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REMOVING DISASTER BARRIERS THROUGH POLICY REFORM

ABOUT THIS PROJECT

This project, which is transitioning to utilisation, is part of the Bushfire and Natural Hazard CRC's *Governance and institutional knowledge* research cluster.

AUTHORS

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SUMMARY

Building community resilience to natural disasters is a complex challenge that spans many policy areas. This project tackled it by delivering policy options that could help governments and emergency services to strengthen resilience in communities. The analysis has identified barriers to community resilience and potential policy solutions that could be factored into the preparation, response and post-event phases of emergency management.

The study's three research themes revealed significant tensions in the shared responsibilities between governments exercising power and community



▲ **Above:** THE RESEARCH IDENTIFIED WHY PRICING BUSHFIRE RISK IS NOT AN ATTRACTIVE OPTION FOR THE INSURANCE INDUSTRY, EVEN THOUGH IT IS THE INSURERS THAT ARE EXPOSED TO RISK OF FINANCIAL LOSS THROUGH BUSHFIRES. PHOTO: DAVID BRUCE, BUSHFIRE AND NATURAL HAZARDS CRC

empowerment; between the conflicting needs of insurers and their clients; and within traditional models of post-disaster inquiries. For the latter theme, it is proposed that restorative practices as a powerful alternative to adversarial post-event inquiries is trialled.

Having identified these inherent tensions across the three themes,

policies are proposed that could resolve or ease them or, in the case of disaster insurance, highlight the need to develop better models. Ultimately, findings from this study could contribute to making community resilience a priority within all policy making, in the context of disaster management.

BACKGROUND

The National Strategy for Disaster Resilience was released by the Council of Australian Governments in February 2011. It called for shared responsibility and resilient communities, but the impact of government policy on achieving those goals was unclear and unknown. This project and associated PhD projects by Caroline Wenger and Sue Hunt sought to fill these knowledge gaps and point to policy reforms that would support community resilience in dealing with emergencies.

BUSHFIRE AND NATURAL HAZARDS CRC RESEARCH

There were three themes to this project.

- What is 'community' and how can governments share responsibility with both communities and individuals?
- How can insurers play a more active role in communicating risk and encouraging hazard mitigation?
- Is there a better process or institution for effective lesson sharing after natural hazard events?

RESEARCH FINDINGS

What is 'community' and how can governments share responsibility with both communities and individuals?

The National Strategy for Disaster Resilience was analysed, which had the stated aim of 'Building the resilience of our nation to disasters'. This high-level policy statement prescribes or implies shared emergency responsibilities to different sections of the 'community'. The 'community' is defined by the Strategy as 'communities of place' within which exist multiple and diverse



▲ **Above:** THE STUDY UNCOVERED POLICY DIFFICULTIES AROUND SHARING RESPONSIBILITY FOR DISASTER MANAGEMENT BETWEEN THE GOVERNMENT AND INDIVIDUALS. PHOTO: MICHAEL DAWES (CC BY-NC 2.0).

'communities of interest'. For the purposes of this theme, the researchers focused on the different actors within a community of place, such as households and individuals, private businesses, infrastructure operators, government agencies and community organisations.

The analysis clarified the types of societal actors and the responsibilities that they have. For example, the Strategy outlines four broad responsibilities for individuals on the preparation and response phases of a disaster.

These are:

1. Understanding their risks and adequately preparing for them
2. Becoming actively involved in their local community disaster preparedness
3. Acting on relevant advice received from government and other community sources; and
4. Assuming responsibility for vulnerable household members (including pets and livestock).

The analysis also outlined the range of potential policy options that could enforce these responsibilities, which includes education and training, financial incentives and disincentives, and legislation, among others. The analysis also revealed a significant tension in the existing policy

END-USER STATEMENT

Creating sound emergency management policy in government remains an iterative process in all Australian jurisdictions. This project has demonstrated that translating public policy into readily identifiable and measurable community resilience outcomes presents a range of challenges. Among the tools that contribute to resilience are those driven by the private sector, such as insurance, and the inquisitorial processes employed post-event. This research has underlined some misconceptions, such as the minor extent to which insurance loss from bushfire is significant in an actuarial sense, while pointing to the problems of implementing highly theoretical approaches on the ground in local communities. The findings in relation to the restorative justice approach is indicative of a need for further innovation and research in this context.

