



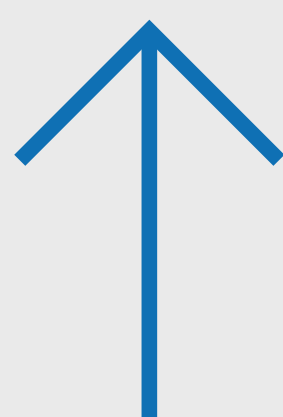
BUILDING RESILIENCE TO NATURAL DISASTERS IN OUR STATES AND TERRITORIES

NATURAL DISASTERS IN AUSTRALIA



The total economic
cost of natural
disasters in Australia
over the 10 years to 2016 averaged
\$18.2 billion per year
equivalent to 1.2% of gross domestic
product

This cost is forecast to grow by



3.4%
per year

By 2038
the costs of natural disasters will
DOUBLE
By 2050
the cost will total around
\$39 billion
per year

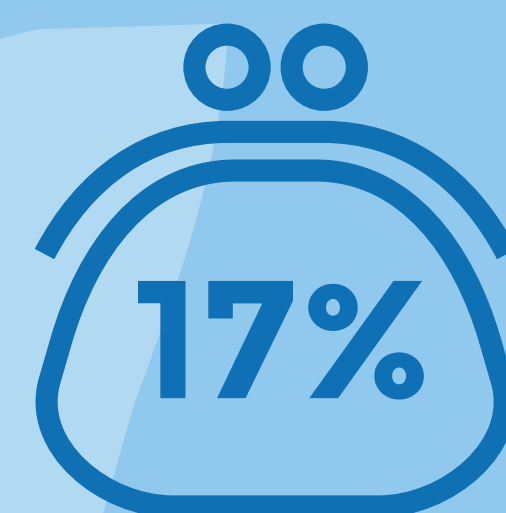
Natural disasters or extreme weather events have impacted more than
9 million Australians in the past **30 years**

NATURAL DISASTERS IN NEW SOUTH WALES (NSW)

In NSW, the total
economic cost of
natural disasters over
the 10 years to 2016
has averaged

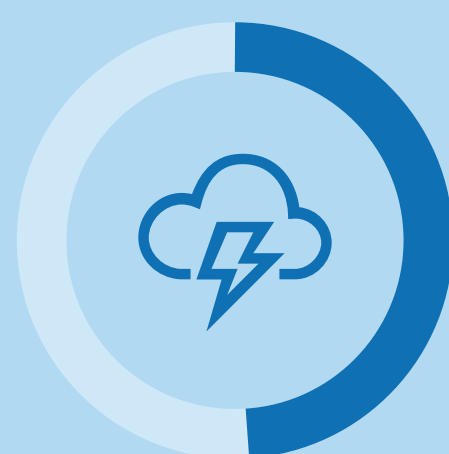
\$3.2bn
per year

This equates
to 17% of the
national cost
over this period

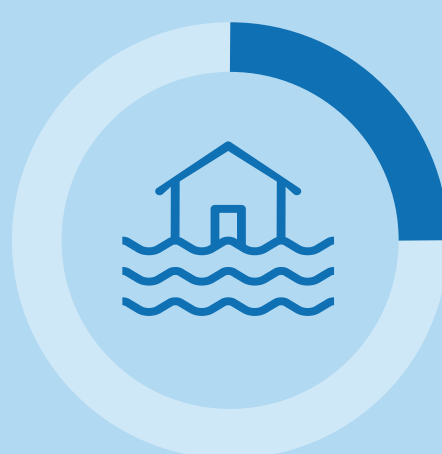


Costs by natural
disaster type

49%
STORM



23%
FLOODING



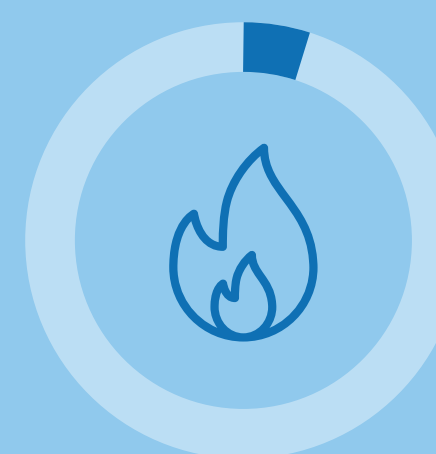
17%
HAIL



7%
CYCLONE



4%
BUSHFIRE



Today, based on 50 years of historical data,
the total economic cost of natural disasters
in **NSW** is estimated to be

\$3.6bn
per year



The cost of natural disasters in NSW
is forecast to reach
\$10.6bn a year by 2050



growing at
3.4%
per year

THE CO-BENEFITS OF RESILIENCE INVESTMENT

In addition to reducing the impact of natural disasters, building resilience delivers additional social and economic benefits.



The first benefit of resilience investment is the **reduction in future natural disaster costs.**

If resilience is higher, losses (and thus costs) are avoided.



The second benefit of resilience investment are **co-benefits that accrue even in the absence of a natural disaster.**

Co-benefits include more reliable services, better business confidence and new job opportunities.

RESILIENCE INVESTMENT IN NSW: CASE STUDIES

WARRAGAMBA



Project:
Dam upgrade

Funding: Not yet funded.

Avoided losses: **\$170 million** (BCR: 1.3)

Co-benefits:

- **Short-term construction jobs**
- **Business and local government investment certainty**
- **Reduced insurance premiums**

WAGGA WAGGA



Project:
North Wagga levee upgrade

Funding: Proposed local, state and federal government contributions.

Avoided losses: **\$8.5 million** (BCR: 2.2)

Co-benefits:

- **Short-term construction jobs**
- **Increased land values**
- **Reduced insurance premiums**
- **Increased business confidence**

MURWILLUMBAH



Project:
Voluntary house purchase

Funding: Local government funds and grants via the NSW Office of Environment and Heritage.

Avoided losses: **\$0.2 million** (BCR: 1.1)

Co-benefits:

- **Short-term construction jobs**
- **Community resilience**
- **Business investment certainty**

BUILDING RESILIENCE TO NATURAL DISASTERS IN OUR STATES AND TERRITORIES

Each state and territory faces different natural hazards. This impacts the total cost of natural disasters in each jurisdiction and which tools will best build and foster resilience.

Current Australian and state government spending on direct disaster recovery is around **\$2.75 billion per year**, compared to funding directly for natural disaster resilience of approximately **\$100 million per year**.

Further investment in disaster resilience is essential to lessen the forecast increase in costs. This investment includes physical measures, such as resilient infrastructure, and community measures, such as preparedness programs.

Beyond funding and emergency management, state and territory governments are responsible for a number of areas where reform can build more resilient communities.

These areas include:



Community awareness



Building controls



Land use planning



Infrastructure



Data collection and provision

RECOMMENDATIONS

To build greater resilience to natural disasters in our states and territories, the Roundtable recommends the following:

1

Embed resilience across all aspects of policy and decision-making

2

Prioritise resilience investments by considering the broader economic and social benefits that result

3

Improve understanding of disaster risks and costs to society

4

Collaborate and coordinate to build resilience and address the long-term costs of natural disasters

THE AUSTRALIAN BUSINESS ROUNDTABLE FOR DISASTER RESILIENCE & SAFER COMMUNITIES

Since 2012, the Roundtable has been working to build a country better equipped to handle Australia's natural disasters and extreme weather events.



For more information, please visit
australianbusinessroundtable.com.au