POLICY ANALYSIS ASPI

ASPI AUSTRALIAN STRATEGIC POLICY INSTITUTE

King-hit: preparing for Australia's disaster future

by Anthony Bergin

83

16 June 2011

We should be undertaking national disaster management reform on the scale of previous major economic reforms. That's the recent call from Suncorp, one of the country's largest insurance companies. Its chief executive says a federal inquiry into disaster management should be similar to the Wallis Inquiry that established the framework for Australia's finance sector.

Suncorp argues that we now have a 'once in a lifetime' opportunity to reduce the personal and property risks of Australians living in natural disaster areas: we could 'end up with a patchwork approach to disaster management' unless governments are prepared to reform all the important aspects and not just some.

Suncorp's CEO argues that:

> The only matters that seem to be on the political agenda are flood insurance and the operation of the Wivenhoe Dam. That could hardly be considered a substantial reform of Australia's disaster management or likely to protect the lives of thousands of Australians. During the 1980s Australia's leaders recognised the vulnerability of the Australian economy to the impact of globalisation. Today, Australian communities are equally vulnerable in personal and economic terms to the impact of natural hazards…Australia should have the equivalent of a Wallis Inquiry into natural hazard disaster management because it deserves to be a much higher government reform priority … To protect communities, disaster management needs the type of reform stimulus that can only come from a national inquiry. The current patchwork approach will not do the job.[1]

There are six inquiries into disaster management now underway: into the Queensland floods; the Victorian floods; the Western Australian fires; the inquiry established by the federal assistant Treasurer into disaster insurance; a Senate committee inquiry into the capacity of communication networks and emergency warning systems to deal with emergencies and natural disasters; and a House of Representatives Committee inquiry into the responsiveness of the insurance industry during recent extreme weather events.

Suncorp's call for a federal disaster management inquiry should be supported, but only after these six other inquiries are completed. At that point a federal inquiry could examine the national implications of their findings, as well as to what extent the recommendations of numerous other Australian disaster inquiries over the last decade have in fact been implemented. The Victorian Government's recent report on progress in implementing the 2009 Victorian

Bushfires Royal Commission's recommendations, for example, notes that there's still no policy on fire refuges because there aren't construction standards for community fire refuges.[2]

The cost of this year's disasters to the Commonwealth alone is expected to exceed $5.6 billion. The overall economic losses are billions more. The Australian economy overall contracted in the first quarter at its steepest pace since 1991 after Queensland's floods and Cyclone Yasi disrupted exports. The human costs in terms of lives disrupted and the psycho-social impacts have been enormous.

Principles behind disaster resilience

In February 2011 the Council of Australian Governments released a National Strategy for Disaster Resilience to provide high-level guidance on disaster management to all tiers of government, business and community leaders and the not-for-profit sector.

The Strategy is a good first step to deliver behavioural change: a multifaceted approach involving all levels of government and all other elements of society is required to develop resilience in organisations, individuals and communities. This requires that stakeholders should drive the agenda.

The cost of disasters is borne to a significant extent by the Australian Government. But the Australian Government has very limited ability in its own right to improve resilience. It needs to use a collaborative and consultative approach in an attempt to embed the concept into those organisations that actually have the power to improve resilience.

Of course enhancing resilience is just one national objective: others include economic growth, regional development, sustainable population growth, full employment, affordable housing and integrated land use planning. National disaster resilience thus needs to be balanced against competing requirements.

Six recommendations to implement the National Strategy for Disaster Resilience.

Measure and report on resilience

We should measure and report on community resilience. But we need to recognise that while metrics may be possible for the more tangible aspects of resilience like insurance penetration, it may be harder to develop them for some of the psycho-social dimensions of resilience, such as community empowerment.

We should use disaster funds to 'build back better' following disasters: payments made under our Natural Disaster Relief and Recovery Arrangements should be provided on the condition that new structures are made to be more resilient than the structures they replace.[3]

We should provide a graduated level of disaster recovery effort: more recovery activities should be provided as a community experiences more disasters. This recognises that communities have less capacity to bounce back after successive disasters.

Build ongoing policy support

Governments should aim to spend half of their disaster budgets on prevention and preparation. The Productivity Commission should investigate if the Commonwealth has got value from the billions spent on disaster response and recovery.

Regular audits of government policies and programs are needed to ensure that they aren't undermining community preparedness: if government assistance is too readily available, that will increase the willingness of individuals to expose themselves to the risks of disaster (for instance, by moving to bushfire-prone areas).

The Commonwealth should develop a national resilience report card that rates the success of resilience of organisations, communities and individuals. Declaring an annual national disaster prevention day might be considered.

We should undertake a wide variety of small-scale disaster preparedness pilot programs in collaboration with researchers to ensure the results are measurable and comparable so that evidence-based policy decisions can be made.

Improve mapping, modelling and building codes

We should develop national hazard mapping to produce publicly available datasets and standards for overland and coastal flooding, including storm surges, wind and bushfires.

National guidelines on acceptable modelling methods of flood and other hazards should be developed for use by developers, engineers and government agencies.

