

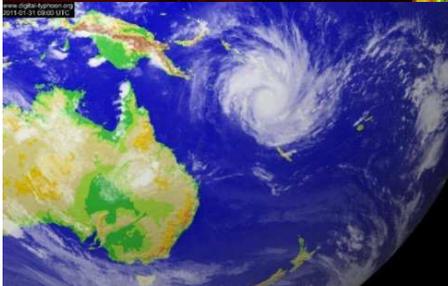
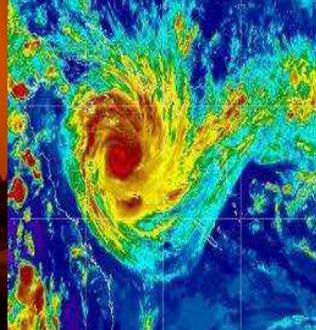


Australian Government
Department of Home Affairs

National Resilience Taskforce

Resilience and the role of business, finance and government

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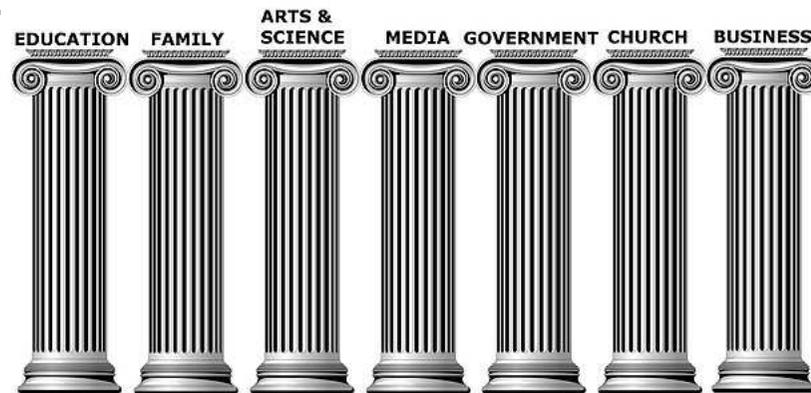
Role of the Taskforce

- Lead the development of a national, five year, disaster risk reduction framework (the framework) with governments, NGO's, the Finance/Business/Private Sector and others.
- Progress the development of a Disaster Risk Information Services Platform (DRISP).
- Provide advice to government on how existing funds for disaster risk reduction and resilience can be used to support implementation of the framework.
- Lead and position portfolio-wide engagement and policy contributions on matters relating to change in climate.
- Establish across the Commonwealth strategies for how nationally significant existing risks can be sustainably reduced; and nationally significant future risks can be sustainably prevented, or minimised; through policy development and implementation.
- Work with the Infrastructure and Project Financing Agency, relevant Commonwealth Departments, relevant sectors, and States and Territories to pursue targeted investment in high priority upgrades to vulnerable infrastructure.



The Sectors in this Room Hold Significant Influence

The Business, finance and insurance sectors, as **fundamental pillars of society**, and in partnership with Governments, have significant influence, exercised through active leadership, in how the future is shaped and the extent to which that future is both sustainable and resilient to the complex array of future challenges.



A Shared Ethical Premise

- We are all obligated to uphold the **public trust** and **confidence** placed in our institutions by the communities that we create, build, serve, support and protect.
- We are also obligated to do all that we can to **reduce the suffering** that arises from adversities that impact on these communities.
- **Resilience is not only an emergency management issue.** Disaster and climate risk exists in the complex global systems that we all rely on for our prosperity and our way of life – including banking, finance, insurance, infrastructure (telecommunications, energy, water etc.)
- By reducing risk in these systems, we can **limit the adverse impacts** to which we – governments, business, institutions and communities - must be resilient and by so doing, reduce the potential for harm and suffering.



Setting the Context

- Australia has one of the strongest and most stable banking, superannuation and financial services industries in the world.
- Challenges include unprecedented population (36m by 2050), demographic (aging/multicultural), technological (AI) and changing climate.
- Infrastructure is due to increase by 60% to manage challenges.
- Annual cost of natural disasters is currently \$9bn p.a (0.6% GDP) and is due to reach \$33bn p.a by 2050 (Australian Business Roundtable).
- To be prosperous now and in future, society must be resilient to the impacts of these changes.
- Sustainability and resilience are inextricable concepts. Whether in reference to the economy, financial system, environment or other sectors, a system cannot be sustainable unless it is resilient.
- We are also observing a shift in private sector disclosure of climate related risks, driven by industry acceptance of guidance on financial disclosure best practice and investor demand.
- A new opportunity to work in a public/private partnership to tackle these complexities is emerging.
- Risk is a product of three things: hazard, exposure and vulnerability (IPCC, UNISDR)
- Resilience can be viewed as: economic development; social capital; information & communication; community competence; and acknowledged value and values (Norris et al, 2008; Tschakert 2017).

Disasters are not Natural

Disasters are not natural. They are a product of the intersection of three things:

- Firstly, our collective decisions and investments in where, when, how and why we place ourselves, along with those things that are most valuable to us, upon the landscape.
- Secondly, the extent to which the forces arising from earth, wind, fire and water impact upon ourselves and those things that we value.
- Thirdly, the extent to which we, and those things that we value, are vulnerable



Liberation of Knowledge

- Knowledge needs to be liberated from whomever holds information about the potentiality of our natural and built environments and their intersection with the climate and the atmosphere: for current context; out to 2050; and beyond.
- The future-casting of climate and disaster risk will be critical in informing future investments for both sustainability and resilience as well as informing our anticipated histories: what we value; what we are prepared to lose; and what we are not prepared to lose.
- Value capture should always consider both commensurable and incommensurable values as these are inseparable to humanity.



Resilience

- A prosperous society requires a sustainable **and** resilient economy.
- The ability for people to exercise their own resilience is contingent upon a vibrant, equitable, sustainable and resilient economy that:
 - supports people's ability to exercise their own free will, independence and choice in how they navigate their way through adverse experiences brought about by disasters.
 - Protects and supports those who are genuinely vulnerable.
 - Acknowledges and supports both commensurable and incommensurable values.
- This is a central agency policy issue for all levels of government in partnership with the Private Sector.
- Without that sustainable and resilient economic underpinning, resilience of the community is almost impossible to achieve in real terms.
- A resilient economy is one that fully appreciates the potentiality of the effects of climate and disaster risk on investments, financing and insurance, and invests in both sustainability and risk reduction.

Developing a Sustainable and Resilient Finance Roadmap

1. Disaster and climate risk exist within and impact upon global systems. Therefore, they need to be considered in all existing and future investment decisions if we are to create both a prosperous now and a prosperous future.
2. The investment decisions we make need to consider what is valuable (commensurable and incommensurable), what is it we are prepared to lose, and perhaps more importantly, what is it we are not prepared to lose. Therefore, we should always ensure that future forecasting, incorporating climate and disaster risk, appropriately considers these factors in any investment decisions.
3. Climate and disaster risk information needs to be appropriately liberated from wherever it may be held, both in the public interest, and in the interests of investments that support sustainable and resilient economies
4. Genuine partnerships with Government at all levels are essential in achieving these objectives



Thankyou!
Questions/ comments?

