

5. Recommendations

The three main recommendations

1. Improve coordination of pre-disaster resilience by appointing a National Resilience Advisor and establishing a Business and Community Advisory Group
2. Commit to long term annual consolidated funding for pre-disaster resilience
3. Identify and prioritise pre-disaster investment in resilience that delivers a positive net impact on future budgets.

A fresh, sustainable and comprehensive approach to pre-disaster resilience

The three main recommendations of this paper outline an approach that best facilitates the:

- Coordination of incentives of pre-disaster resilience activity across individuals, business and governments, as per the examples provided
- Strengthening of the decision-making framework and clarifying responsibilities among the three layers of government
- Establishing an appropriate funding model for pre-disaster resilience
- Strengthening the information framework by providing appropriate incentives to participate e.g. business, community organisations, state and local government
- Coordinating best practice research into effective pre-disaster resilience activities.

1 Improve coordination of pre-disaster resilience by appointing a National Resilience Advisor and establishing a Business and Community Advisory Group

Developing resilient communities should be elevated to the centre of government decision-making, a move necessary to deliver effective and efficient coordination of activities across all levels of government, business, communities and individuals. This should be directly supported by a Business and Community Advisory Group to help facilitate a more coordinated response and by ensuring that business and the not-for-profit sector are represented at the highest levels of policy development and decision-making.

To have a measurable impact on Australia's resilience, the coordination challenge is large and requires a nationally comprehensive approach. Many of the levers to drive this coordination challenge are in the hands of governments.

The issue of natural disaster resilience touches on all current COAG reform agendas. Given the range of cross-department activities, coupled with the large post-disaster relief and recovery costs to government at both the Australian and state level, a fresh approach to addressing the key challenges of building a more resilient Australia is warranted.

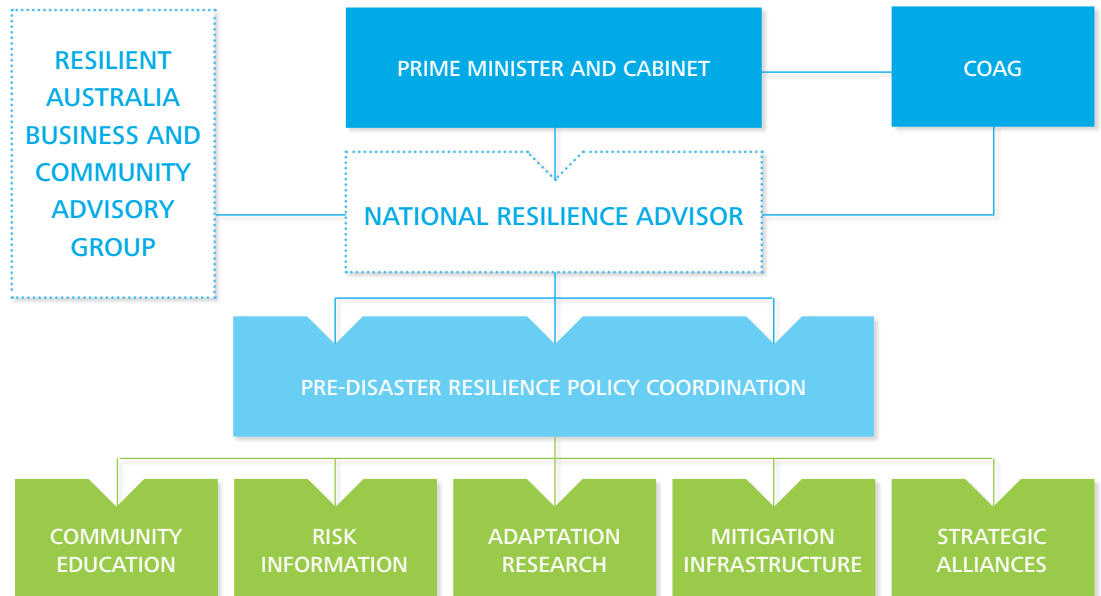
As discussed in Chapter 3, there are clear and agreed roles for government in the area of disaster resilience. Governments should respond to market and regulatory failures that prevent effective and efficient natural disaster risk management. As it stands, many decisions within the community and economy are made with limited awareness of the level of risk and even less knowledge of the effectiveness of available pre-disaster resilience actions. This is made more difficult by a lack of coordination between databases of information on both risk and pre-disaster resilience measures.

It is recommended that the development of resilient and safer communities must be brought together to the **centre of government** as a separate, but connected, policy issue relative to emergency management.

This can be achieved with the establishment of a **National Resilience Advisor** in the Department of Prime Minister and Cabinet to effectively drive the coordination required across government and to deliver faster progress on building a resilient Australia.

This recommendation is illustrated in Figure 5.1 and Figure 5.2 on the following pages.

Figure 5.1: Building a more resilient Australia



PRINCIPLE: CENTRAL GOVERNMENT FOCUS WITH STRONG SUPPORT FROM BUSINESS TO ADDRESS THE COORDINATION CHALLENGE

2 Commit to long term annual consolidated funding for pre-disaster resilience

All levels of government – led by the National Resilience Advisor – should commit to consolidating current outlays on mitigation and to funding a long-term program which significantly boosts investment in mitigation infrastructure and activity.

Critical to this success will be support for the consolidation of existing information and commissioning of additional data where needed. This will assist in the development and implementation of effective local responses by governments, businesses and the community.

3 Identify and prioritise pre-disaster investment in resilience that delivers a positive net impact on future budget outlays

It is also recommended that the fresh policy approach would develop a new set of **programs** that build on, consolidate or coordinate existing activity. While these programs will require upfront funding, they can be designed in such a way that the expected net present value of the overall costs to government will be reduced.

