



A BETTER WAY TO PROTECT AUSTRALIA FROM NATURAL DISASTERS

The *Australian Business Roundtable for Disaster Resilience & Safer Communities* today released a White Paper that details a more sustainable and comprehensive approach to managing natural disasters that could ultimately save lives, reduce damage to property and vital national infrastructure, and free taxpayer money to spend on essential public services.

The *'Building our Nation's Resilience to Natural Disasters'* White Paper forecasts the cost of natural disasters in Australia to rise from \$6.3 billion a year currently to around \$23 billion a year in 2050 as population density increases and the severity and frequency of storms, floods, cyclones and bushfires grow.

Roundtable member organisations have come together to champion safer and more resilient communities. Each organisation plays a crucial role in either community planning or disaster recovery and believes there is an opportunity to develop a national, long-term approach to managing natural disasters through a co-ordinated resilience response that focuses on prevention.

Long-term taxpayer savings

Each year the Australian Government currently spends an estimated \$560 million on post-disaster relief and recovery compared with an estimated \$50 million on pre-disaster resilience.

The White Paper outlines how a national investment in cost-effective resilience and preventative activities can reduce the impact on government budgets of having to respond to disasters by more than 50%.

For example, a program of resilience expenditure of around \$250 million a year to 2050 would ultimately generate budget savings of more than \$12 billion and Australian Government expenditure on disaster response could reduce by more than 50%.

The White Paper includes case studies on the communities of South East Queensland, Hawkesbury-Nepean in New South Wales and the Melbourne fringe that practically illustrate how preventative spend now saves money into the future. These show:

- A program focusing on building more resilient new homes in high cyclone risk areas of South East Queensland would reduce cyclone risk for these homes by 66% and would save three dollars for every dollar spent up front
- Flood mitigation in the Hawkesbury-Nepean by raising the Warragamba Dam wall 23 metres would reduce flood costs between 2013 and 2050 from \$4.1 billion to \$1.1 billion, saving \$3 billion. This saves more than eight dollars for every dollar spent up front
- Bushfire mitigation in Victoria focused on vegetation management and reducing ignition sources would have a positive cost benefit ratio of 3:1

A co-ordinated approach by government that prioritises mitigation activity

The White Paper suggests a fresh approach to pre-disaster resilience is required to enable more effective prioritisation of mitigation expenditure, based on the national interest and the best economic return.

It acknowledges that while there is a lot of positive resilience and disaster management activity already underway, with work taking place under different policies, departments and agencies, there is an opportunity to be better aligned and co-ordinated.



The White Paper recommends:

- **Improve co-ordination of pre-disaster resilience by appointing a National Resilience Advisor and establishing a Business and Community Advisory Group:** The advisor would co-ordinate and prioritise activity across all levels of government. The Advisor would be supported by the creation of a Business and Community Advisory Group to leverage knowledge and expertise.
- **Commit to long-term annual consolidated funding for pre-disaster resilience:** The fund would consolidate current mitigation spend and centralise new spending to deliver long-term taxpayer savings. A \$250 million fund could deliver \$12 billion in savings over time.
- **Identify and prioritise pre-disaster investment activities that deliver a positive net impact on future budget outlays:** All mitigation to be prioritised based on the national interest and economic benefit as determined by the cost benefit ratio achieved and future budget impact.

Roundtable members look forward to working constructively with governments in the national interest to prioritise public policy and funding to improve Australia's resilience against future natural disasters and have committed their own organisations to deliver tangible outcomes that support this vital work.

NATIONAL DISASTER FACTS

- Some of the worst disasters in Australia's history have been in recent years including the 2009 Black Saturday bushfires in Victoria in which 173 people were killed and more than 800 injured and the 2010/11 Queensland floods in which 22,000 homes and 7,600 businesses were flooded across 94 suburbs
- Over the period from 1967 to 2012 Australia experienced at least four natural disasters a year
- 2011 was the worst year on record in Australia for natural disasters. An unprecedented number of natural disasters in the form of floods, cyclones, hailstorms, and bushfires saw total insured losses of around \$12 billion
- The cost of natural disasters in Australia is estimated to rise from \$6.3 billion a year currently to around \$23 billion a year in 2050

For copies of the White Paper visit www.australianbusinessroundtable.com.au

Media Contact:
Andrew Tubb
0411 014 771



AUSTRALIAN RED CROSS, CEO, Robert Tickner

"Red Cross strongly support efforts to promote and build more resilient communities. We recognise efforts need to be focused not only on tangibles such as bricks and mortar, but also on supporting people to better prepare, respond and recover through information, advice, education and engagement."



IAG, CEO, Mike Wilkins

"This is a people issue as well as an economic issue – it's about our well being and the well being and safety of our loved ones. Through carrying out mitigation works that make our communities safer, government is enhancing the economic and personal well being of all Australians as well as enabling a reduction in insurance premiums for those exposed to natural perils."



INVESTA, CEO, Scott MacDonald

"We look forward to sharing our data and experience so we can all act now and act smart. On the ground, Investa will provide builders and home buyers with information on how they can best design their homes to manage costs and improve resilience. Investa will also continue to work with our industry associations and partners to actively progress the conversation."



MUNICH RE, CEO, Heinrich Eder

"We have built the world's largest database on natural disaster losses and are prepared to share this research to work with all levels of government and like-minded commercial organisations, to ensure that Australian communities are better positioned to plan for, and respond to the ever-present threat of natural catastrophes. We believe that damage prevention and mitigation are the best and most cost effective means to protect and lift the living standard of communities."



OPTUS, CEO, Kevin Russell

"Our services are critical in disaster response, and we deliver them across infrastructure that must be highly resilient to the impact of natural disasters. This initiative will allow all stakeholders to work better together in both planning for the effects of natural hazards and responding to them."



WESTPAC, CEO, Gail Kelly

"I've seen first hand the impact natural disasters have on our customers and I'm proud of the role Westpac plays in helping them rebuild their communities. This research is a further step in better understanding the risks we all face and how we can protect against them. It's also helped shape our thinking on how we can provide access to funding to make communities safer."