

adrc 25

Australian Disaster
Resilience Conference

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26 – 28 AUGUST 2025
Perth, Western Australia

Q&A | Slido.com | #ADRC25



The Power of Connection: Quantifying Social Capital's Role in Disaster Resilience and Recovery

Presenters:

Dr Aaron Nicholas (*Deakin University*)

Bridget Tehan (*Australian Red Cross*)



Australian Red Cross
acknowledges the
Traditional Owners
of this land, their
ancestors and Elders,
past and present.



Our ability to connect is what makes us human.

At Australian Red Cross, we work to bring communities together, fostering a sense of purpose and belonging through programs and services that nurture, empower and unite.



Social capital and Australian Red Cross

Social capital: Connections, reciprocity, and trust among individuals and groups within a community

Strong social capital can lead to greater community preparedness, faster recovery from disasters, and a stronger sense of belonging and collective action

For almost 20 years social capital has been a crucial element of our Emergency Services Programs



Social capital before, during and after disaster





What is social capital's true value, and how can we harness it to build more resilient communities?

Deloitte Access Economics



The economic cost of the
social impact of natural disasters

Australian Business Roundtable
for Disaster Resilience & Safer Communities

Deloitte



The hidden power of community:
Unveiling social capital's role in
Australia's disaster resilience

Chief Investigators: Mehmet Ulubasoglu,
Hemant Pullabhotla, Lan Tong, Aaron Nicholas.

Centre for Disaster Resilience and Recovery,
Deakin Business School for Australian Red Cross.





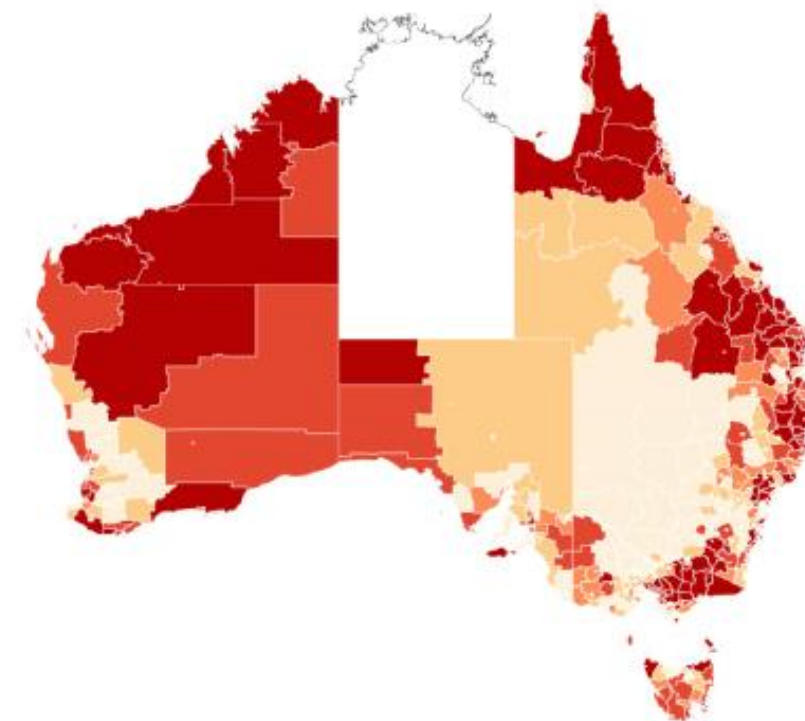
Social capital may improve disaster resilience

- **Bonding social capital**: within-group links (e.g. family and friends).
- **Bridging social capital**: across-group links (e.g. migrants with locals).
- **Linking social capital**: individual links to leaders or institutions.



First large-scale Australia-wide attempt

- **Data:** *Household Income and Labour Dynamics in Australia* (HILDA)
 - tracks 17,000 households from 2001 to 2019.
- Combined with: exposure to each bushfire in their vicinity, spanning the entire country from 2001 to 2019.