The design and funding of each of these programs should incorporate appropriate **incentives** to engage the relevant stakeholders including state government, local councils, business, communities and individuals.

The current programs and activities across government should be reviewed for effectiveness in driving alignment of incentives. Activities are often most effective and efficient when they are locally driven by motivated and engaged communities, individuals, businesses and local councils, with support from government on appropriate information, research and decision-making tools. The fund should specifically target the hard problems of existing settlements: co-contributions for retrofitting, building levees and enforcing compliance are one means of securing alignment.

Figure 5.2 The coordination challenge – Building a more resilient Australia

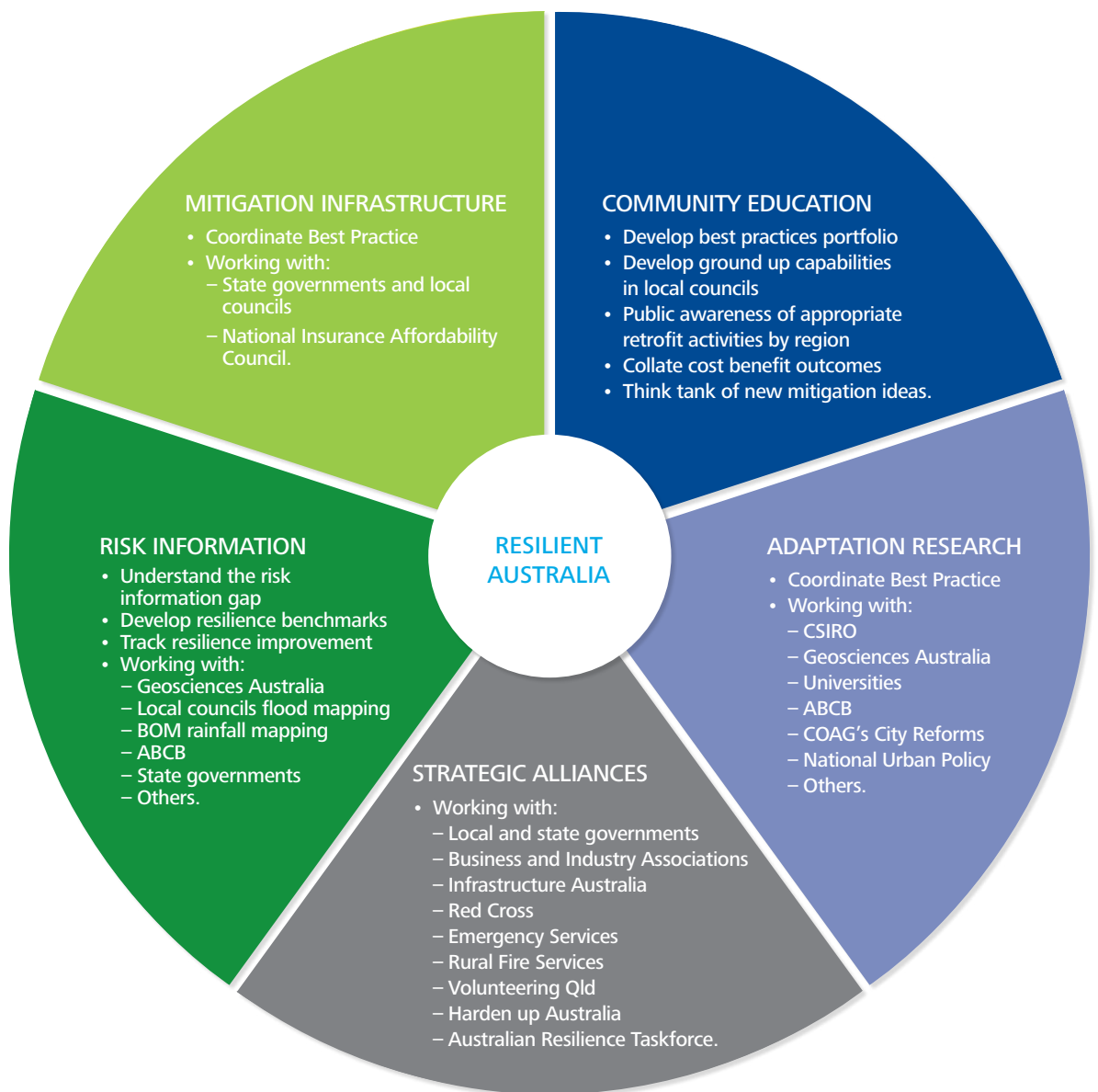


Figure 5.3 Building a more resilient Australia – examples of incentive based programs



As noted in Chapter 4 in the NSW case study, the Local Government Infrastructure Incentive program could assess proposals in a process similar to that currently used by Infrastructure Australia. This results in a competitive prioritisation process to drive best practice pre-disaster resilience. It also serves as a method for collecting and collating information and data to promote and communicate 'best practice' pre-disaster resilience options across the nation. This would be an extension of the recently announced National Insurance Affordability Council approach.

Concluding comments:

The purpose of this paper is to contribute to the national discussion on how Australia might make decisions that help reduce vulnerabilities to natural disaster.

It outlines a new approach to making effective pre-disaster investments across the country. Combining data provided by the Roundtable members with publicly available information has resulted in a greater depth of analysis than has existed before. This demonstrates the value of integrating research and information across business and government for more effective decision making.

The paper demonstrates how the approach recommended can deliver materially reduced economic costs as well as relieving long-term pressures on government budgets. But even more importantly, this would reduce some of the trauma and loss of life that confronts many of our communities all too frequently.

The recommended approach would reduce some of the trauma and loss of life that confronts communities