate Support Organisation maintains a network of Corporate Support Centres in the State capitals and in Townsville. EMA itself maintains no regional offices. Other than an office in Canberra, EMA operates the Australian Emergency Management Institute at Mt Macedon in Victoria (which undertakes some corporate and research activities for the whole organisation as well as training); and a backup operations centre in Deakin ACT.

**7.2** At the time of audit EMA's internal organisational arrangements grouped its activities into three directorates responsible respectively for policy, planning and coordination; business management; and education and training.

**7.3** The Policy, Planning and Coordination Directorate is principally concerned with Commonwealth and national coordination and operates the National Emergency Management Coordination Centre through which the Commonwealth's response capability is organised with other areas of the Defence Organisation and with other Commonwealth agencies. It is also involved with the development of emergency management policy and emergency response plans, and manages communications, information systems and civil defence development.

**7.4** The Education and Training Directorate's activities include developing training packages, delivering training to emergency managers, conducting workshops, commissioning research and developing emergency management doctrine. The activities of the Education and Training Directorate are studied in Chapter 8 below.

7.5 The Business Management Directorate is responsible for EMA's corporate affairs, financial and budgetary management, contract administration, business information management, producing public awareness material, disaster reduction programs and International Decade for Natural Disaster Reduction projects. In 1999 the responsibility for facilities moved from EMA to Defence Estate. The Business Management Directorate is split between the Mt Macedon and Canberra sites. The location of some of these functions at Mt Macedon is for historical reasons—the fact that the greater proportion of agency expenditure has been committed on the education and training function at the Australian Institute of Emergency Management. At the time of audit fieldwork Defence Estate was conducting a review of the possible collocation of EMA activities. The report is due to be completed early in 2000.

7.6 An internal review of the agency's organisation structure, based on a consultant's report in 1998, was under way during the course of the audit. Under the proposed new structure EMA will have four Directorates. These will be a Development Group, Planning and Operations, Australian Emergency Management Institute and Business Management Directorate. The audit focussed on the EMA organisational structure as at the time of audit fieldwork.

## Corporate planning processes

### EMA Corporate Plan

7.7 EMA's principal strategic document, the *Emergency Management Australia Corporate Plan 1998–2000*, was implemented in June 1998. The Corporate plan has not been reviewed since its date of effect, but EMA intends to develop a new corporate plan in the second half of 2000.

7.8 According to its current corporate plan, EMA's mission is to reduce the impact of disasters and emergencies in Australia and its region. The corporate plan identifies three Commonwealth outcomes:

1. enhanced national emergency management capabilities;
2. reduced community vulnerability to disasters and emergencies, including through coordinating Commonwealth physical and technical support to the States and Australia's region in times of disaster; and
3. improved emergency management capabilities and awareness in Australia's region of interest (as an agent of AusAID).

**7.9** The corporate plan indicates that these outcomes and associated outputs are those that the Commonwealth seeks from its commitment to emergency management activities and states that EMA is responsible for achieving ‘key aspects’ of these outcomes. Outcomes are defined as ‘the results of events, actions or circumstances including, in particular, the impact of the Commonwealth on communities’. Outputs are defined as ‘the goods and services produced by individual Commonwealth agencies for other persons, agencies or organisations including outsourced activities’. EMA’s corporate plan thus attempts to have broader application than just focussing on EMA and therefore results in some ambiguity as to the responsibilities and accountability for the identified outputs.

**7.10** The current wording of the corporate plan overstates the alignment and identification of EMA activities with Commonwealth-wide activities undertaken. The Minister for Defence is the Commonwealth’s Disaster Coordinator for operational support by the Commonwealth in times of disaster, but not for decision-making in many non-operational areas. Critical emergency management decisions are made in other agencies and are the responsibility of Ministers other than EMA’s Minister. The broadly stated responsibilities for the outputs build unrealistic expectations of the agency’s performance from many stakeholders, especially in the States, and blur the lines of accountability for policy and program delivery at the Commonwealth level.

**7.11** EMA noted that the reason for the broad wording in the corporate plan was that a cooperative approach is required with Commonwealth and State agencies. EMA stated that it takes responsibility for achievement of the outputs in the plan by outlining a range of achievement strategies that are directed toward achievement of the outputs. The current wording of the corporate plan does not reflect this, however, and the ANAO considers that, in the next revision of its corporate plan, EMA should consider re-wording the plan to focus more specifically on the achievement by EMA of its stated outputs and its role in providing direction to Commonwealth strategic policy on emergency management. Initiatives by EMA to strengthen its strategic reporting processes are discussed later in this chapter.

## Recommendation No.10

7.12 The ANAO recommends that, in order to sharpen accountability for its corporate objectives, EMA consider rewording its Corporate Plan as part of its next revision, so as to clearly identify EMA's contribution to required outputs and outcomes.

### *Agency responses*

7.13 Defence, DTRS, FaCS and Centrelink agreed with the recommendation. Defence noted that: 'The recommendation will be implemented during development of the EMA Corporate Plan which is planned for the second half of 2000.'

### **EMA directorate planning**

7.14 EMA's Corporate Plan states that its directorates have business plans which 'detail the strategies that will be adopted by each directorate to achieve the outputs and the related performance indicators'. At the commencement of audit fieldwork the ANAO obtained business plans for the Policy, Planning and Coordination and Business Management Directorates. The Education and Training Directorate did not have an approved business plan at this time, but during the audit the AEMI Business Plan 1998–99 was developed. The ANAO recognises that, during the audit, the EMA business plans were undergoing change and were continuing to be developed.

7.15 The business plans generally provide useful measures and targets for the achievement of outputs, but there are instances where it is difficult to interpret the information contained in the plans; for example, in some areas it is difficult to determine the link between tasks, quantity, quality/ effectiveness, timeliness and progress criteria. The ANAO notes further that all three plans have areas which are incomplete and that there is also some ambiguity with regard to the meaning of some of the targets.

7.16 The ANAO considers the business plans should be further developed to:

- adopt a more user-friendly format (in order to enhance ease of understanding);
- ensure the suitability of all reporting targets/criteria; and
- complete those areas of the plan that have limited information content.

## Recommendation No.11

7.17 The ANAO recommends that, to make it easier to understand and compare Directorate business plans, EMA further revise Directorate business plans to:

- a. ensure consistency in the format of the plans; and
- b. complete those areas requiring additional information.

### *Agency responses*

7.18 Defence, DTRS, FaCS and Centrelink agreed with the recommendation. Defence noted that: ‘A revised approach to business planning is being implemented.’

## Performance reporting and accountability

### Management reporting

7.19 In the *Portfolio Budget Statements 1999–2000—Defence Portfolio*, EMA’s outputs were noted as contributing to Defence Output 21: Effective Contribution to National Support Tasks. The Portfolio Budget Statements state that EMA is assessed against the performance indicator ‘number of tasks undertaken’, but the 1999–2000 target is stated as ‘not planned’. The ANAO considers that this performance indicator and target are inadequate.

7.20 EMA has proposed that the Portfolio Budget Statements be amended to assess EMA’s performance against the following indicators:

<b>Performance Indicator</b>	<b>1999–2000 Target</b>
Number of national EM activities (courses, workshops, seminars, and committee meetings) undertaken	40
Currency of Commonwealth Response Plans <sup>50</sup>	100 per cent

The ANAO supports EMA’s initiative but considers that there should be a further strengthening of the performance measurement targets for EMA in the Portfolio Budget Statements.

7.21 In 1999 Support Command Australia required EMA to develop a ‘Balanced Scorecard’ framework to enable performance monitoring of EMA activities. EMA developed its own Balanced Scorecard approach and subsequently produced monthly ‘Balanced Scorecard Reports’ to SCA.

<sup>50</sup> This indicator refers to the extent to which response plans are up to date.

**7.22** The Balanced Scorecard report provided to SCA lists goals, objectives, key activities and key performance indicators. The goals addressed in EMA's Balanced Scorecard are: customer satisfaction; financial arrangement; business processes; our people; and relationship with emergency management industry. The report ranks progress or achievement of the task using the criteria: 'performance is satisfactory', 'performance should be monitored' and 'action needs to be taken on progressing a task'.

**7.23** EMA has initiated several activities to develop its strategic level reporting capabilities. During 1999, EMA hired a consultant to assist in developing a 'Balanced Scorecard 1999–00'. The purpose of this Balanced Scorecard is to complement EMA's current corporate planning/reporting. The Balanced Scorecard 1999–00 deals with the following issues: marketing; competitive operations; education and training; disaster coordination; information management; policies and strategies; administration of funds; enabler—contract management; enabler—performance appraisal (including staff training); enabler—account management; enabler—marketing; enabler—evaluation; and enabler—technology.

**7.24** As part of this process EMA developed a strategy document (with attached Strategy Map) using input from the consultant and from EMA staff. The strategy document covers a range of internal organisation performance improvements as well as some broad strategic goals for Commonwealth policy.<sup>51</sup> The process also identified the key areas that need to be monitored by the EMA executive group.

**7.25** The ANAO notes that, at the time of audit fieldwork, EMA's Balanced Scorecard was still evolving; for example, the document did not state how achievement of targets would be reported, even though the responsible areas in EMA have been identified.

**7.26** The ANAO endorses the approach being pursued by EMA regarding performance reporting, and in particular the Balanced Scorecard approach that facilitates the achievement of stated objectives and will help assess the effectiveness of EMA's operations. However, the ANAO also notes that, for the approach to be effective, EMA staff must be made aware of the Balanced Scorecard and must be committed to this strategy. Implementation and awareness of the Balanced Scorecard will play a large part in its success as a strategy. How well the approach is implemented and how effective are the feedback loops can be assessed only when the Balanced Scorecard is fully operational.

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<sup>51</sup> These broader Commonwealth goals are dealt with further in Chapter 9.

7.27 The ANAO notes that EMA has awarded a contract to a consultant to develop software to support EMA's Balanced Scorecard approach. This will enable EMA to electronically monitor its progress in achieving the objectives set in the Balanced Scorecard 1999–00. The ANAO supports these initiatives and considers that EMA should continue to develop the Balanced Scorecard.

