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INSTITUTE

Helping regions impacted by natural disaster to recover and renew

REGIONAL POLICY BRIEFING, OCTOBER 2013

Helping regions impacted by natural disaster to recover and renew

Key Message

Understanding and prioritizing the economic recovery process is essential to optimising outcomes for communities in regional Australia affected by natural disaster

Key Points

- Helping businesses reopen as quickly as possible after a disaster is essential to minimise population displacement.
- Economic recovery is essential to community recovery and should be prioritised from the initial phases of recovery.
- Recovery planning should consider how the disaster has shifted economic opportunities for a town, including the role of disaster resources.
- Poorly planned Government and private relief efforts can cause more harm than good in the long run.

Policy Implications

The economic and business components of the disaster recovery process are often misunderstood, leading to poor outcomes for the affected community.

Natural disaster recovery policy needs to reflect recovery processes and the individual needs of each community in order to achieve improved outcomes. This requires policy that recognises the integral role that early economic recovery, and in particular local business recovery, has to overall community recovery, as well as establishing baseline community resilience and vulnerability indicators.

In many instances, the recovery period extends well beyond two years and can be up to 25 years depending on the magnitude of the disaster and the community's vulnerability. Unsuitable government and private intervention can also undermine the long term recovery process. Intervention should therefore be location specific and coordinated between sectors. Future policy should consider these issues to improve long-term outcomes.

Minimising population displacement, reducing the stigma produced by the media, and controlling the influx of free goods and services are all measures which can enable businesses to reestablish themselves and to demonstrate confidence in the local economy for future growth and reinvestment. Often it is the indirect impacts of recovery efforts that have the greatest impact, rather than direct assistance via loans or grants.

If the full dynamics and extent of the recovery process remains unrecognised, disaster recovery efforts will continue to yield poor medium and long term outcomes. This not only affects the long-term autonomy of the community and its local economy but presents poor outcomes for the significant resource expenditure and efforts of government.

POLICY ISSUE

The economic aspects of natural disaster recovery in regional Australia

ABOUT THE RESEARCH

'From Disaster to Renewal' examines how the disaster recovery process can be improved by exploring the recovery experiences of four Australian communities in Victoria and Queensland and those experiences found within literature. The full report is available via www.regionalaustralia.org.au

Context

Natural disasters are an increasingly common occurrence in Australia and worldwide. Government spending in Australia on recovery efforts has averaged \$6.3billion per annum over the last decade. With extreme weather events fast becoming the norm it is critical that the recovery process is fully understood and, where funding is necessary, it is strategically invested to achieve the optimum long term outcome for the affected community.

Under the joint Commonwealth-State Natural Disaster Relief and Recovery Arrangements (NDRRA), assistance is provided to alleviate the financial burden on states and territories. It also supports the provision of urgent financial assistance to disaster affected communities. Under the NDRRA the Commonwealth will provide up to 75 per cent of the assistance available to individuals and communities. The NDRRA's framework defines four (4) categories eligible for funding through the arrangement. These measures are;

- Individual assistance for personal hardship;
- Restoration of public asset, small business and primary producer loans, primary producer and transport freight subsidies;
- Community recovery packages which include grants to small business and primary producers; and
- Exceptional circumstance assistance at the discretion of the Minister.

The state or territory Government determines which areas receive NDRRA assistance and what assistance is available to individuals and communities. Other funding is also made available to affected individuals and to projects targeted at pre-disaster resilience measures.

In the event of a natural disaster, other non-government organisations also become involved in the recovery process. This ranges from the allocation of goods and monetary donations, running shelters to rebuilding. The coordination of these efforts is often performed in isolation from prescriptive policy or guidelines.

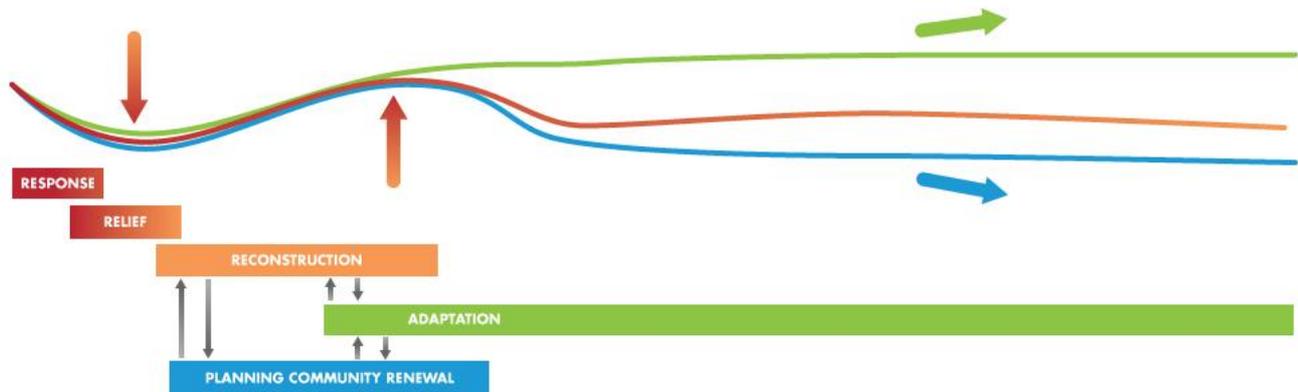
Findings

From Recovery to Renewal draws on case studies in four communities – Cardwell (QLD), Carisbrook (VIC), Marysville (VIC) and Emerald (QLD) - and finds that while some aspects of the immediate recovery phase are generally well coordinated, there are many other social and economic issues at play which are often overlooked.

