



"I hope the tragedy of the past few months is our generation's Port Arthur moment."

Paul Bassat, co-founder of Seek

"A crisis is a terrible thing to waste."

Paul Romer (Nobel laureate)

In eastern Australia it's been hard to think of anything else this summer but "the fires". Since bushfires broke out across south-east Queensland and northern NSW in the first week of September, eastern Australia has been shrouded in smoke. This is no "Black Friday", "Ash Wednesday" or "Black Saturday". Even "Black Summer" fails to reflect the magnitude of these fires, as they have already burned through the whole of spring. More than 107,000 square kilometres (an area about the size of Scotland and Wales combined) has been burnt so far this fire season.

The financial cost of these fires will be enormous - the loss of life, of property, of business, of livestock, of farm infrastructure¹, the health effects of smoke, fireys dragged away from their business or their employment for months on end. Every person and every business will now pay higher insurance premiums. This is as much a real cost as the cost of electricity or a new tax. Whilst there is a cost to taking action on climate change, such as putting a price on carbon, there is also a very large one, which will certainly compound over time, of **not** taking action.

Whilst some businesses will be driven to the wall by these fires, most of those affected will survive, possibly with government assistance. Houses will be rebuilt, fences replaced, vines replanted, herds of cattle and flocks of sheep restocked. This reconstruction will be recorded in the national accounts as a positive contribution to GDP. Ironically, despite the fact we are in no ways better off than we were before the fires, and in so many ways much worse off, this may actually delay the recession Australia had seemed destined to have.

But the cost of these fires cannot be measured in dollars alone. More than a billion animals have been killed, whilst much of the habitat of those remaining has been destroyed. This land will revegetate over time and the wildlife may eventually recover. But this will happen over decades, not years. And of course nothing can erase the loss of life, the enduring injuries, the grief of those who lost loved ones, or the trauma of those who survived these infernos.

My only hope is that this fire crisis can prove to be a tipping point on a number of levels including climate action, care of country, emergency response and disaster management.

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¹ Fires wiped out a third of the vines growing in the Adelaide Hills.