7.28 During 1999 EMA led a process to develop a National Emergency Management Strategic Plan (NEMSP) for the NEMC. In November 1999 the NEMC agreed to an NEMSP. The ANAO considers that the EMA balanced scorecard and associated strategy documentation will need to be updated to include relevant information from the NEMSP and should also identify relevant linkages to the EMA Corporate Plan.<sup>52</sup> EMA has advised that the next iteration of the Corporate plan will incorporate input from these various strategic planning initiatives.

### *Activity Based Costing*

7.29 EMA currently undertakes limited resource costing analysis. EMA's current 'activity based costing' system requires EMA staff to record the percentage of their time spent on generically named activities (eg public awareness). This produces information (such as the total annual cost of the activity) which is reviewed at the end of the financial year. The information the current system produces is therefore generic in nature. Each Directorate also reports monthly to the EMA Executive Group on the amount and purpose of its expenditure.

7.30 EMA is currently developing new activity-based costing software that will capture a wider range of cost data and deliver better management information. The ANAO endorses the initiative to improve EMA's financial information management practices as this will facilitate improved analysis and management of EMA's performance.

### **Financial reporting**

7.31 The allocation to EMA in the Defence budget for 1999–2000 is some \$11 million, which includes an estimated retained revenue item of \$256 000. The budget includes a large component paid over directly to the States or expended on the States' behalf. These transfers are brought together as the 'State Support Package' (refer also to Chapter 5).

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<sup>52</sup> This issue is covered in more detail in Chapter 9.

7.32 The core of monies allocated to the States is in the category of 'Directed Assistance' within the State Support Package. In addition a significant part of the category 'National Assistance' is directed to the States. If these are summed the total allocation through EMA to the States would appear to be in the order of \$7.0 million. EMA itself appears to be costing taxpayers some \$4 million in operating expenses. This figure includes some operations that essentially support or subsidise State activity. The resources directed to EMA as the Commonwealth's 'own purpose' emergency management agency, therefore, are less than \$4 million.

7.33 EMA's Consolidated Expenditure Report sets out the following information in columns: account; item; budget; actual; commit; and percentage of expenditure. The ANAO notes that these categories are useful in analysing what EMA spends its budget on. However, the Consolidated Expenditure Report, as determined at the time of audit fieldwork, does not readily enable the costs of EMA's delivery of Commonwealth emergency services to be distinguished from payments that are essentially transfers to the States. For example, a sizeable part of the operating expenses item is expended on support for the costs of State and local organisation personnel to attend training courses at AEMI. Table 5 provides details of EMA's 1999–2000 budget.

**Table 5**  
**EMA 1999–2000 Budget**

<i>Item</i>	<i>\$m</i>
Directed Assistance	4.399
National Assistance	2.779
Optional Assistance	0.097
Total—State Support Package	7.275
Other Expenditure	3.989
Total Expenditure	11.264
Less Retained Revenue	0.256
<b>Net Expenditure</b>	<b>11.000</b>

Source: EMA Consolidated Expenditure Report 1999–2000

7.34 Although it may be difficult to disaggregate the Commonwealth cost component from EMA expenditure in support of the States, EMA's financial arrangements should enable a clearer picture to be obtained of the quantum of Commonwealth payments for State activity as against the Commonwealth's 'own purpose' outlays. This is particularly desirable in the new framework of output-based accrual accounting. EMA noted that, in the past, Defence has not required such a breakdown of

expenditure. The ANAO considers, however, that the current format of the EMA Consolidated Expenditure Report should be restructured to distinguish the Commonwealth's 'own purpose' outlays from funds transferred to the States, thereby clarifying Commonwealth expenditures on EMA.

## **Recommendation No.12**

**7.35** The ANAO recommends that, in order to increase the transparency of Commonwealth expenditure, the current format of the EMA Consolidated Expenditure Report should be restructured to clarify the purpose of EMA expenditures.

### *Agency responses*

**7.36** Defence, DTRS, FaCS and Centrelink agreed with the recommendation. Defence noted that: 'Funds transferred to the States and those which are used to support development of State emergency management capabilities have been identified for financial year 2000–2001.'

## 8. Emergency Management Australia—Education and Training

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*This chapter provides an overview of education and training issues including Australian Emergency Management Institute course structures, Emergency Management Australia publications and public awareness activities.*

### Introduction

8.1 EMA's Education and Training Directorate operates the Australian Emergency Management Institute (AEMI), located at Mt Macedon in Victoria. AEMI is primarily responsible for: the development and conduct of EMA's emergency management training courses and workshops, commissioning research, identifying best practice and developing national emergency management doctrine. An Information Centre is also operated at Mt Macedon. The responsibility for Information Centre resourcing, staffing and associated issues transferred from EMA to the Defence library administration in 1999.



*The Australian Emergency Management Institute located at Mt Macedon in Victoria.*

**8.2** AEMI supports emergency management capabilities at both the Federal and State levels; however, its interactions are predominantly with State and Territory emergency management organisations.

**8.3** Over time, AEMI has established various advisory groups to help develop its training and education program. These groups have included the National Curriculum Advisory Group (NCAG) and the Emergency Risk Management Course Advisory Group. The ANAO understands that NCAG is now inactive.

**8.4** In April 1999 the National Emergency Management Executive Group approved the creation of the National Emergency Management Education and Training Advisory Group (NEMETAG). NEMETAG's objective is to advise the NEMC on education and training matters and was formed on the recommendation of a consultancy commissioned by EMA.<sup>53</sup> NEMETAG is chaired by the Director of EMA's Education and Training Directorate and had its inaugural meeting on 17 September 1999.

## **Australian Emergency Management Institute course structures**

**8.5** At the time of audit fieldwork AEMI's primary training activity was the conduct of a variety of courses for emergency managers. The 1999–2000 course program includes the following courses:

- Emergency Coordination Centre Management;
- Evacuation Management;
- Consequence Management for Chemical, Biological, Radiological, Incendiary and Explosive Emergencies;
- Management of Civil Defence Operations; and
- Recovery Management.

**8.6** These courses range from 3.5 to 4 days each in length and have been taught by AEMI for a number of years. AEMI plans to review its courses with a view to amending the program for 2000–01. The courses listed above will form the basis for professional development training in the latter part of 1999–2000, when new competency-based courses are to be introduced.

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<sup>53</sup> The consultancy report 'The Role of AEMI in the Year 2000' was commissioned by EMA and completed early in 1999.

## **Competency-based courses**

**8.7** Competency-based courses are those that are aligned to identified competency standards and require participants to carry out assessable tasks with regard to the standards. Competency standards set out the skills, attributes and knowledge required to carry out particular types of work. In order for training institutions to conduct competency-based courses they must be a Registered Training Organisation (RTO) under the Australian Recognition Framework. Successful participants in competency-based training are awarded qualifications and statements of attainment under the framework.

**8.8** The Public Safety Industry Training Advisory Board is one of a number of industry training advisory boards established by the Australian National Training Authority (ANTA) and formed by members of relevant industries. The PSITAB is responsible for defining competencies within the public safety industry and comprises a number of representatives from the emergency management community, including the Director of EMA's Education and Training Directorate. The national emergency management competency standards were accepted by ANTA in 1995.

**8.9** AEMI plans to conduct competency-based courses from 1999–00 and in preparation for this obtained registered provider status as an RTO in August 1998. This gives AEMI the right to assess participants in its course program and issue certificates evidencing participants' attainment of certain competencies. In the case of courses offered by AEMI, relevant competency standards are set out in the PSITAB's Public Safety Training Package (PSTP).

**8.10** The PSTP contains the following competency standards:

- Establish Context and Develop Risk Evaluation Criteria;
- Identify, Analyse and Evaluate Risk;
- Determine Treatment Strategies;
- Manage Treatment Strategy Implementation; and
- Design and Manage Activities which Exercise Elements of Emergency Management.

**8.11** AEMI intends to offer two competency-based courses: 'Identify, Analyse and Evaluate Risks' and 'Determine Treatment Strategies'. The first of these courses aligns with competencies one and two, and the latter aligns with competencies three and four in the PSTP.

**8.12** To maximise the benefits to participants of the new competency-based courses AEMI is currently conducting a one-day course, Introduction to Emergency Risk Management, as a prerequisite for

participation in AEMI's proposed competency-based courses. AEMI considers it desirable that participants in these courses either complete the course or demonstrate equivalent competencies. In some States AEMI has already devolved the conduct of this course to the State emergency management agencies. AEMI has expressed a desire to see the course eventually taught only by the States, so that it can focus on the development of other courses.

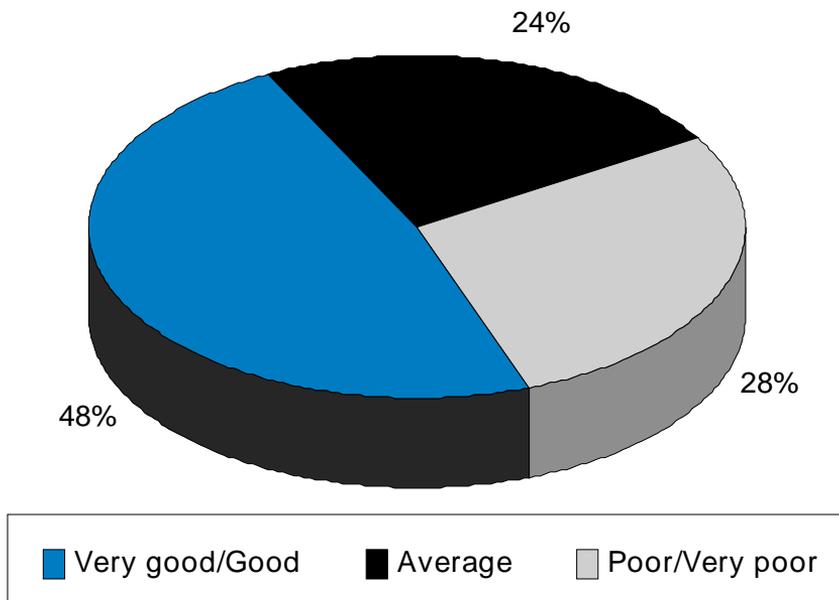
**8.13** The client survey commissioned by the ANAO indicated that, on the whole, the emergency management community supports AEMI's move to the provision of competency-based training. In the survey 84 per cent of respondents were aware of AEMI's move towards the provision of this training and 85 per cent were supportive of the move.