Share (%) of SA2 burned (mean 2001 - 2019)

0 0.10 0.25 0.50 >1 to 12%

Figure 6. Average share of burnt area in SA-2s in the sample period



Social capital measure

- Captures (bonding and bridging) social capital at a community level and is available across 2001-2019.

Table 1: Survey question used to construct social capital measure

“To what extent do you agree or disagree with the following statements about your neighbourhood?”

- (a) This is a close-knit neighbourhood
 - (b) People around here are willing to help their neighbours
 - (c) People in this neighbourhood can be trusted
 - (d) People in this neighbourhood generally do not get along with each other
 - (e) People in this neighbourhood generally do not share the same value”
-



Outcome indicators

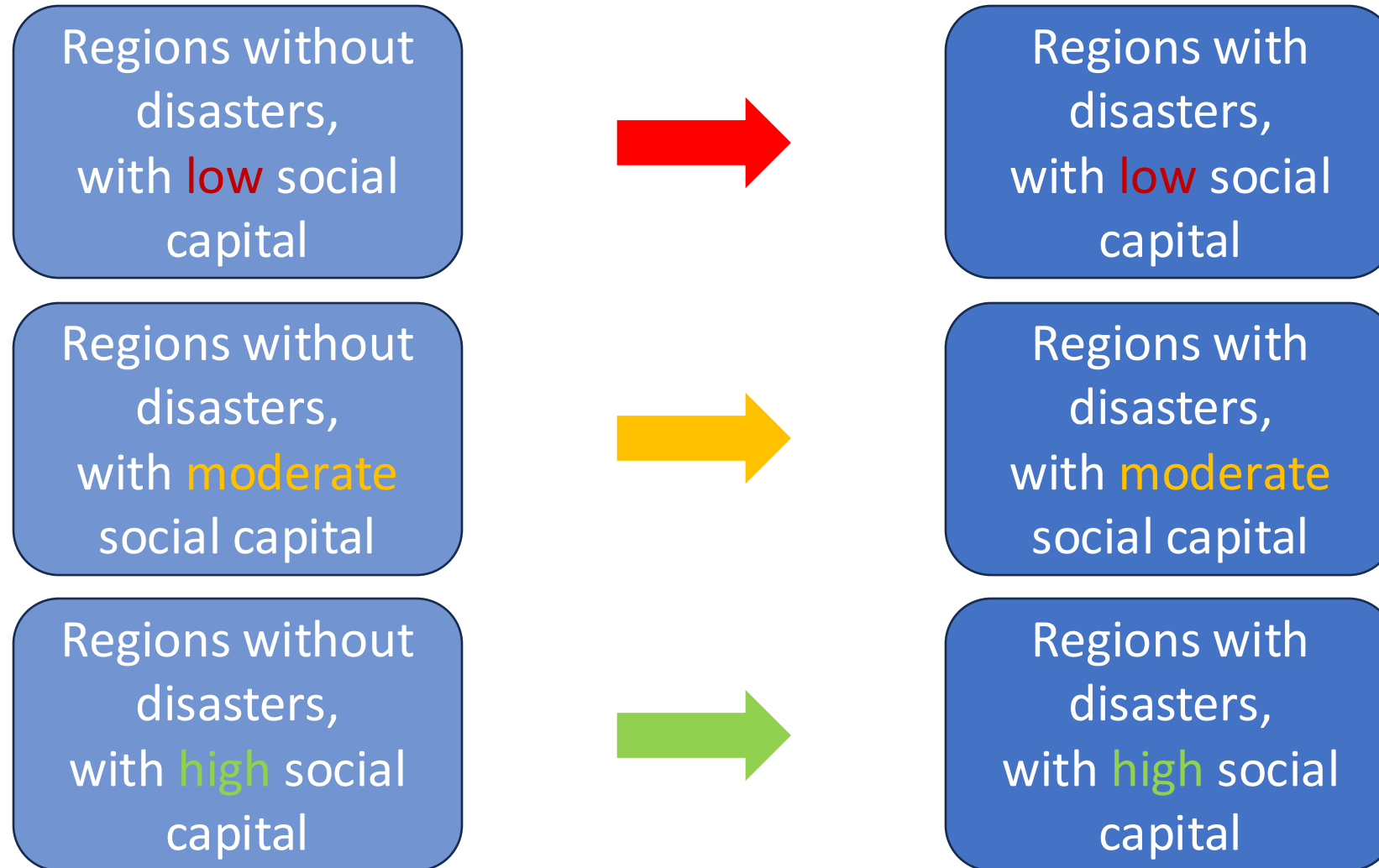
- 1) Life satisfaction (index of 8 items)
- 2) Mental health (SF-36)
- 3) Income (gross total annual income)