There should also be a national sea level rise policy statement developed for use by the jurisdictions that would set out the Australian Government's approach to sea level rise, the risks to property owners from coastal processes and assistance to councils to reduce the risks of coastal hazards.

The policy statement might include sea level planning benchmarks to support consistent consideration of sea level rise in land use planning and coastal investment decision making.

The Australian Building Code should aim to focus on building durability, not just on life safety. Buildings should have durability ratings. Standards and codes need to ensure our built environment is hardened, with home developers incorporating durability features in new houses.

Leverage insurance

Insurance must play a key role in encouraging greater resilience.[4] We need to price insurance to reflect hazard exposure and encourage the uptake of insurance. And we need to provide information to individual policy holders on the risks associated with their property.

This could be done by providing a yearly notice of hazards faced by each premise in their rates notice and ensuring risk caveats on properties are easily located by potential home owners. Real estate agents should include natural hazard information in property profiles. Public information on the risk history of a particular area should be widely available.

Assist local government

Helping local government accelerate the introduction of new land planning regimes that focus on safe development is critical. We need to better resource local government to undertake hazard modelling, on the condition that this information is publically available. Local government will need assistance to encourage re-zoning land downwards: this normally involves compensating people for the loss of value.

We need to address legacy issues around land use planning. This should include a national policy on retreating from hazardous areas to reduce people's exposure to severe risks. It might include helping local government with land swaps and buybacks.

Develop a public communications strategy

Finally, we should develop a national communications campaign to encourage individual and community preparedness. The campaign should provide individuals with sufficient information for them to understand the risks to which they're exposed and encourage people to help themselves.

The campaign could include the creation of risk assessment checklists for property owners to apply in their homes; local councils issuing an annual notice to remind residents of the risks they face and providing guidance on how to manage these risks; and information packages distributed to schools which might discuss basic first aid and disaster management.

A campaign must involve a consistent delivery of information which is reinforced and replicated by all levels of government over the course of a number of years. This may involve a national advertising strategy, but information must be delivered at a local level and involve the discussion of specific local issues.

The campaign should be informed by similar successful local and international efforts, such as the *What's the plan Stan*? campaign in New Zealand. But this is but one of a number of communications initiatives that need to work together if disaster awareness is to be achieved in the 'psyche' of at-risk communities.

Any campaign must be backed by incentives for individuals, communities and businesses that encourage responsible behaviour such as taking out insurance and building more resilient homes.

A campaign must be based on comprehensive research of its various target markets and the factors that shape decisions about risks. Campaign messages would need to be tailored to meet the communication needs of the diverse segments of the Australian community and must tap into the communication mediums that are most likely to influence behaviour, including social networks.

Any campaign(s) should explain that governments won't pay for uninsured losses or provide a fire truck at the end of every street.

Australia is a land of natural disasters. We're good at shrugging off catastrophes and getting on with life. But we'll be king-hit again. As a nation we should do all we can to prepare and recover for the next round.

Endnotes

1 http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9OTU2NjR8Q2hpbGRJRD0tMXxUeXBlPTM=&t=1

2 http://www.premier.vic.gov.au/images/stories/documents/mediareleases/2011/110531_Bushfires_Implementation_Plan.pdf

3 See Douglas Magendanz http://www.abc.net.au/unleashed/43664.html This point was made over a decade ago in a high level report to COAG on natural disasters. See http://www.ema.gov.au/www/emaweb/rwpattach.nsf/VAP/(99292794923AE8E7CBABC6FB71541EE1)~Natural+Disasters+in+Australia+-+Review.pdf/$file/Natural+Disasters+in+Australia+-+Review.pdf

4 For a full treatment of this subject see ASPI's report *Sharing Risk: Financing Australia's disaster resilience* http://www.aspi.org.au/publications/publication_details.aspx?ContentID=280&pubtype=-1

About the author

Dr Anthony Bergin is the Director of Research Programs at ASPI. He has published widely on homeland security and resilience issues, including previous ASPI reports examining the impacts of climate change on the ADF, emergency services and Australia's law enforcement community. He served on the ASPI Blue Ribbon Task Force that examined the role of Australian business in disaster management.

Anthony is the joint author of *Taking a punch: Building a more resilient Australia*, http://www.aspi.org.au/publications/publication_details.aspx?ContentID=165; *Hardening Australia: Climate change and national disaster resilience*, http://www.aspi.org.au/publications/publication_details.aspx?ContentID=221; *Sharing risk: Financing Australia's disaster resilience* http://www.aspi.org.au/publications/publication_details.aspx?ContentID=280&pubtype=-1; *Critical foundations: Australia's infrastructure and national resilience,* http://www.aspi.org.au/publications/publication_details.aspx?ContentID=278&pubtype=-1.

About Policy Analysis

Generally written by ASPI experts, **POLICY ANALYSIS** is provided online to give readers timely, insightful opinion pieces on current strategic issues, with clear policy recommendations when appropriate. They reflect the personal views of the author and do not in any way express or reflect the views of the Australian Government or represent the formal position of ASPI on any particular issue.

ASPI
Tel + 61 2 6270 5100
Fax + 61 2 6273 9566
Email enquiries@aspi.org.au
Web www.aspi.org.au