### Consultation with the emergency management community

**8.14** ANAO discussions with members of State and Territory emergency management agencies highlighted a concern that, in the past, AEMI has not adequately consulted with its clients in regard to its courses. Figure 2 shows that 28 per cent of survey respondents indicated that AEMI's performance in consulting with clients on which courses are offered was poor or very poor.

**Figure 2**

**AEMI's performance in consulting with clients on courses offered.**



Source: ANAO emergency management client survey

**8.15** The survey also indicated that a considerable proportion of the emergency management community believe that AEMI could improve the extent to which it allows members of the community to have a say in the content of courses offered. Here 42 per cent of survey respondents judged AEMI's performance as very good or good, with 31 per cent as average and 27 per cent as poor or very poor. In a separate question relating to 'the area in EMA that respondents deal mostly with', 14 per cent of survey respondents who deal mostly with AEMI indicated that AEMI was poor at having proactive contact with them, with 10 per cent indicating that AEMI was poor at keeping them informed of changes.

**8.16** Analysis of the survey responses has indicated that a significant section of the emergency management community would like AEMI to adopt a more proactive and consultative approach with its clients—in particular in regard to stakeholder input into AEMI courses. However, the ANAO notes that in August and September 1999 AEMI sought input from State emergency organisations on the courses they would like to see AEMI conducting. AEMI has also organised the establishment of a working party comprising State and Territory representatives to develop new competency-based risk management courses. Furthermore, some 73 per cent of survey respondents who deal mostly with AEMI indicated that AEMI was very good or good at having a client service focus.

**8.17** The ANAO endorses AEMI's recent initiatives to develop a more client-centred approach. The ANAO considers that AEMI should continue to develop a stronger client focus to ensure that the products and services it provides fully meet the needs of its stakeholders.

### **Evaluation of AEMI courses**

**8.18** In the ANAO survey, 81 per cent of respondents indicated that, bearing in mind the requirements of their organisation, the overall quality of AEMI courses is either good or very good. This represents a strong endorsement by the members of the emergency management community concerning the quality of AEMI courses.

**8.19** Currently participants in AEMI courses are asked to complete an evaluation survey at the end of each course. Evaluation of these course surveys is the responsibility of the individual Senior Education Officer in charge of the course.

**8.20** AEMI is not making the best use of the course evaluation information that it collects. The audit fieldwork indicated that AEMI neither undertook any systematic analysis of the evaluation surveys provided by course participants nor collated the surveys to identify trends in responses and compare courses. Review of this material is important

as it would help identify areas for improvement in course content and delivery. The ANAO considers that AEMI should regularly review the course evaluation surveys in order to ensure that courses are achieving their desired objectives.

### *AEMI Senior Education Officers*

**8.21** The Senior Education Officers employed by AEMI to develop and deliver the emergency management courses have a diverse range of skills but generally have education and training backgrounds.

**8.22** The survey results show that the majority of respondents believes the quality of AEMI trainers to be good with 66 per cent rating the quality of trainers as very good or good and 30 per cent as average. Furthermore, approximately 60 per cent of respondents rated the operational/practical experience of trainers as very good or good and 25 per cent as average. However, some 15 per cent of respondents believed that the operational/practical experience of trainers was poor or very poor. The main concern of these survey respondents was that the AEMI trainers lack experience, operational experience and/or credibility.

**8.23** The ANAO considers that AEMI should explore ways of improving the perception of the emergency management community in this area by, for example, providing increased opportunities for its Senior Education Officers to gain more practical experience in dealing with emergencies.

### **Forms of course delivery**

**8.24** AEMI utilises two forms of course delivery: residential courses at Mt Macedon; and extension courses taught in the States and Territories with the help of AEMI instructors. ANAO discussions with State emergency management agencies indicated strong support for both forms of course delivery, as each was considered to satisfy quite separate needs of the emergency management community.

#### *Residential courses*

**8.25** The residential courses at Mt Macedon use the following facilities: offices, lecture theatres, residential facilities for course participants (single-room accommodation with shared bathroom facilities), dining room, lounge and recreation facilities. The majority of respondents to the ANAO survey were satisfied with AEMI's facilities, with 98 per cent indicating that the facilities are either good or very good. At the time of the audit the Defence Estate Organisation was reviewing the cost effectiveness of EMA operating from its current two sites. The ANAO audit did not, therefore, include a consideration of EMA facilities in the audit scope.

**8.26** In discussions with the ANAO the emergency management community noted that residential courses:

- allow participants to network with other members of the emergency management community and thus encourage the exchange of ideas between emergency managers from different professions and States;
- allow participants to focus on the course and its subject matter by removing them from their workplace; and
- are generally provided by AEMI at no charge to the participants or their employer. Additionally, AEMI pays for the costs associated with travelling to Mt Macedon to participate in the course.

**8.27** The ANAO considers that the absence of any charge for AEMI courses has meant that no market value has been established and the true value of the courses to AEMI clients is hard to determine. At its annual meeting on 17 November 1999 the NEMC decided that, from July 2001, fees would be imposed for attendance at AEMI. It is expected that the 'traditional' participants nominated by the States will be charged a fee in the order of \$130 per day for AEMI courses and that travel will continue to be paid for by EMA. A fee of \$250 per day is being considered for private sector participants. These fees do not reflect full cost recovery but allow for the widely varying ability of different clients to pay for course attendance.

**8.28** EMA determines the number of available places for its residential courses and makes an allocation to each State in proportion to its population. However, decisions concerning the number of places allocated to different State agencies and the level of managers attending are made at the State level—generally by training officers in the peak emergency management agencies. There is no equivalent arrangement with respect to members of Commonwealth agencies attending AEMI courses. The ANAO considers that AEMI should review the balance of Commonwealth and State employees attending AEMI courses and include consideration of the mechanisms that exist for Commonwealth agencies to nominate their officers to attend AEMI courses.

### *Extension courses*

**8.29** Extension courses are less costly for AEMI to conduct and have a ceiling of \$8000 per course. This covers the travel and accommodation costs for the Senior Education Officer conducting the course. With an extension course the costs associated with course participants travelling to the site where the course is conducted are usually paid by their respective agencies.

**8.30** Benefits associated with the conduct of extension courses include:

- the lower course costs enable a larger number of people to attend the courses;
- the courses are held at a wide range of sites, generally enabling attendees continued contact with their workplace during the course; and
- the joint preparation and conduct of the courses by AEMI and State presenters enable the courses to be tailored to suit the needs of individual States; eg. to allow for the different legislative and administrative emergency management arrangements in the States.

**8.31** AEMI has also encouraged State and Territory organisations to use the existing professional development course packages to train their own people. Emergency management agencies in New South Wales and Western Australia have begun teaching the 'Emergency Coordination Centre Management' and 'Evacuation Management' courses for their members. The ANAO supports the devolution of professional development courses to the States and considers that AEMI should continue to place emphasis on the conduct of extension courses.

## **Emergency Management Australia publications**

**8.32** EMA publications include the Australian Journal of Emergency Management, the Australian Emergency Management Institute Handbook (AEMI Handbook) and Mount Macedon Papers.

**8.33** The Journal is a free quarterly publication that contains articles on emergency management and related matters. The purpose of the Journal is to facilitate the 'exchange of information and views across the Australian emergency management community'. The journal publishes articles from a wide range of contributors in the emergency management community. The Journal has a circulation of approximately 4,500 and is distributed both nationally and internationally.

**8.34** The AEMI Handbook outlines AEMI's objectives and functions, EMA publications, education and training programs, the National Studies Program, nominations policy, course attendance information, AEMI staff details and contains an AEMI calendar. The 1999–2000 AEMI Handbook is concise, well structured and a useful source of information.

## **National Studies Program—Mount Macedon Papers**

**8.35** The National Studies Program (NSP) is a funding mechanism used by EMA to encourage the development of emergency management research. Each year EMA advertises nationally for NSP proposals to be submitted by the public. The proposals must be submitted against criteria stated in the advertisement. Funding for the proposals has a ceiling of \$20 000, although \$12 500 is the target grant per proposal. The majority of this money is generally spent on travel for workshop participants.

**9.36** NSP proposals are evaluated by EMA against the advertised criteria and recommendations are made to the annual NEMC meeting. The NEMC generally approves about 6–8 proposals each year.

**8.37** A steering committee is formed for each successful proposal. The steering committee works with the successful applicant to develop the workshop and to determine who will attend that workshop. The members of the steering committee are generally representative of those who will participate in the workshop.

**8.38** Once a workshop has been conducted the outcomes are published by EMA in a 'Mount Macedon Paper'. The recommendations flowing from the workshop that are relevant to the NEMC are considered at its next meeting. As the NEMC only meets annually, the time lag between the conduct of the workshop and the consideration of recommendations by the NEMC may be several years. The ANAO considers that this process needs to be shortened in order to maximise the benefits flowing from the workshop and to facilitate timely implementation.

**8.39** Workshop reports generally contain: contents list; executive summary; introduction; composition and conduct of workshop; subject matter information; recommendations; and conclusions. Although this information is useful, the ANAO considers that workshop reports have not always provided sufficient detail on the subject matter of the topic. The reports could also better outline ways to implement the recommendations and establish better follow-up procedures to encourage the achievement of workshop objectives. Some 18 per cent of survey respondents indicated that workshop recommendations are not followed up at all and 66 per cent believe they are only partially followed up.

**8.40** The ANAO considers that EMA should review the timeliness of NSP processes as well as the way that workshop outcomes are followed-up and implemented. These initiatives should improve the benefits resulting from the conduct of workshops, which have the potential to be of considerable value to the Australian emergency management community.