Regions without
disasters,
with **low** social
capital

Regions without
disasters,
with **moderate**
social capital

Regions without
disasters,
with **high** social
capital





On average ...

... bushfires had no statistically significant negative effect on either life satisfaction, mental health or annual income.



Regions without
disasters,
with **low** social
capital



Regions with
disasters,
with **low** social
capital

Negative impacts for some
groups.

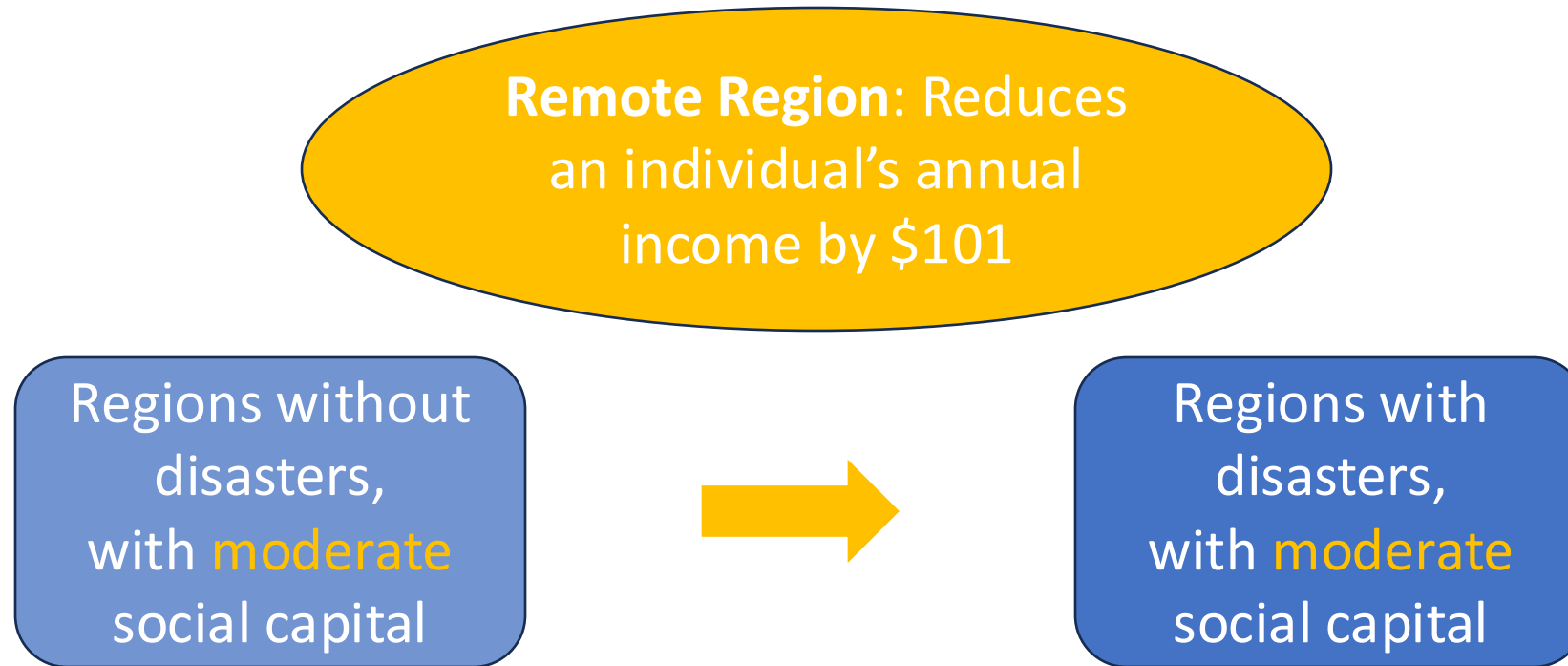


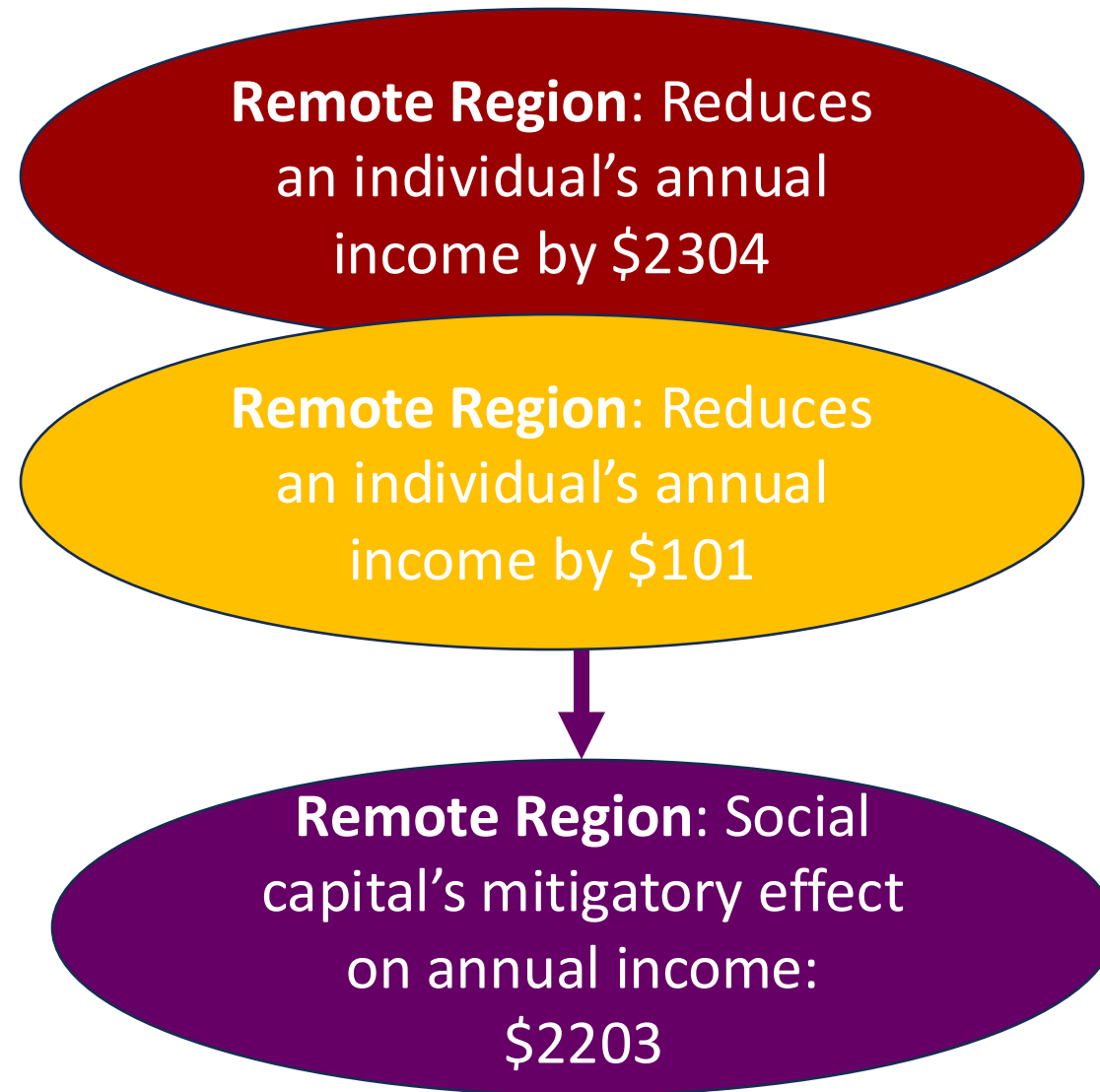
Regions without
disasters,
with **low** social
capital



Regions with
disasters,
with **low** social
capital

Remote Region: Reduces
an individual's annual
income by \$2304







Remote Region:
Mitigatory effect
on annual income:
\$2203

Remote Region:
Mitigatory effect on
life satisfaction:
?

