

# Building a more resilient Australia

The first economic analysis of the social impact of natural disasters and benefits of infrastructure resilience.

Many Australians know only too well the devastating consequences of natural disasters. The Australian Business Roundtable for Disaster Resilience & Safer Communities has released two new reports by Deloitte Access Economics exploring the areas most impacted by natural disasters: social wellbeing and critical infrastructure.

## The Economic Costs of the Social Impact of Natural Disasters

### THE COST OF RECOVERY

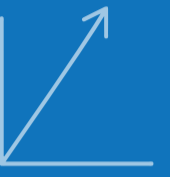
The true cost of natural disasters is at least **50% greater** than previous estimates.



It is estimated that the total cost of natural disasters in Australia in 2015 exceeded **\$9 billion**



This is expected to double by 2030 and to reach an average of **\$33 billion annually by 2050**



### INTANGIBLE LOSS

More than **1 in every 10** people exposed to natural disasters are reported to develop psychological distress.



Social costs tend to persist over a person's lifetime - while most tangible costs are one-off.

Black Saturday bushfires



Tangible 44% Intangible 56%

Queensland floods



Tangible 47% Intangible 53%

Newcastle earthquakes



Tangible 45% Intangible 55%

### BUSINESS ROUNDTABLE RECOMMENDATIONS

- 1** Pre and post disaster funding should better reflect long term social impacts.
- 2** Greater collaboration between government, business and community to address the medium and long terms economic costs of social impacts.
- 3** Government, business and community need to further invest in community resilience programs that drive behavioural change.
- 4** New research needed into how to quantify the medium and long term costs of social outcomes.

## Building Resilient Infrastructure

### THE ECONOMIC CASE FOR CHANGE

**\$1.1 trillion**

will be spent on new infrastructure between now and 2050.

Yet just **3 / 12**

Australian cost-benefit analysis guidelines recognise resilience to natural disasters.

**\$17.0 billion**

will need to be spent on rebuilding critical infrastructure after natural disasters occur between now and 2050.

### WIDESPREAD IMPACT



Bushfires in Victoria: a single loss of electricity supply cost **around \$234 million**.



Repeated bridge flooding in Dubbo, NSW resulted in bridge closure costs of **\$91.8 million**.



Flooding in Brisbane, Queensland cost **\$1 million a day** in lost mobile service.

### BUSINESS ROUNDTABLE RECOMMENDATIONS

- 1.** Integrate resilience into infrastructure planning processes.
- 2.** Prioritise policy and funding to ensure disaster resilience is incorporated.
- 3.** Invest in resilience education to strengthen technical capacity.

## Who we are

The Business Roundtable was formed in December 2012 by six of Australia's leading CEOs, who believe that it is of national importance to have resilient communities that can adapt to extreme weather events and natural perils.



To find out more about the Business Roundtable or to view the two reports in full visit [australianbusinessroundtable.com.au](http://australianbusinessroundtable.com.au)  
Together, we can build a more resilient Australia.

Join the social conversation with #resilientAUS