## Recommendation No.13

8.41 The ANAO recommends that, to improve emergency management training outcomes, AEMI:

- a. continue to develop a strong client focus to ensure that the products and services it provides fully meet the needs of its stakeholders;
- b. regularly review course evaluation surveys to identify areas for improvement in course content and delivery; and
- c. consider ways to improve the timeliness of the National Studies Program reporting and the follow-up of workshop recommendations.

### *Agency responses*

8.42 Defence, DTRS, FaCS and Centrelink agreed with the recommendation. Defence noted that: 'The development of all courses and of professional enhancement activities at AEMI is being guided by consultative working groups consisting of representatives from each State and Territory. A new student evaluation form has been introduced to allow improved review of activities by AEMI staff. A more comprehensive evaluation program will be developed, incorporating post-course feedback, commencing mid-2000. Workshop recommendations are now being examined at the first available meeting of either the National Emergency Management Committee or the National Emergency Management Executive Group. The frequency of national consideration of recommendations will rise from one to three times per year.'

### Public awareness

8.43 Public awareness initiatives by EMA include the production of brochures, pamphlets, posters, videos and television advertisements. EMA also produces the Australian Emergency Manuals Series. In addition, EMA maintains an Internet site at [www.ema.gov.au](http://www.ema.gov.au). EMA's public awareness material is directed principally at the emergency management community and at school children. Generally EMA provides its public awareness material free of charge, but there are instances in which EMA may charge a modest fee; eg. for the provision of its Australian Emergency Manuals Series (AEM).

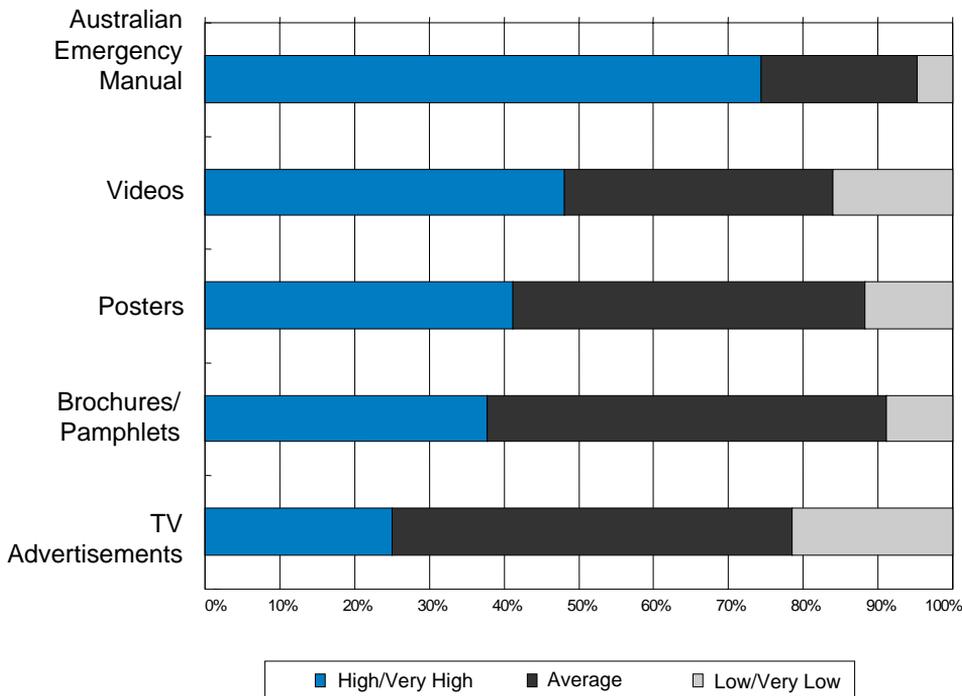
**8.44** AEM manuals are developed by national consultative committees of representatives from the Commonwealth and the States. AEM's are intended to be useful practical manuals for those working in the emergency management field. The AEM series comprises five parts: the fundamentals; approaches to emergency management; emergency management practice; skills for emergency services personnel; and the management of training. Survey respondents overwhelmingly indicated that the manuals are relevant to their organisation and are regarded as effective in raising public awareness. The ANAO commends EMA for its efforts in the production of the AEM series and endorses its continuation.

**8.45** The ANAO survey also sought opinions on a more general question of the Commonwealth's role in public awareness of emergency management issues. Some 65 per cent of survey respondents were of the opinion that the Commonwealth's role was sufficient or adequate and 35 per cent believed that the Commonwealth's role was inadequate. In addition, 51 per cent of respondents believed that the Commonwealth should have the same level of involvement in public awareness, 5 per cent believed they should have less involvement and 44 per cent of respondents considered that the Commonwealth should have greater involvement in this area.

**8.46** The survey respondents generally indicated a positive attitude towards the public awareness material that EMA produces—see Figure 3 below. However, the following exceptions to this reflect those instances where a significant proportion of respondents indicated that specific public awareness materials are limited in terms of their relevance to particular professional groups:

- brochures/pamphlets -'Fire Services' respondents;
- posters—Commonwealth agencies and State/Local Government agencies;
- television advertisements—Commonwealth agencies, police services and State/Local Government agencies; and
- videos—Commonwealth agencies, police services and State/Local Government agencies.

**Figure 3**  
**The effectiveness of EMA’s public awareness material**



Source: ANAO emergency management client survey

8.47 The majority of survey respondents indicated that the public awareness material produced by EMA complements that which their organisations produce, however some 29 per cent indicated that this was not the case. This concern was mainly expressed by State emergency management agencies, fire service organisations and police services. This indicates that there is scope for EMA to coordinate its public awareness initiatives more closely with some State and Territory agencies.

8.48 In response to the survey question: ‘How satisfied are you with the type and level of consultation you have with EMA, in relation to EMA’s public awareness material?’, 40 per cent of survey respondents indicated that they were satisfied or very satisfied, 15 per cent indicated that they were dissatisfied or very dissatisfied and 45 per cent indicated that they were neither satisfied nor dissatisfied. For those respondents who deal most regularly with EMA’s Awareness and Publications Section, 29 per cent rated this area as ‘poor’ on keeping them informed of changes to services provided and also in terms of having a client service focus.

**8.49** The objective of the National Community Awareness Advisory Group (NCAAG) is to foster and enhance community awareness. The NCAAG consists of representatives from States and the Commonwealth. NCAAG meetings are generally held every 6 months. However, there have been periods in which the group has been inactive for longer periods. The ANAO considers that EMA should utilise this mechanism to improve the level of consultation that EMA has with the recipients of its public awareness material.

**8.50** Both audit fieldwork and survey results indicate to the ANAO that EMA should consider ways it can improve the type and level of interaction it has with its key 'public awareness' stakeholders in the emergency management community. The ANAO considers that, in addition to improving the likelihood of better public education and fostering changes in community behaviour, this increased interaction would lead to an improvement in the cost effectiveness of EMA's public awareness initiatives as it would focus limited resources on the most appropriate public awareness media.

**8.51** Audit fieldwork also highlighted concerns by some State agencies as to the cultural appropriateness of some public awareness material produced by EMA. The ANAO survey sought opinions on whether EMA's public awareness material caters for people from culturally diverse backgrounds—some 58 per cent of survey respondents answered 'no', with a majority of States responding in the negative.

**8.52** The ANAO notes that EMA has not undertaken any recent analysis of the effectiveness of its public awareness material. This may be reflected in the range of survey examples where respondents indicated that EMA's public awareness material had either limited relevance to their profession, was not effective or did not complement their own public awareness material. EMA needs to clearly articulate the outcomes it seeks and to analyse the demands of its different clients, in order to determine the format and content of the public awareness material that it should produce. EMA should also regularly review market perceptions of the effectiveness of its public awareness materials, in order to maximise the cost effectiveness of its expenditures. EMA's public awareness material should also complement that produced by other State, Territory and Commonwealth agencies and other members of the emergency management community.

**8.53** The survey also indicated that the effectiveness of EMA's Internet site was limited because it is not widely utilised by the emergency management community. Despite some 98 per cent of survey respondents indicating that they had Internet access, 41 per cent had never accessed

EMA's public awareness material on the Internet. However, those who had accessed EMA's Internet site were generally positive about the site and the information it contained. When asked about the relevance of EMA's public awareness material on the Internet, 48 per cent rated relevance as high or very high, 48 per cent as moderate and some 4 per cent as low. In response to a question asking respondents to rate the effectiveness of EMA's public awareness material on the Internet, 36 per cent responded that it was high or very high, 48 per cent as moderate, with only 16 per cent as low.

**8.54** The ANAO considers that EMA should continue to develop its Internet site and promote it among the emergency management community, in order to encourage greater usage of this source of public awareness material.

## **Recommendation No.14**

**8.55** The ANAO recommends that, in order to improve the effectiveness of its public awareness material, EMA:

- a. improve the level of consultation that it has with recipients of its public awareness material;
- b. review the market demand for the material to ensure the appropriateness of the material produced; and
- c. continue to develop its Internet site and promote it among the emergency management community.

### *Agency responses*

**8.56** Defence, DTRS, FaCS and Centrelink agreed with the recommendation. Defence noted that: 'The National Emergency Management Strategic Plan includes a strategy to "*Evaluate the effectiveness of current community awareness programs and adjust them to influence behaviours*". The NCAAG has commenced work to satisfy this requirement. The EMA Internet site has been redesigned and information on the site is being completely revised. A position of Information Manager has now been established in EMA to coordinate homepage development and to promote the site widely.'

# 9. Strategic Emergency Management Issues

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*This chapter examines the strategic issues of concern to emergency managers as well as the framework in which Commonwealth strategic planning takes place.*

## Issues of strategic concern to managers

**9.1** In reviewing Commonwealth strategic emergency management arrangements the audit sought to identify firstly the issues managers faced in dealing with the medium term environment (over the next three to five years) and secondly how well the Commonwealth management framework is equipped to deal with strategic issues. The audit utilised the findings of the commissioned survey to identify the issues in the first group.