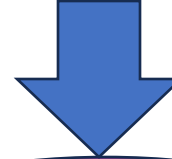
Remote Region:
Mitigatory effect on
mental health:
?



Remote Region:
Mitigatory effect
on annual income:
\$2203

Remote Region:
Mitigatory effect on
life satisfaction:
?

Remote Region:
Mitigatory effect on
mental health:
?



Equivalent to
receiving \$3808 in
windfall Income




Equivalent to
receiving \$5940 in
windfall Income




Remote Region:
Mitigatory effect
on annual income:
\$2203

Remote Region:
Mitigatory effect on
life satisfaction:
?

Remote Region:
Mitigatory effect on
mental health:
?



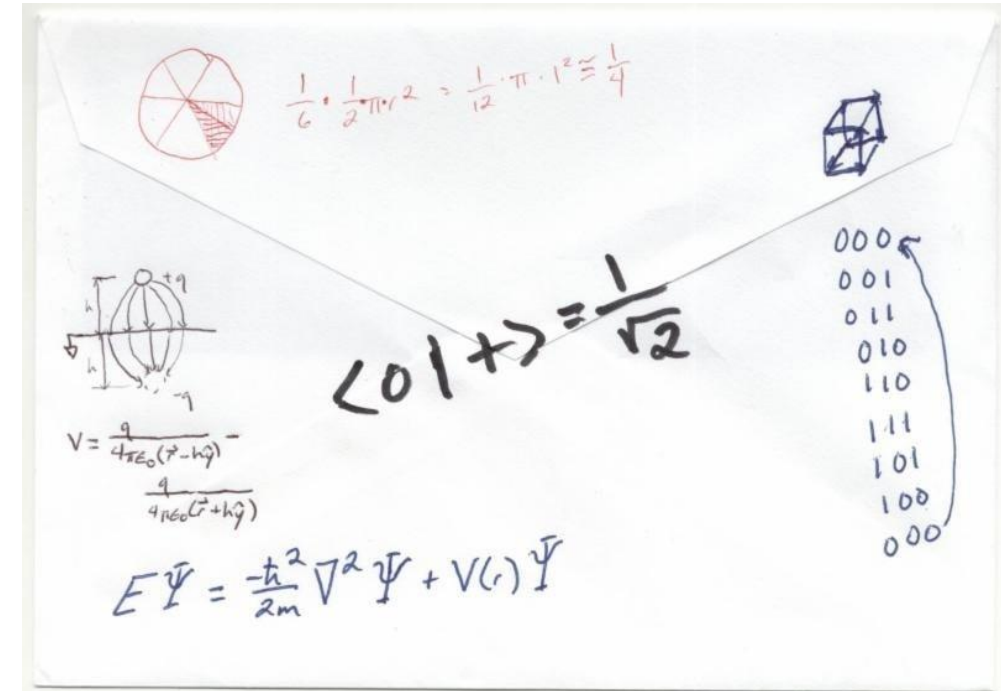
Equivalent to
receiving \$3808
*unexpected
compensatory cash
transfer*



Equivalent to
receiving \$5940
*unexpected
compensatory cash
transfer*



- Average size of the population in a remote community within our sample= 6,770
- Using annual **income** loss mitigated= \$15 million
- Using **life satisfaction** loss mitigated= \$25 million (*equivalent to the community being transferred this amount*)