– **John Schauble, Director EM Resilience, Emergency Management Victoria**

between the role of government agencies as central coordinating authorities in disaster management and the vaguer emphasis on community and individual empowerment.

To achieve disaster resilience, community actors must be aware of and able to accept the various responsibilities that the Strategy assigns them. This is why community empowerment and capacity building are also emphasised. However, they are also more vaguely defined. By clearly articulating community actors' responsibilities, the analysis underlines tensions and contradictions that can arise.

One such tension is the capacity of community actors to fulfil their responsibility

to prepare for disasters that may require substantial physical modifications to a property. This often leaves renters with relatively little direct power to act as they rely on their landlords to ensure disaster preparedness. Conflicts can also arise between the need of emergency services to be in control of disaster response, and businesses wanting to maintain or resume normal activities (one of their stated responsibilities). This is regularly illustrated in post-bushfires when affected areas are closed to ensure public safety, while local farmers wish to enter as soon as possible to take care of affected livestock. Solutions to these tensions exist and are



▲ **Above:** THIS RESEARCH SUGGESTS THE TRIALLING OF RESTORATIVE PRACTICES INSTEAD OF POST-EVENT INQUIRIES, SUCH AS THE INQUIRY AFTER THE 2011 QUEENSLAND FLOODS. PHOTO: ANGUS VEITCH (CC BY-NC 2.0)

best implemented in the preparation phase of disaster management, which is why the Strategy focuses on collaboration and partnership between emergency services and community actors.

The general policy trend to promote community empowerment while maintaining government control over disaster management is consistent with many other countries, making the project's analysis of 'community responsibilities' and their policy implications internationally relevant.

How can insurers play a more active role in communicating risk and encouraging hazard mitigation?

Two key arguments were identified and analysed: that insurance price does and should reflect bushfire risk, and that insurance price signals might encourage those seeking insurance against bushfire losses to mitigate their bushfire risk. The research identified why pricing bushfire risk is not an attractive option for the insurance industry, even though it is the insurers that are exposed to risk of financial loss through bushfires. Individual risk assessment of properties would be prohibitively expensive for insurance companies to countenance given that house loss by bushfires, even after catastrophic events, does not represent a major cost to the industry. Other natural hazards – flood, cyclone and hail – are much more costly and are considered in

finer detail by Australian insurers.

Alternative tools were identified that could be incorporated into insurance to encourage risk mitigation, such as the adoption of a 'no claim bonus', providing rebates for mitigation measures, asking relevant questions and relying on the homeowner's duty to reply with 'utmost good faith' to bind the owner to those answers, and external certification of homes and risk mitigation. However, these have their limitations and costs, for example a 'no claim bonus' scheme, such as that used in motor vehicle insurance, may reflect risk when there is a recurring activity, such as driving, but will be less accurate when the risk is damage from a rare but catastrophic event. A rebate scheme may reward property owners for investing in mitigation such as water tanks, pumps and sprinklers, but does not guarantee that they are actually installed and ready for use. Asking relevant questions may give risk information about a property, but actually calculating different premiums to reflect risk may cost more than the benefit to insurers. Finally, private certification would no doubt lead to an industry of certifiers. A 'qualified inspector' would see an incentive to provide the cheapest and fastest fire-risk assessment. There would also be pressure to certify that a home is more fire ready than it actually is. Insurers would find it difficult to verify the quality of fire-risk assessment and they may inadvertently undercharge policyholders. Such a process most closely equates to an individual risk assessment by

the insurer, but does not avoid the costs and problems associated with calculating individual premiums.

