AUSTRALIAN BUSINESS ROUNDTABLE for Disaster Resilience & Safer Communities

November 2017

BUILDING RESILIENCE TO NATURAL DISASTERS IN OUR STATES AND TERRITORIES

NATURAL DISASTERS IN AUSTRALIA

Natural disasters or extreme weather events have impacted more than

9 million Australians

in the past 30 years

The total economic cost of natural disasters

over the 10 years to 2016 averaged

$18.2 billion per year

equivalent to **1.2% of gross domestic product**

By 2038

the costs of natural disasters will

DOUBLE

By 2050

the cost will total around

$39 billion per year

Ensuring we are optimally prepared for natural disasters is a national challenge that requires business, the not-for-profit sector, communities and all levels of government to develop and deliver solutions

RECOVERY SPENDING BY GOVERNMENTS

Currently, direct recovery spending by governments after natural disasters is around

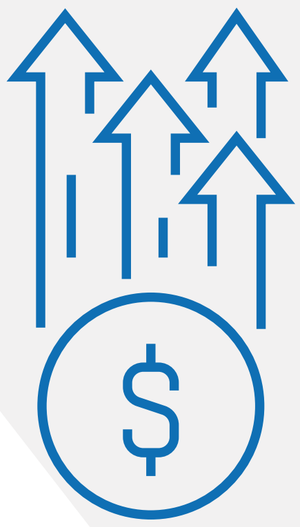
$2.75 billion per year

Direct spending by governments on resilience measures is around

$100 million per year

It is anticipated this direct recovery spending by government could rise to

$3.8 billion per year



Of this, an estimated

$1.6 billion per year

would be borne by state and territory governments

This direct recovery spending does not include emergency response costs or indirect costs to government after a natural disaster. For example, governments may face increased outlays on health and social services after a disaster due to impacts such as short-term unemployment, mental health issues, family violence or chronic disease.

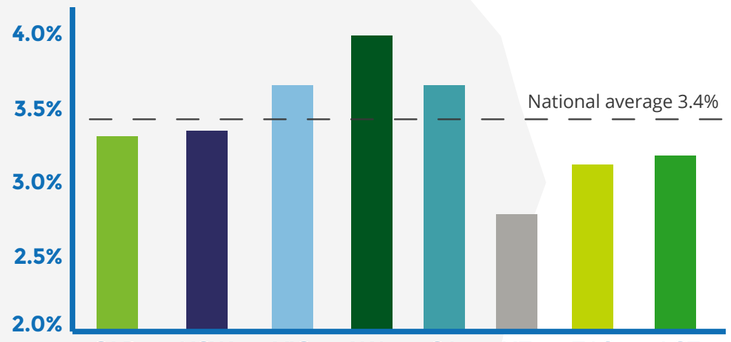
DIFFERENT DISASTER TYPES

In the 10 years to 2016 northern Australia was more susceptible to cyclones and floods. These were less frequent but had a large impact. Bushfires were more damaging in southern Australia.

Beyond funding and emergency management, state and territory governments have several existing levers to further drive resilience

- **Community awareness**
- **Building controls**
- **Land use planning**
- **Infrastructure**
- **Data collection and provision**

The total cost of natural disasters in each state is expected to increase by more than 2.5 times by 2050, after adjusting for inflation



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

THE DOUBLE DIVIDEND OF RESILIENCE INVESTMENT

Investment in disaster resilience yields a double dividend.

First, in the avoided impacts of disasters when they occur.

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

And second, in the broader co-benefits that accrue even in the absence of a disaster.

Co-benefits include:

- **Short-term employment**
- **Regional growth associated with investment**
- **Lower insurance premiums**
- **Improved business and consumer confidence**
- **More reliable services**
- **More connected communities**
- **Higher levels of skills and technical expertise**

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