**Age>66: Social
capital's mitigatory
effect on life
satisfaction:**



Equivalent to
receiving \$396
*unexpected
compensatory cash
transfer*

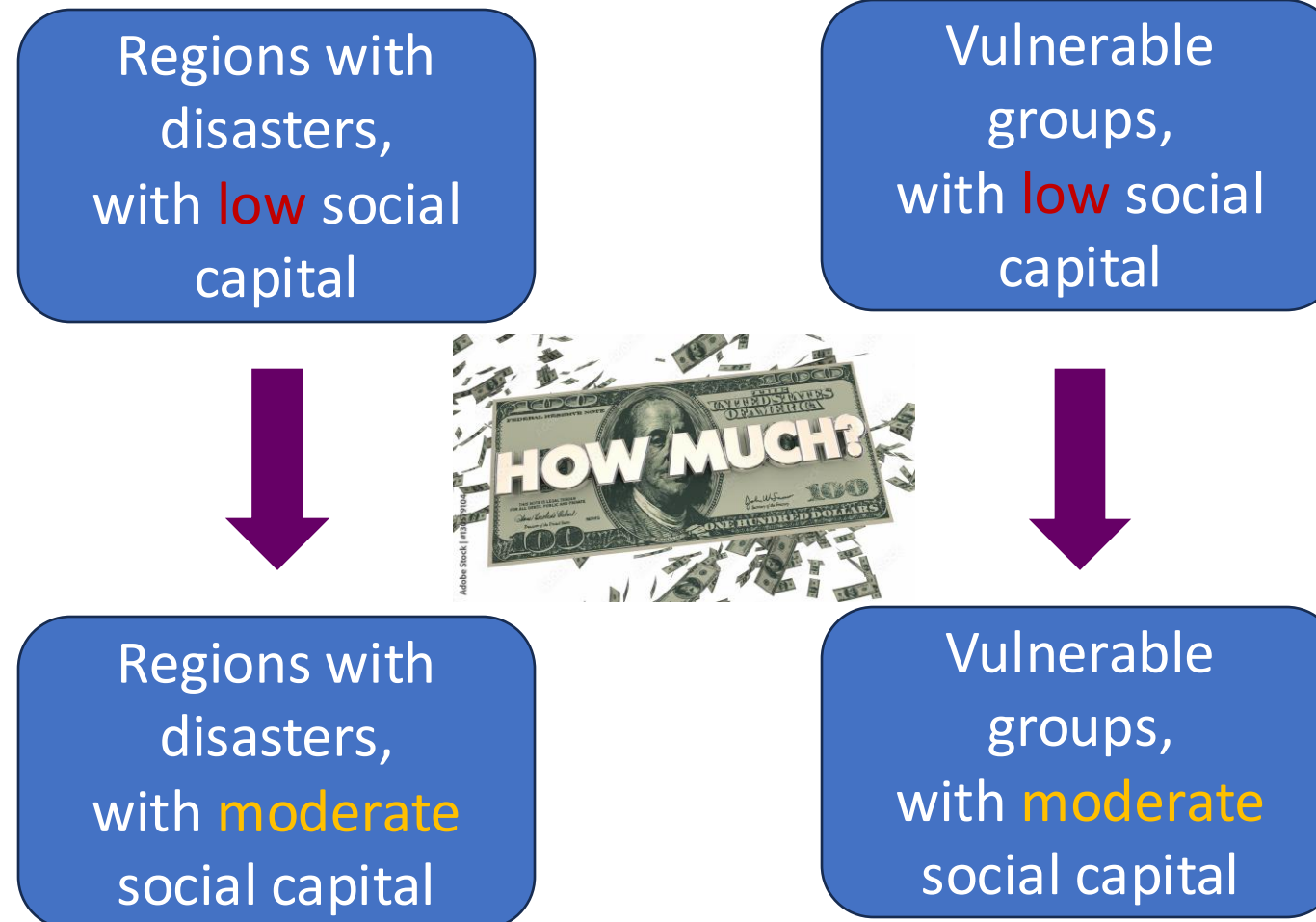
**Marginally attached
to the labour force:
Social capital's
mitigatory effect on
life satisfaction:**



Equivalent to
receiving \$276
*unexpected
compensatory cash
transfer*



Missing piece of the puzzle





The hidden power of community: Unveiling social capital's role in Australia's disaster resilience

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