This research demonstrates to policy makers and individuals in fire-prone areas that insurance price should not be relied upon as an effective tool for communicating risk, or for encouraging risk mitigation by individuals, in particular with regard to bushfire risk. While insurers may allow premiums to reflect risk on a landscape level, individual risk is too expensive and complex to quantify. Communicating the message for individual, property-level mitigation will require other policy responses.

Is there a better process or institution for effective lesson sharing after natural hazard events?

In earlier research, Eburn and Dovers have argued that alternatives to quasi-judicial inquiries after significant natural hazard events should be explored if the Australian community is to learn from catastrophic events without destroying the good will of the emergency services and, more importantly, their volunteers. Their ongoing research has critiqued the adversarial processes used in inquiries. Restorative practices have been identified as a better, alternative way of conducting reviews. A discussion paper on this theme, Learning for emergency services, looking for a new approach, will be finalised in late 2017.

This research recommends the adoption



▲ **Above:** THIS PROJECT HAS DEMONSTRATED THAT TRANSLATING PUBLIC POLICY INTO READILY IDENTIFIABLE AND MEASURABLE COMMUNITY RESILIENCE OUTCOMES PRESENTS A RANGE OF CHALLENGES. PHOTO: NSW STATE EMERGENCY SERVICE.

of restorative practices, which may assist inquiries. This would allow all the parties to resolve collectively how to deal with the aftermath of the disaster and its implications for the future. This could focus on both short and long-term community recovery.

Moving to a new, community-based model of post-event learning will take leadership and confidence from the emergency management community, but it may be a way to learn more, without sacrificing the goodwill of responders.

HOW COULD THE RESEARCH BE USED?

The research could be applied in various contexts, including the selection of appropriate policy choices to encourage communities to share responsibility for emergency management with government.

It could also help agencies to be better informed about how policy options can be tailored to encourage or facilitate desired outcomes.

Australia could trial restorative practices for post-disaster events by starting locally, such as for internal inquiries into accidents and near misses. If the system is effective and fosters learning without harm, then the practice could be applied to larger inquiries involving the emergency agencies and broader community interests.

FUTURE DIRECTIONS

This project's significant further outputs are expected to include further work on disaster justice, promoting the concept of restorative practices in post-disaster inquiries.

It is proposed that a symposium take

FURTHER READING

Dovers S (2017), Emergency management and policy: research impact and utilisation, research proceedings from the AFAC17 powered by INTERSCHUTZ conference, Sydney, September 2017.

Eburn M and Dovers S (2017), Reviewing high-risk and high-consequence decisions: finding a safer way, *Australian Journal of Emergency Management* **32**(4) pp 24-27.

Eburn M (2016), The International Law of Wildfires in *Research Handbook on Disasters and International Law*, Edward Elgar (eds) Susan C Breau and Katja LH Samuel.

Eburn M and Dovers S (2016) Learning for emergency services, looking for a new approach, Discussion Paper, Bushfire and Natural Hazards CRC.

Lukasiewicz A, Dovers S, Eburn M (2017), Shared responsibility: the who, what and how, *Environmental Hazards*, <http://dx.doi.org/10.1080/17477891.2017.1298510>

McDonald F, Eburn M, Smith E (2016), Legal and Ethical Aspects of Disaster Management in *Disaster Health Management: A Primer for Students and Practitioners*, Routledge (eds) Gerry FitzGerald, Mike Tarrant, Peter Aitken and Marie Fredriksen.

place in 2018 to discuss findings from theme three, looking at restorative practices for emergency management in Australia as a more effective way to sharing lessons after an event. This symposium would involve key people from emergency management agencies across Australia, those who have conducted emergency management inquiries in Australia, as well as international experts. The symposium would share findings from the project and consider if restorative practices could be used in Australian emergency management inquiries.

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Hazard Notes are prepared from available research at the time of publication to encourage discussion and debate. The contents of *Hazard Notes* do not necessarily represent the views, policies, practises or positions of any of the individual agencies or organisations who are stakeholders of the Bushfire and Natural Hazards CRC.

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