Recovery efforts in the past have focused heavily on social and infrastructure recovery. Residents in Carisbrook, Emerald and Cardwell expressed the need for efforts to be more focused on local business and economic recovery, and minimising population displacement. All of which were found to have a much greater bearing on overall recovery. Not recognising their importance can constrain and even counter economic recovery in the long term.

Although recovery efforts lasted up to two years, in Marysville and Cardwell recovery periods were expected to be up to 25 years. Failure to realise the differing recovery timelines leads to poor outcomes for the community when outsider efforts are withdrawn and just the shell of the community remains.

All case study communities expressed the need for infrastructure investment to be strategically targeted for each individual community that looks for future opportunities for the community rather than just replacing the old. Further, short term influx of workers in the reconstruction phase can bolster the local economy in the short term and mask the long term problems.



As seen in Figure 1, the influx of workers and aid in the initial recovery phase bolsters and inflates the local economy so that a recovery mirage seems evident. This mirage however, masks the (in many instances) weakening economic dynamics of the community which is only truly evident once intervention and spending has been withdrawn. As in the case of Marysville, what remains is a fragile local economy with much of its economic substance eroded through population displacement, low business confidence and a stigma attached to the community which attracts pity and spectators.

The role of the media in the recovery process is also examined in the report. In Marysville and Cardwell the excessive focus on the extent of destruction in the towns was found to drive post-disaster stigma; the perception among the wider community that the towns have been wiped off the map. Re-establishment of draw-cards in the area were considered essential to expediting recovery and combatting stigma.

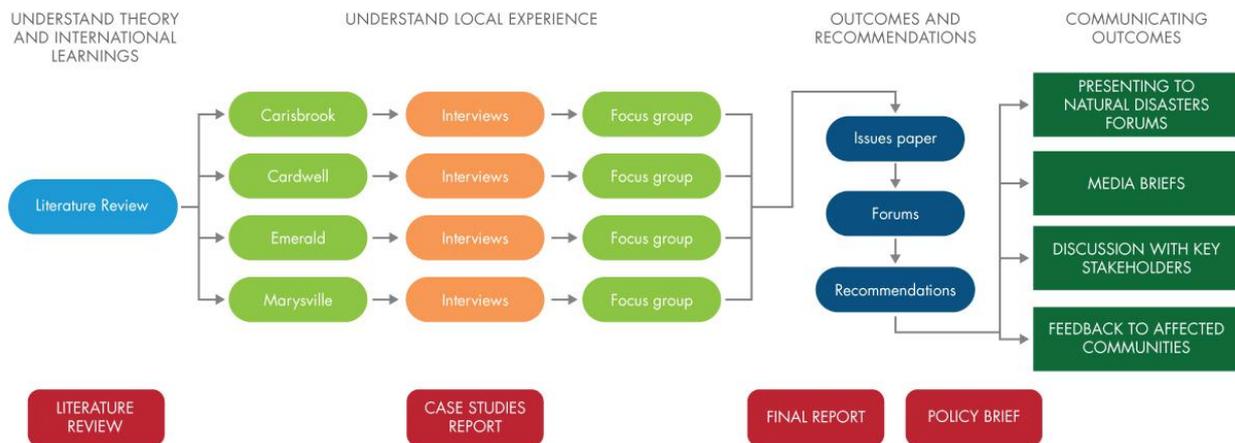
The key challenge facing governments, NGOs, local communities and other stakeholders in disaster management is recognising the importance of economic recovery, the inevitability of a new normal, the long recovery trajectories and the impact of well-intended efforts. More detailed, comprehensive and locally contextualised planning that is attentive to community diversity is required to improve outcomes.

Research Approach

The Regional Australia Institute (RAI) commissioned Griffith University to undertake a series of case studies examining the economic recovery of regional communities following natural disasters as well as findings from overseas research. The objective of the project was to critically review current economic recovery practices in Australia and propose ways in which the recovery process could be improved.

Four case studies were undertaken to inform the critical review:

- Cardwell after Tropical Cyclone Yasi in February 2011;
- Carisbrook after the 2011 flash floods;
- Emerald after the 2010-11 floods; and
- Marysville after the February 2009 “Black Saturday” Bushfires.



The case studies were developed using extensive interviews with residents, ranging from community leaders, business owners, long-term residents and government officials as seen in Figure 2. Their stories constitute the lived experience of post-disaster recovery in regional Australia.

Separately, a review of international literature about post-disaster business recovery was undertaken to identify key themes and learnings from overseas experiences. As the research progressed, it became apparent that there is noticeable convergence between the challenges repeatedly identified in the literature and the lived experience of case study participants.

This provided strong primary and secondary evidence as to the findings of the research, highlighting the need to reassess the recovery efforts of all stakeholders.

Contacts and Further Information

To discuss this policy briefing or to find out more about RAI's research agenda please contact us at info@regionalaustralia.org.au.

Further information can be found at www.regionalaustralia.org.au

Disclaimer

This briefing translates and analyses findings of research to enable an informed public discussion of regional issues in Australia. It is intended to assist people to think about their perspectives, assumptions and understanding of regional issues.

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About the Regional Australia Institute

Independent and informed by both research and ongoing dialogue with the community, the Regional Australia Institute develops policy and advocates for change to build a stronger economy and better quality of life in regional Australia – for the benefit of all Australians. The Regional Australia Institute was established with support from the Australian Government.