**9.2** In its current (1998–2000) Corporate Plan, EMA identifies three main strategic factors influencing the performance of emergency management functions:

- the risk environment;
- the political environment; and
- the information environment.

**9.3** EMA's Corporate Plan also identifies a number of current changes in direction, some of which overlap with these three strategic factors.

### *The risk environment*

**9.4** EMA perceives that the risk environment presents a number of significant strategic challenges. These flow from growth in the size of Australian communities and the increasing pressure to use land that may be vulnerable to natural hazards; from the demands imposed by industrialisation, economic interaction, technological growth and the increasing risk of catastrophic consequence from failure of materials and engineering techniques; and from the risk of armed conflict or terrorism-induced threats, especially in the context of a major event like the Sydney 2000 Olympics.

### *The political environment*

9.5 In the wake of changes in the role and activities of government in Australia over the last ten years, especially the move to contract out many services, EMA considers that there is a lessening of direct control by emergency managers over the resources needed to ensure public safety. In addition there is continuing pressure to achieve economies through rationalisation of the resources available to public safety agencies.

### *The information environment*

9.6 EMA sees information technology growth and development, which offer real-time information in ever-greater abundance and diversity of sources to emergency managers, as visible drivers of change in emergency management that create great opportunity. The issue, however, is for planning, management and training to keep abreast of such changes.

### *Other directions*

9.7 Separately the EMA Corporate Plan lists a number of current 'changes in direction' in emergency management, showing that managers recognise the need for change and that implementation of them has begun. They are:

- *risk management*: managers need tools to select the most appropriate emergency management measures to deal with their particular needs, but further work is required to have the risk management approach universally accepted and adopted;
- *disaster mitigation*: development of a National Framework for Disaster Mitigation is seen as a means of involving a wide range of agencies in disaster mitigation and such strategies are seen as less costly than responding to and recovering from disasters;
- *technology*: the need to embrace IT developments to better manage available information such as geospatial data from satellites and remote sensing platforms, but many public safety agencies are yet to take advantage of these developments;
- *education and training*: integrated skills development at all levels of emergency management workers within the framework of national competency standards, though further work is required to identify skills requirements of people in the broader community;
- *national arrangements*: the continuing need to enhance the Commonwealth role in emergency management and the partnership between Commonwealth, States and local government, the private sector and community organisations;

- *regional developments*: though regional South Pacific countries are becoming more self supporting, Australia has an important role to play in maintaining the momentum; and
- *legal liability*: communities have an increasing expectation that life and property will be protected, raising political interest and causing litigation after disasters occur. This creates responsibilities for emergency managers in documenting their actions against approved disaster plans and in ensuring that safe equipment and procedures are in place to minimise risk to workers and provide relief to them.

**9.8** These strategic issues identified by EMA broadly correspond with views expressed to the ANAO during the audit by the emergency management community in the States and in other Commonwealth agencies.

**10.9** All the foregoing issues appear to receive periodic attention at the national emergency management coordination level. The minutes of the NEMC and NEMEG and the list of workshops and seminars conducted by EMA at Mount Macedon indicated that relevant issues have been discussed from time to time and that working groups, sub-committees and special forums have been established to consider them further. Some of these continue to be active. The ANAO endorsed these arrangements but considered that they do not appear to go far enough in reflecting clear strategic goals. This is discussed below.

**9.10** Shorter-term concerns such as preparations for possible terrorist-related incidents during the Sydney 2000 Olympic Games were also mentioned by stakeholders. The ANAO was satisfied that EMA had been heavily involved with these issues and that extensive planning arrangements were in hand to deal with these matters.

**9.11** Several specific matters in forward planning were raised with the ANAO by stakeholders and emergency managers. These appear to merit closer consideration from a strategic management viewpoint. Although this report does not attempt to analyse them, and some have been referred to briefly in this report, they indicate the range of perspectives shaping the wider environment in which emergency management takes place. Some of them have been referred to briefly in earlier chapters of this report. They are:

- the level of Commonwealth involvement in funding of projects to mitigate natural disaster hazards;
- the challenge of decentralising provision of emergency services to make communities more self-reliant on their own resources and ingenuity, in the interest of reducing outlays of public funds from all three spheres of government and generating efficiencies;

- the place of commercial risk transfer and other possible roles of the insurance industry; and
- the contraction in the regional distribution and availability of Defence assets following the Defence Reform Program.

### **Mitigation funding as a strategic issue for the Commonwealth**

**9.12** The Commonwealth has embarked on a number of initiatives which raise the issue of the appropriate long-term objective of Commonwealth policy on, and involvement in, mitigation funding. The initiatives the ANAO identified are:

- the Regional Flood Mitigation Programme in DTRS;
- the DOFA decision to incorporate the development of mitigation strategy by State/local authorities as a condition for certain NDRA funding to the States;
- the related creation of the Natural Disaster Risk Management Studies Programme, administered by DOFA; and
- a proposal initiated in the DTRS for a Disaster Mitigation Research Project, to be conducted as an NEMC project with Commonwealth and State contributions.

**9.13** More broadly, as indicated above, EMA has identified the development of a National Framework of Disaster Mitigation as a major strategic objective in emergency management. Since first committing itself in its 1996–97 Corporate Plan to a partnering arrangement with the States to develop a national strategy for disaster mitigation, EMA has convened widely-attended forums at Mt Macedon to advance consideration of such a framework and formed the National Mitigation Working Group. It has also published position papers and facilitated presentations by experts in disaster mitigation from the Mitigation Directorate of the United States Federal Emergency Management Agency. DOFA officers have been involved in many of these forums.

**9.14** At the core of mitigation planning is the integration of regulatory processes of all three spheres of government so that at local levels land use decisions take into account the full cost of development and human settlement in risk-prone areas.

**9.15** In addition, as capital and infrastructure works that lessen disaster exposure of already-established communities are also part of the mitigation programs, discussion has been instigated by two States in COAG on the balance of Commonwealth and State financial involvement in mitigation funding. Separately, but also in the COAG framework context, a project that commenced in 1998 to review Commonwealth/

State Service Provision has initiated work on emergency management, with mitigation funding issues in the pipeline for detailed consideration by a working party of State and Commonwealth officials.

### *Disaster Mitigation Research Project*

**9.16** The DTRS proposal for a research project on mitigation has received backing from a number of Commonwealth agencies and was endorsed by the NEMC in November 1999. This is a broad project to examine fundamental strategic issues in emergency management.

**9.17** The purpose of the research is to obtain a quantitative appreciation of the costs of disasters to Australia and whether a better balance should be achieved between expenditure on disaster mitigation and future expenditure on disaster response, relief and recovery. A further, more specific purpose is to develop an agreed approach to the analysis of proposed mitigation projects so that public investment can be directed to those projects producing optimal results and the greatest value for money.

### *Coordination of disaster mitigation work at the Commonwealth level*

**9.18** The ANAO noted that the foregoing Commonwealth activities in regard to disaster mitigation are extensive and involve significant public resource outlays (with possible large savings in outlays in the long term). Though coordination among agencies has been uneven among the several groups of activities, informal liaison has achieved some worthwhile progress in working towards goals that are shared between agencies. Liaison and consultation among Departments appears mostly to be in the form of leveraging various departmental or portfolio objectives for mutual advantage. The activities are taking place in a number of agencies.

**9.19** EMA and the national forum of the NEMC are functioning as a mechanism to advance discussion of issues. Indeed the NEMC appears to be the principal place where Commonwealth agencies consult each other. Some progress has been made in the application of new international methodologies to further build mitigation strategies. However, articulation of a Commonwealth strategic framework has not progressed very far. As a result, the activity lacks analysis in public policy terms, with limited rationale for inclusions and exclusions of issues. For example, no explicit rationale exists for the exclusion of man-made disasters from the scope of some mitigation activities. The focus of Commonwealth mitigation funding appears to be on rural areas, with little consideration of the needs of urban communities.<sup>54</sup> Necessarily,

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<sup>54</sup> Urban flood mitigation program activity by the Commonwealth was discontinued in 1996.

because of the infrequency of its meetings, the Commonwealth Counter Disaster Task Force plays mainly a monitoring rather than a coordinating role in regard to developments in mitigation policy.

**9.20** The ANAO considered that, in view of the potential savings in public outlays that seem likely to result from effective implementation of mitigation planning, a higher level of Commonwealth coordination should take place, with a view to defining overall Commonwealth strategic objectives for its mitigation activities and its involvement with the States. Such a task would be suited to the new standing interdepartmental committee on emergency management canvassed in Chapter 6.

### **Making communities more self-reliant**

**9.21** In discussions with State officials and with EMA, the ANAO was informed of developments in underlying approaches to emergency management which would have far-reaching implications for government policies and procedures and which could require the Commonwealth to make changes in its policies.

**9.22** The developments in thinking, though diverse and with variations State by State, have in common the theme of enlivening and empowering local communities and major industry groups located in them to take fuller responsibility for their own safety. With such phrases as 'Community Safety Makes Good Business' proponents of these views argue that:

- significant capabilities are locked up in local groupings of volunteers and industries to plan and instigate self-help preventive and relief steps not only to protect their own properties but also to secure a public safety environment for people;
- encouraging collective approaches to public safety is more consistent with deregulation and user-pay principles in contemporary public administration than continuation of the present external help schemes;
- public sector roles should increasingly move towards facilitating and encouraging local and regional initiative and towards undertaking the necessary economic, social and business research that would underpin such a move; and
- in any case, the limitations on availability of public funds mean that emergency service provision by the traditional providers (eg. non-volunteer fire brigades) for an expanding population base cannot be sustained to required standards.

**9.23** The ANAO noted that many Commonwealth public sector reform initiatives correspond closely with these proposals. Related Commonwealth policy initiatives have been made in other areas such as income support and employment services.

**9.24** In emergency management, Commonwealth leadership in establishing the appropriate framework for partnerships with business and industry, and with community support organisations, has been flagged by some States as an important component of improved emergency management services. Concerns that arise here are those identified in Chapter 6: the location of the specialist Commonwealth emergency management function in an apparently distant relationship with the Defence organisation and consequential lack of high government profile.

