



AUSTRALIAN BUSINESS ROUNDTABLE
for Disaster Resilience
& Safer Communities

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Senate Finance and Public Administration Committees
PO Box 6100
Parliament House
Canberra ACT 2600

fpa.sen@aph.gov.au

The Australian Business Roundtable for Disaster Resilience & Safer Communities (the Roundtable) welcomes the opportunity to make a submission to the *Emergency Response Fund Bill 2019 and Emergency Response Fund (Consequential Amendments) Bill 2019*.

The Roundtable was formed in December 2012 by business and organisational leaders with a shared vision to ensure that communities across Australia were better able to prepare for, respond to and recover from natural disasters.

Current members, the CEOs of Australian Red Cross, IAG, Munich Re, Optus and Westpac Group, represent a cross section of the Australian economy. Each member organisation of the Roundtable plays a crucial role in community planning or disaster recovery and all have supported customers and communities affected by floods, storms and bushfires.

The Roundtable's primary objective is to make Australian communities safer by improving disaster resilience and climate change preparedness. We do this by expanding knowledge, collaborating and leading by example to help influence decisions made by governments, businesses and communities.

Since its formation, the Roundtable has commissioned five independent research White Papers providing clear evidence of the increasing costs of disasters and specific recommendations that, if implemented, would minimise the devastation and costs of natural disasters and make Australian communities more resilient.

The Roundtable supports disaster recovery efforts, acknowledging that funding is essential for communities to recover and rebuild post disaster. However, our research shows the clear economic and social benefits of also funding disaster mitigation and resilience before a disaster strikes. Allocating funds to help communities both physically and socially mitigate against a disaster aids community recovery, reconstruction and reduces the costs post disaster. A more balanced approach to spending makes economic sense.

The Roundtable's commissioned White Paper (2013) 'Building our Nation's Resilience to Natural Disasters' found that a simple cost-benefit analysis demonstrates how government funds would be saved over the longer term by placing a greater level of investment in pre-disaster resilience measures. The paper demonstrated that carefully targeted resilience investments of \$250 million per annum have the potential to generate budget savings in the order of \$12.2 billion for all levels of government (or \$9.8 billion when looking at the Australian Government budget only). If successfully implemented, it could see Australian and State Government expenditure on natural disaster response fall by more than 50% by 2050.¹

¹ The Australian Business Roundtable for Disaster Resilience & Safer Communities commissioned [Paper](#): Building our nation's resilience to natural disasters (2013), page 21.





The second, or double benefit, comes from the economic or social activity that disaster resilience creates. Building levees, clearing firebreaks, retrofitting homes or raising dam walls clearly has a positive economic benefit, putting money into local communities and creating jobs. These are all benefits that are realised in the present.²

Consistent with the findings and recommendations of the Roundtable, the Productivity Commission's 2015 Natural Disaster Funding Report recommended "an overhaul of the natural disaster funding arrangements in the form of a coherent policy package across recovery and mitigation funding, budget treatment of recovery costs, and accountability requirements for state and local governments."³

The Roundtable's 2017 White Paper found Australian and state government spending on direct recovery from disasters is around \$2.75 billion per year. In contrast, funding natural disaster resilience is only approximately \$100 million per year.⁴

We cannot prevent natural disasters and extreme weather events from occurring, but we can harness the best practice, evidence and experience available to build more resilient and safer communities better able to withstand the extreme and unpredictable forces of nature.

For this reason, the Roundtable recommends the government to consider the Productivity Commission's recommendation (Recommendation 3.5) to increase its funding to the State and Territory Governments for mitigation.⁵

The government is to be commended on the establishment of the National Resilience Taskforce, the subsequent creation of the National Disaster Risk Reduction Framework (the Framework) and contribution to other guidance materials around vulnerability. The Framework provides a robust guide for national, whole-of-society efforts to proactively reduce disaster risk to minimise the loss and suffering caused by disasters.⁶

Enhanced investment is one of four Framework Priority Areas with investment in disaster risk reduction and resilience intended to deliver an outcome of limiting future disaster recovery.⁷ The Roundtable recommends governments at all levels increase funding for mitigation works to make communities safer and more resilient for the long-term.

We suggest funding is allocated to create and fund a program of mitigation activities in Australia in line with the Priority Areas and Strategies of the Framework. These activities should enable communities to build pre-disaster resilience through improvements to the built environment as well as community education and social preparedness. Funding of these activities should be prioritised based on cost-benefit analysis demonstrating a clear positive outcome from any investment, analysis of data sets and key research and information.

The creation and prioritisation of these activities should also be guided by the risk signals coming from the private and not-for-profit sector. The Australian Business Roundtable and its members would

² The Australian Business Roundtable for Disaster Resilience & Safer Communities commissioned [Paper](#): Building resilience to natural disasters in our states and territories (2017), page 30.

³ Productivity Commission [Inquiry Report](#), page 15.

⁴ The Australian Business Roundtable for Disaster Resilience & Safer Communities commissioned [Paper](#): Building resilience to natural disasters in our states and territories (2017), page 30.

⁵ Productivity Commission [Inquiry Report](#), page 39.

⁶ National Disaster Risk Reduction [Framework](#), page 6

⁷ National Disaster Risk Reduction [Framework](#), page 16





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welcome the opportunity to work with the government on the creation and prioritisation of such a program.

The Roundtable would also be pleased to support the government in the development and delivery of any further policy in this area.

Yours sincerely

Shauna Coffey

Manager, Australian Business Roundtable for Disaster Resilience & Safer Communities

