



## **INQUIRY INTO NATURAL DISASTER FUNDING A POSITIVE STEP FOR A SAFER AUSTRALIA**

The *Australian Business Roundtable for Disaster Resilience & Safer Communities* has welcomed the announcement of terms of reference for a Productivity Commission Inquiry into Natural Disaster Funding Arrangements.

Speaking on behalf of the Roundtable, Insurance Australia Group Managing Director and Chief Executive Officer, Mike Wilkins said: "It's in the interests of all Australians that we change the way we prepare for natural disasters. Improving our national approach to disaster funding makes sense from an economic perspective and it will save lives and property. Today's announcement of terms of reference for the Inquiry is a positive step forward.

"Australia is prone to natural disasters like cyclones, flooding and bushfires but, as a nation, we spend 10 times more on disaster relief and recovery than on putting in place preventative measures to prevent or reduce the impact. I am pleased that the Inquiry will be looking at how we achieve a better balance between investment in disaster mitigation and funds spent on disaster recovery. This is something the Roundtable has been advocating."

Mr Wilkins confirmed that the Roundtable intends to make a submission to the Inquiry.

Roundtable member and Chief Executive Officer of Investa Office, Campbell Hanan, welcomed the Government's terms for the Productivity Commission to consider cost effective risk management options for urban planning, land use policy and infrastructure investment.

"It's encouraging that the Inquiry will take into account evolving infrastructure and asset management policy and practice at the national, state and local levels," he said.

Under the terms of the Inquiry, the Productivity Commission will examine the scope of Commonwealth, state and territory spending on natural disaster mitigation, resilience and recovery initiatives, including the management of disaster relief and recovery.

The Roundtable's '*Building our Nation's Resilience to Natural Disasters*' White Paper forecast the cost of natural disasters in Australia to rise from \$6.3 billion a year currently to around \$23 billion a year in 2050. The White Paper, which was released last year, stated that through pre-disaster investment the impact of disaster response on government budgets, and taxpayers, could reduce by more than 50%.

Roundtable members are the Chief Executive Officers from Australian Red Cross, Insurance Australia Group, Investa Property Group, Munich Re, Optus and Westpac.

Members of the Roundtable have come together to champion the need for a more sustainable, coordinated national approach to make communities more resilient and people safer. They believe that national investment in disaster resilience and preventative activities is the most effective way to protect communities and reduce the impact of disasters.

For more information and a copy of the *Australian Business Roundtable for Disaster Resilience & Safer Communities*' White Paper '*Building Our Nation's Resilience to Natural Disasters*' [www.australianbusinessroundtable.com.au](http://www.australianbusinessroundtable.com.au)

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