**9.25** The Commonwealth's strategic management of emergency arrangements will need to take account of these thinking changes. Opportunities for refining the Commonwealth's whole-of-government approach appear to be present. The ANAO considers that these matters should be the subject of the Commonwealth's strategic management.

### **The place of the insurance industry**

**9.26** In recognition of the interests and the expertise of the insurance industry in public sector emergency management and policy settings, EMA has fostered closer linkages with the industry over the last three years. The Insurance Council of Australia (ICA) is now frequently involved in consultation with EMA-sponsored working groups and with DTRS in developing its mitigation activities. ICA is a member of the Working Group on Mitigation of the NEMC. The Council now engages routinely in information exchanges with EMA on disaster incidents, giving EMA better data on the amounts and proportions of insured and uninsured losses caused by individual incidents. In turn the insurance industry has better and more systematic data sets on hazard impacts.

**9.27** The ANAO was advised by ICA that the insurance industry is fully satisfied with the dialogue it now has with the Commonwealth through initiatives taken by EMA to involve it in inter-governmental discussions. The result appears to be that Commonwealth agencies now have a much fuller appreciation of the complex interplay of risk management and factors bearing on the decisions of insurance companies on commercial indemnification; and issues determining companies' approaches to offering (or not offering) insurance policies for particular sorts of hazards. Insurers for their part have a better understanding of Commonwealth and State Government concerns. The commercial industry is, understandably, very supportive of the moves being taken in the Commonwealth to pursue preventive and mitigation strategies.

**9.28** The availability of commercial insurance at rates affordable to those who must pay the premiums must inevitably be an important factor in determining if and how far the public sector should be involved in delivering assistance to people, organisations and businesses affected by disasters, natural and man-made. Sound strategic planning by the Commonwealth and nationally must be shaped partly by such factors as, among other things:

- what risks are insurable and what are not. For example, ICA informed the ANAO that storm surge (potentially affecting significant coastal areas) is not insurable and AFFA noted further that stock losses due to compulsory slaughter are not always insurable;
- riverine flooding is insurable for businesses beyond a certain size because they are commercially significant enough to warrant the individual inspections needed to set premiums;
- property near coastal and other cliff-lines will be uninsurable for landslip because landform development in Australia has been geologically determined by cliff-line erosion; and
- with less than one percent of all structures in Australia possessing any kind of earthquake protection (a proportion far lower than in countries that experience earthquakes more regularly), the property risk exposure to major earthquake hazard in Australia is extreme and the economic consequence much higher than for many countries.

**9.29** These matters are indicative only of the expertise, information and perspectives which the insurance industry will bring to bear on consideration of emergency management policy. Such issues raise obvious questions such as leadership in developing appropriate building codes and standards (for example, in drafting the uniform Wind Code where joint action by insurance companies with high risk exposure has made significant impact in formulating and extending application of the Standard). Other areas of relevance to insurers are the content of public education programs and the encouragement of private arrangements to self-indemnify against risk where insurance cover at reasonable cost is available.

**9.30** The ANAO considered that the industry was properly involved closely in the Commonwealth's deliberations with the States on emergency management and that in any upgrading of the Commonwealth's strategic planning framework, the ICA should have a clearly established place.

## **The distribution of available Defence assets**

**9.31** With implementation of reforms in the Defence organisation over the last ten years, the physical distribution of Defence and ADF facilities in Australia has been undergoing significant change. Contraction has occurred in the number of centres able to deploy resources during emergencies and some assets have been shifted to the North and Northwest of the continent. As these changes are permanent, the implications for emergency managers at State and local level are significant.

**9.32** The implications of these internal Defence changes for strategic planning of Commonwealth emergency management arrangements are obvious as they affect the ability of the Commonwealth to sustain certain types of physical assistance of a kind used to good effect in the past. Strengthening emergency management as a Defence portfolio function, as proposed in Chapter 6, would provide opportunities for improved strategic alignment of emergency management with these top-end changes.

## **Commonwealth management of strategic planning issues**

**9.33** The one-page *Commonwealth Emergency Management Policy Statement* issued in 1994 contains the most recent enunciation of principles bearing on strategic planning for the sector, endorsed at Commonwealth Government level.<sup>55</sup> This statement does not articulate a strategic framework in which effective planning could take place. It is formulated in general terms and appears to address only some of the wide range of the Commonwealth's actual emergency management activities.

**9.34** The preference of Federal Governments to utilise administrative procedures to achieve Commonwealth emergency management goals is fully consistent with agencies developing and maintaining adequate strategic planning arrangements that integrate all relevant Commonwealth efforts. Such arrangements could also be regularly reviewed and kept up-to-date with developing Government preferences. Adequate strategic planning arrangements would enhance the visibility of the Commonwealth's role and sharpen accountability, while also preserving the needed flexibility sought by Ministers.

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<sup>55</sup> See Appendix 1 for the text of this statement.

**9.35** In the absence of a more comprehensive overarching statement by the Commonwealth, strategic management is effectively undertaken separately in one or more of the centres of Commonwealth activity described in earlier chapters of this report:

- in EMA and the consultative entities to which it is linked, the NEMC and the CCDTF;
- in DOFA with respect to financial payments philosophy and issues in broad Federal/State financial relations; and
- in other program departments involved with sectoral emergency concerns.

**9.36** EMA's strategic planning is undertaken through:

- its Corporate Plan 1998–2000 (to be revised in 2000);
- an internal Strategy Document (with attached Strategy Map) prepared in 1999 with external consultants' assistance; and
- the National Emergency Management Strategic Plan for 2000–2005, developed late in 1999, and sponsored by EMA through the NEMC.

**9.37** As discussed in Chapter 7 and as the listing of strategic factors at the beginning of this chapter indicates, EMA's current Corporate Plan addresses a range of broad issues covering blends of matters for which EMA and/or Defence are responsible, and matters under the control of other Commonwealth portfolios. Information is not provided in the plan on how issues for which other Commonwealth organisations are accountable, will be advanced. There are clear constraints on the ability of one agency's corporate plan to address matters that are the responsibility of other Commonwealth agencies.

**9.38** The internal Strategy Document contains an 'Objective Statement' that identifies as one goal the development of 'national and Commonwealth policies and strategies which meet identified needs and reflect best practice EM'. The briefly described measures that are proposed refer to 'national priorities'. The document provides no guidance on how the 'identified needs' and 'national priorities' will be determined. The ANAO considers that the value for planning purposes of the Strategy Document is accordingly much reduced.

**9.39** The NEMSP, agreed by the NEMC at its November 1999 meeting and developed also with the aid of external consultants, sets out a series of broadly-defined outcomes in 'Strategic Areas' in a framework that also includes Vision, Mission, Values and Principles. Responsibilities for conducting specified activities under strategic areas are allocated to various State bodies, to EMA or to joint State body/EMA groups. The NEMSP is a national document, not a Commonwealth one. It reflects well on EMA's capacity to forge consensus and adopt a leadership role. It will assist Commonwealth/State and State-to-State coordination but is no substitute for an integrated Commonwealth strategic plan.

**9.40** The ANAO is mindful that the emergency management agenda is crowded. Long-range planning and strategic concerns compete for attention with short-range and operational issues, many of which are of pressing urgency. The ANAO considers, however, that although EMA has directed serious effort to these matters, it will need to give more attention to aligning the directions of the various planning processes that are in place so that coherence and consistency with long-range concerns are achieved. In the survey of emergency management stakeholders, commissioned by the ANAO, respondents delivered a strong message that the Commonwealth should have a greater involvement with strategic planning issues.<sup>56</sup> The determination of priorities will clearly need to be distinguished from operational matters, process and management style issues and given more emphasis. This would form a basis on which EMA and Defence would engage with other Commonwealth agencies in effective Commonwealth-level strategic planning.

**9.41** As discussed in Chapter 6, coordination of Commonwealth emergency management is impaired by insufficiently clear and directed interdepartmental coordination arrangements and by the Defence portfolio's insufficiently close relationship with EMA. Ineffective Commonwealth strategic planning is one aspect of this impaired coordination. Changes in these arrangements, as canvassed in Chapter 6, will facilitate the Commonwealth's capability to engage properly in whole-of-government strategic planning that would enable identification of Commonwealth needs and goals. In turn, EMA's capacity to underpin this process would be improved by these new coordination processes. The three strategic planning exercises with which EMA is currently engaged could then be effectively integrated.

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<sup>56</sup> Refer also to discussion in Chapter 2.

**9.42** Even more important questions of Commonwealth strategic policy remain unexamined at the present time, on a whole-of-government basis. The preparation of a Commonwealth strategic plan would entail consideration of such topics as:

- the adequacy and appropriateness of the various elements of emergency management conducted in different portfolios;
- the degree to which they effectively relate to each other in delivering appropriately targeted and equitable outcomes for the needs of victims of disasters (including man-made ones);
- the identification of appropriate thresholds and definitions including foreseeability and severity of incidents;
- the consistency of separate Commonwealth agency DISPLANS with each other and with industry/corporate plans; and
- the place of, and resources needed for, strategic national investment such as data management.

Effective Commonwealth strategic planning would also examine such issues as the balance of Commonwealth involvement in mitigation and relief issues.

**9.43** Accordingly the ANAO considers that it would be timely for Defence to review the Commonwealth's strategic planning arrangements for emergency management. In doing so it would need to engage the full involvement of the Department of Finance and Administration, PM&C, the Department of Transport and Regional Services, Agriculture, Fisheries and Forestry—Australia and FaCS/Centrelink. It would therefore need to be at high level, preferably chaired at the level of Deputy Secretary. The review would form the basis for development of a Commonwealth strategic plan for emergency management which might *inter alia*:

- identify planning issues;
- forecast new or emerging risks to public safety;
- determine Commonwealth needs and goals;
- establish markers for Commonwealth roles and responsibilities; and
- suggest priorities for areas of national concern (after consultation with States through the NEMC).

**9.44** A commitment to regular review of the plan at intervals no less frequently than every two years would need to be set to ensure the strategic plan matched emerging Government requirements. Defence may wish to propose that the Government consider this plan for endorsement.

