

We must act now to make Australian communities safer and more resilient to natural disasters



Gippsland, Victoria
January 2012

As business leaders representing a large and diverse cross-section of the Australian economy, along with the Australian Red Cross, an auxiliary to government, we believe making communities safer and more resilient to natural disasters is of national importance.

Australia is highly prone to natural disasters, including catastrophic floods, cyclones, storms and bushfires.

The total economic costs of these events in Australia are presently estimated to average around \$6.3 billion annually. These costs are borne by all individuals, businesses, communities and all levels of government, both directly and indirectly.

Each member of the *Australian Business Roundtable for Disaster Resilience and Safer Communities* has observed firsthand, through its customers and clients, how natural disasters can devastate whole communities, disrupt local and business networks, cause significant injury and loss of life and leave individuals unable to restart their lives due to financial and psychological damage. The longer term impacts are only just beginning to be understood.

Despite the impact of these effects on our communities and economy, our nation has invested an estimated \$50 million each year in mitigation measures to improve our communities' resilience to natural disasters.

In contrast, \$560 million has been the average annual spend on recovery measures. So, for every \$10 spent on post-disaster recovery, only \$1 is spent on measures to improve the safety of our communities prior to disasters.

We firmly believe this investment is unsustainable.

Recognising that governments acting alone cannot address these challenges, we formed the *Australian Business Roundtable on Disaster Resilience and Safer Communities* with the aim of supporting the development of a more sustainable, coordinated national approach to making our communities more resilient and Australian people safer.

Combining our expertise and information in finance and insurance, telecommunications, property infrastructure and humanitarian knowledge, we believe by working together with Government, that it is possible to save lives, reduce damage to property and vital national infrastructure and free up taxpayer money to spend on essential public services and community. The focus must be on prevention.

The Roundtable commissioned independent research by Deloitte Access Economics to forecast the cost of natural disasters to Australia by 2050 if investment in mitigation efforts remains unchanged, along with the cost benefit of greater investment in mitigation measures.

The research shows that:

- The total economic cost of natural disasters in Australia is forecast to rise to \$23 billion annually by 2050, up from the current \$6.3 billion
- Carefully considered investment in resilience measures now will reduce Australian Government expenditure on natural disaster relief and recovery by more than 50% by 2050.

As demonstrated throughout the paper *'Building our Nation's Resilience to Natural Disasters'*, we believe cost-effective resilience measures are achievable. However, achieving them requires a fresh approach, led primarily by the Australian Government, with support from business.



Joint CEO Statement

Our commitment

The Roundtable members are jointly committing resources to work constructively with governments to deliver in five critical areas that have been identified in the research:

- **Community education:** We will work with governments to increase awareness in our network of communities about exposure to natural hazards and how vulnerability can be reduced.
- **Risk information:** We will work with governments to identify and prioritise key risk areas.
- **Adaptation research:** We will provide governments with research development and global best practice standards to help future proof our communities.
- **Mitigation infrastructure:** We will work with governments to identify cost effective mitigation strategies that will reduce the future economic impact on communities in key risk areas, increasing life safety and protecting infrastructure.
- **Strategic alliances:** We will use our business networks and relationships as platforms through which we advocate change.

We urge the Australian Government to provide leadership on this issue by promoting resilience to the centre of government decision-making, consider a comprehensive, national co-ordinated approach, and commit to a long term annual pre-disaster resilience fund.

Centralising both decision-making and funding will enable Government to prioritise coordination of activities across all relevant departments, levels of government, business, communities and individuals, and deliver faster progress on building a resilient Australia.

The Roundtable believes the recommendations outlined in this paper will enable Australia to reduce the future economic and social costs of natural disasters. This is in the national interest and we call on governments to adopt the recommendations.

Together we can build a more resilient Australia.

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