## Recommendation No.15

9.45 The ANAO recommends that Defence instigate a review of Commonwealth arrangements for strategic planning in regard to emergency management, with a view to formulating a comprehensive Commonwealth Emergency Management Strategic Plan agreed among all major operating agencies and suitable for adoption as a Government endorsed plan.

### *Agency responses*

9.46 Defence, DTRS, FaCS and Centrelink agreed with the recommendation. Defence noted that: 'It is expected that the approach to development of a Commonwealth Emergency Management Strategic Plan will be an early priority for the high-level coordination forum identified in Recommendation 9.'

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Canberra ACT  
28 April 2000

P. J. Barrett  
Auditor-General

# **Appendices**



## Appendix 1

### Commonwealth Emergency Management Policy Statement

1. While recognising that the Constitutional responsibility for the protection of lives and property of Australian citizens lies predominantly with the States and Territories, the Commonwealth accepts that it has a broad responsibility to support the States in developing emergency management matters through Emergency Management Australia.
2. Comprehensive and integrated emergency management is based on a partnership between the Commonwealth and the States and Territories. In the development of Commonwealth capabilities the principles of the All Hazards Approach, the Comprehensive Approach, the All Agencies Approach and the Prepared Community will be followed.
3. On request, the Commonwealth will provide and coordinate physical assistance to the States in the event of a major natural, technological or civil defence emergency. Such physical assistance will be provided when State and Territory resources are inappropriate, exhausted or unavailable.
4. The Commonwealth recognises that the effects of emergencies last long after the immediate effects of the physical impact have been relieved. Through the Commonwealth Counter Disaster Task Force and the multiplicity of Commonwealth agencies, it will support State and Territory measures to facilitate the recovery of communities from these effects. It will also provide financial assistance to the States and to individuals to assist in the recovery from disasters under arrangements which will be determined from time to time.
5. The Commonwealth will continue to provide support to the States and Territories with the development of emergency preparedness and mitigation activities. In particular it will facilitate education, training, research, public awareness, information collection and dissemination activities. It will also provide specialised warning and monitoring services for meteorological and geological hazards as appropriate.
6. The Commonwealth recognises the necessity of cooperating with the States and Territories to encourage further standardisation of emergency management procedures and equipment. Through Emergency Management Australia and other organisations the Commonwealth will encourage and facilitate such standardisation.

7. The Commonwealth acknowledges that there is a need for development of policy coordination and support programs to facilitate expansion of existing State and Territory emergency management capabilities to provide an effective civil defence organisation. Planning for the transition to a war footing needs to be undertaken during peacetime. Functions associated with continuity of government and civilian support for the war effort will be the subject of separate Commonwealth and State consideration and consultation.

8. The Commonwealth will provide physical and financial assistance to other countries in the event of a major emergency. It will also assist in the development of emergency management capabilities, especially to countries in Australia's region of interest.

9. The Commonwealth will ensure that appropriate measures are taken to comply with Australia's emergency management obligations under international law.

Source: *Emergency Management Australia Corporate Plan 1998–2000*.

## Appendix 2

### Commonwealth Counter Disaster Task Force Membership

Assistant Secretary, Defence, Intelligence and Security Branch (Chair),  
Department of the Prime Minister and Cabinet

Director General, Emergency Management Australia

Director General, Joint Operations and Plans, Australian Defence  
Headquarters

Assistant Secretary, Community Branch, Department of Family and  
Community Services

General Manager, The Gateway, Centrelink

Branch Manager, Financial Framework Branch, Department of Finance  
and Administration

Assistant Secretary, Resources Policy Branch, Department of Industry  
Science and Resources

First Assistant Secretary, Corporate Services Division, Department of  
Health and Aged Care

General Manager, Air Traffic Services, Airservices Australia

Director, Protective Security Coordination Centre, Attorney-General's  
Department

General Manager, National Operations, Australian Federal Police

Chief, Geohazards and Geomagnetism Division, Australian Geological  
Survey Organisation

Assistant Director, Services Policy Branch, Bureau of Meteorology

First Assistant Secretary, Telecommunications Industry Division,  
Department of Communications, Information, Technology and the Arts

Assistant Secretary, ACT and NT Branch, Department of Transport and  
Regional Services

Source: Emergency Management Australia, *Commonwealth Ministers' Disaster and Emergency Handbook*, April 1999, pp. 27–28.

## Appendix 3

### Supplementary Program Information

1. This appendix contains information and analysis on some specific Commonwealth programs in the emergency management field. Its purpose is to supplement descriptive material and analysis in the body of the report. Relevant parts of the report to which this material relates are indicated.

#### **Defence Assistance to the Civil Community (DACC) (paragraph 4.21)**

##### *Category 1*

2. Category 1 DACC is emergency assistance for a specific task(s) provided by a local commander/administrator, from within his/her own resources, in localised emergency situations where immediate action is necessary to save human life, alleviate suffering, prevent extensive loss of animal life or prevent widespread loss/damage to property.

3. Approval from higher authority is not required, but a report of the situation is to be made through the chain of command as soon as possible. Assistance should be short term (usually less than 24 hours), and provided without cost recovery or indemnification/insurance coverage. Examples of Category 1 DACC are:

- assistance during local flooding;
- helicopter rescue of civilians trapped by flood waters or injured during a bush walk;
- controlling a bushfire in the local area adjacent to a Base; and
- extinguishing fires in local civilian housing.

##### *Category 2*

4. Category 2 DACC is emergency assistance, beyond that provided under Category 1, in a more extensive or continuing disaster where action is necessary to save human life or alleviate suffering, prevent extensive loss of animal life or prevent loss/damage to property, and where State resources, including commercial resources, are inadequate, unavailable or cannot be mobilised in time.

5. Requests for Commonwealth assistance are passed by the appropriate State emergency services authorities to EMA. EMA assesses what assistance is appropriate and obtains the approval of the Minister for Defence for the use of Defence resources. There is no cost recovery or indemnity/insurance coverage required for use of the Defence assets.

Examples of Category 2 DACC are:

- flood relief tasks—provision of shelter (tents/stretchers), airlift of food/equipment, fodder drops (eg. Katherine flood Jan/Feb 1998);
- assistance in respect of large bushfires (eg. Sydney December 1998);
- post earthquake assistance (eg. Newcastle); and
- post cyclone relief (eg. cyclone Tracy—Darwin, and Katrina—Townsville 1998).

### *Category 3*

6. Category 3 DACC is assistance associated with civil emergency or disaster recovery which is not directly related to saving life or property. If considered appropriate, Defence resources may be provided even though State or commercial resources might also be available.

7. Requests are passed to EMA by the appropriate State emergency services authorities for consideration. Approval of the Minister for Defence is required for use of Defence resources. Full cost recovery is normally applied, although cost reduction or waiver may be considered depending on the circumstances. The requesting agency may also have to meet certain indemnity and insurance requirements. Examples of Category 3 DACC are:

- the movement of supplies and equipment in the clean up phase following a natural disaster; and
- provision of personnel to assist with clean up/repair (as happened after the 1998 Katherine flood, free of charge).

Source: Department of Defence

### **The Bureau of Meteorology (paragraph 4.36)**

8. The Bureau of Meteorology (BoM) has been operating for many years to assist with disaster prevention, preparedness and response activities in Australia via the national provision of severe weather warning services and a range of advisory services for community and business planning purposes. All levels of government, the private sector and the public at large have access to these services as well as to the Bureau's extensive weather and climate information data bank. The Bureau's basic public interest and public safety services are provided free of charge. User pays access charges and incremental cost recovery arrangements apply to other services.

9. The BoM conducts six specific services which are directly designed for the needs of State and Commonwealth emergency management agencies nationally as well as for public warning purposes. These are:

- tropical cyclone warning services;
- fire weather warning services;
- flood warning services;
- severe storm warning services;
- tsunami warning services (system under development); and
- special services to assist with the management of the outbreak of disastrous animal and plant diseases (eg. foot and mouth disease), nuclear accidents, marine oil spills, oil and gas fires and other environmental pollution (eg. bushfire smoke), in which meteorological factors are significant in disaster warning, containment and clean up operations.

10. These services are coordinated nationally but delivered regionally. Overall strategic direction and liaison with Commonwealth agencies is undertaken from the Headquarters office in Melbourne.

11. Because most services involved in assisting community preparedness and response to weather based hazards are at the State and local levels, the Bureau has extensive interaction with State emergency services and planning organisations. Accordingly the BoM's operations are heavily regionalised, operations being centred on its State offices. These arrangements are of long standing and reflect a high degree of dependence of the States on the BoM's services. In discussions with the ANAO, representatives of emergency management authorities in the States emphasised the critical value to them of BoM activities. Responsibility for meteorological functions was transferred from the States to the Commonwealth in 1908 concurrent with the formation of the Bureau. Under the *Meteorology Act 1955* the Commonwealth, through the BoM, has a statutory obligation to provide the meteorological and related information and services upon which State emergency services agencies and the general community depend.

12. Informally, the Bureau characterises itself as having a lead role, at State request, in consultations that take place in the States on broad policy and planning issues bearing on weather-related matters. This was confirmed in discussions the ANAO had with State agencies. However, BoM involvement stops well short of assumption of any operational or decision making responsibilities. It has little or no line management role in emergency management issues. The typical pattern in the States is for the State BoM director or senior experts to be members of certain technical advisory or consultative bodies.<sup>57</sup> The Bureau may occasionally chair such forums. In South Australia the function of actually declaring fire bans has been delegated to the BoM, as the State's legislation provides for the decision to be made only on weather data. However, the Bureau's normal role, practised in all other States, is to provide meteorological data to emergency management agencies which assess this along with other information required for decisions to be made by Ministerial delegates.

13. Regional Directives issued to State offices determine operational procedures to be followed as meteorological events develop and standards of service to be provided. These are tailored to the needs, circumstances, disaster plans and agency responsibilities in each State.

14. BoM officers in the States responsible for the respective special services, such as the fire weather warning service and the severe storm warning service, maintain close relationships with the respective competent State organisations such as the Country Fire Associations, the State Emergency Services and the Police. The Bureau regularly provides the training personnel and resources for courses on weather issues attended by State emergency services personnel, with the States providing the venues. In the case of major protracted bushfires the BoM typically provides an expert with appropriate communications equipment, to attend on site and provide a direct Bureau service to fire fighters. The States fund the on-costs of such activities. The Bureau participates in pre-season information tours by State agencies to regions and communities exposed to hazards such as tropical cyclones.

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<sup>57</sup> In Victoria, for example the Bureau's officers are members of the State Disaster Prevention Committee and the Disaster Response Committee. These Committees look to the BoM for inputs into planning issues, with assessments of likely fire conditions in forthcoming summer seasons based on estimates of temperatures, dryness, fuel loads etc.

**15.** In the case of the flood warning service, intricate arrangements between Commonwealth and State activities have necessarily been developed. These reflect the extensive hydrological data collection systems established by each State for water management as well as flood warning purposes. Facilities for sensing and telemetry of river height information operated by these services are often cost-shared between the Commonwealth (BoM) and the respective State. The Bureau normally chairs the flood warning consultative committees, established to coordinate the development of flood forecasting and warning systems, which have active meeting programs and involve a wide range of participants including flood plain management structures. The accumulation of State-specific arrangements by the Bureau over the years in this area has led to the development of agreed cost-sharing principles which the Bureau considers to be still generally effective. BoM noted further that the impact of recent changes in the water industry to take a more corporate approach to water resources management has increased the risk that these relationships will break down in some areas.

**16.** The Bureau advised the ANAO that, through its role in maintaining national rainfall data as part of the National Climate Record, it is involved in the development by State authorities of Design Standards for major structures in the States. This activity has a direct bearing on the quality of State flood and drought mitigation programs and provides the BoM with specific expertise in the development of national mitigation programs coordinated by EMA.

**17.** BoM utilises its technical data and its expertise to contribute to design standards in lightning protection, wind loading on buildings, design of transmission towers, culverts, dams, bridges, coastal infrastructure and airports, all of which contribute to disaster mitigation activities. These contributions are made through Commonwealth and State government committees including, under the umbrella of, Standards Australia.

**18.** Through international climate change activities, such as those conducted through the Intergovernmental Panel on Climate Change and the Asia Pacific Network, BoM has enhanced its climate monitoring activities to include a range of climate extremes indicators aimed at identifying future changes influenced by an enhanced greenhouse effect. In turn this provides input into long term strategic planning for natural disaster mitigation projects.

**19.** More broadly, BoM has committed itself to pursue projects in vulnerability analysis and mitigation in conjunction with the emergency management network in support of EMA work in these fields. Two of

the main projects are the development of a tsunami warning system and a cities vulnerability project being piloted in Queensland. In both projects the Bureau is working closely with State authorities as well as EMA and other Commonwealth agencies. The initiator and lead agency for the cities vulnerability project is the Australian Geological Survey Organisation (AGSO) whose 'Cities Project' is described in Chapter 4 of the report.

Source: The Bureau of Meteorology

### **Natural Disaster Relief Arrangements (paragraph 5.10)**

20. The measures which qualify for Commonwealth assistance are:

- grants for relief of 'Personal Hardship and Distress' (PHD) such as provision of emergency food, clothing and accommodation;
- concessional loans to farmers or operators of small businesses, individuals and voluntary non-profit bodies to replace assets that have been significantly damaged and where the person/s have no reasonable access to commercial finance but, in the case of farmers and small businesses, have reasonable prospects of long-term viability;
- restoration or replacement by a State of essential public assets damaged as a direct result of an eligible disaster to pre-disaster standard; and
- certain costs incurred by States for provision of community recovery and psychological counselling.

21. For PHD the Commonwealth meets half of all State outlays in providing PHD relief where State disaster expenditure exceeds the small disaster threshold of \$200 000. In regard to the other three relief measures, Commonwealth assistance is on a dollar-for-dollar basis for outlays by a State above a base amount and, if expenditure is above a second (higher) threshold, the Commonwealth reimburses 75 cents in every dollar of State expenditure on agreed eligible measures. The base amount for a State is set by its state sector budget revenue and grants as determined on data provided by the Australian Bureau of Statistics (ABS).

22. The appropriation for NDRA for 1999–2000 is \$39 million but DOFA officers stressed to the ANAO that funding requirements for disaster relief for any one year are inherently unpredictable at the time of Budget preparation. The Advance to the Minister for Finance and Administration is routinely utilised when additional funds beyond those appropriated are required. Expenditure under NDRA has varied from \$3 million to \$163 million over the last 10 years.

Source: Department of Finance and Administration

## **Other financial transfers (paragraph 5.44)**

### *Exceptional Circumstances payments*

23. The Exceptional Circumstances scheme is administered within the Agriculture, Fisheries and Forestry—Australia portfolio as a joint Commonwealth/State arrangement under the authority of the Agriculture and Resource Management Council of Australia and New Zealand. There is no standing appropriation for payments under the scheme. The Minister for Agriculture, Fisheries and Forestry must approach Cabinet if payments are to be proposed following an extensive State and Commonwealth technical screening process overseen by the National Rural Adjustment Advisory Council. Decisions to make payments are the prerogative of the Commonwealth.

24. Criteria to be met for an EC to be declared in a region or for an industry are:

- the event must be rare (defined as an event occurring on average once in every 20 to 25 years) and severe;
- the effects of the event must result in severe downturn in farm income over a prolonged period; and
- the event must not be predictable or part of a process of structural adjustment.

25. EC payments may be made for 12 months followed by 12 months of recovery support. They are not intended to interfere with ongoing adjustment pressures and the income downturn must be beyond normal risk management strategies employed by responsible farmers. The applicants for EC declarations are normally State governments. Beneficiaries are individual farmers and farming businesses within the area/industry declared by the Commonwealth Minister. Support is provided by way of interest rate subsidy and welfare. As the interest rate subsidy is being phased down by 50 per cent by 2001–2002, the focus of the scheme is shifting to a welfare support measure.

26. The policy package of which EC payments are part includes welfare support for farmers such as the Farm Family Restart Scheme and adjustment assistance to farmers who wish to leave the industry.

27. Some 21 applications have been made over the period of twelve months of operation of the scheme. Only a very small number have been approved (drought, rainfall shortage, frost causes). Applications are frequently made for EC alongside applications or processes in train for other funding assistance. Part of the screening process applied before EC declarations may be made includes checking to see that the adverse events are not already covered by existing mechanisms such as NDRA or

other Commonwealth/State arrangements. These are 'ineligible' EC events.

Source: Agriculture, Fisheries and Forestry—Australia

### *Commonwealth/State cost sharing arrangements for Animal and Plant Diseases and Pests*

**28.** AUSVETPLAN has developed into a coordinated national response plan for the control and eradication of emergency diseases and certain emerging or endemic animal diseases. The first version of AUSVETPLAN was promulgated in 1991. It was developed under the authority of the Standing Committee on Agriculture and Resource Management of the Agricultural Resource Management Council of Australia and New Zealand (ARMCANZ). The Plan is now the responsibility of the Australian Animal Health Council Ltd but day-to-day coordination is performed by the National Office of Animal and Plant Health in AFFA, which operates within the Commonwealth's own emergency management planning framework set out in AFFAVETPLAN.

**29.** AUSVETPLAN incorporates the Commonwealth-States Cost Sharing Agreement (established in 1955). The Cost Sharing agreement provides for the States and the Commonwealth to share the costs of eradicating 12 specified exotic animal diseases, including compensation payments to owners of stock which have to be destroyed under the eradication plan. Time limits apply to farmers making compensation applications. Costs eligible for reimbursement include salaries and wages of extra staff required, operating expenses for eradication measures and certain capital equipment required for the emergency. The scheme provides formulae for the sharing of 50 per cent of the total costs among the States and Territories according to their proportion of the national population of the susceptible species for each of the diseases, with the Commonwealth bearing the other 50 per cent of the overall costs.

**30.** As with NDRA for natural disaster relief and rehabilitation for the community generally, the agreement provides a process for funding eradication and compensation procedures for State organisations and farmers before the event. AFFA noted that the Commonwealth, all States and territories and the major livestock industries agreed in principle in August 1999 to a similar agreement being negotiated by the Australian Animal Health Council Ltd (AAHC). This agreement will cover more diseases (54 proposed), with industry contributing as well as governments according to a range of formulae for various categories of diseases, based on public/private benefit considerations.

Source: Agriculture, Fisheries and Forestry—Australia

### *Victoria gas emergency payments*

31. One Commonwealth payment arrangement appears to be in a category of its own. This is the Victoria Gas Emergency Assistance Fund of October 1998. On 2 October 1998 the Prime Minister announced the provision of up to \$100 million for the Victoria Gas Emergency Assistance Fund. This fund was to assist individuals, small businesses and community organisations in Victoria and New South Wales that incurred additional costs as a result of the gas explosion at Longford, Victoria in 1998.

32. As a man-made disaster the event was ineligible for Commonwealth assistance under NDRA. The assistance was targeted at three specific areas:

- payments at 'NewStart' equivalent level to workers stood down and to uninsured small business people who closed their business as a direct result of the gas supply emergency;
- emergency relief for community organisations that provided support to the vulnerable and others at risk; and
- assistance to small business with the cost of conversion to alternative fuel supplies.

33. Centrelink administered payments to the first of the targeted groups. Victorian organisations and New South Wales agencies administered the other two groups of assistance for residents of the respective States. The Department of Finance and Administration in conjunction with the Department of Family and Community Services and Centrelink developed the eligibility criteria. Periods when applications could be made were limited, with the cut-off date for the welfare component extended to 31 January 1999. The overall allocation for the payment scheme was the administrative responsibility of DOFA. As the value of applications for assistance under the scheme was significantly less than the anticipated \$100 million, total Commonwealth assistance provided under the scheme was \$8.1 million.

Source: Department of Finance and Administration, Department of Family and Community Services and Centrelink

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