

The Deloitte Center for Crisis Management

Front Lines Interview with Graeme Newton

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When cyclones and flooding in 2010 and 2011 led to broad disaster declarations in the Australian state of Queensland, responsibility for the US\$9.9 billion recovery fell on the shoulders of Queensland Reconstruction Authority (QRA) chief executive Graeme Newton. What began as a temporary assignment became a four-year mission shaping and leading a permanent body.

In 2014, Newton joined Deloitte as leader of its Australian Crisis Management practice and as the Australian and Southeast Asian leader of Deloitte's global Center for Crisis Management. As an advisor to many of the region's largest client organizations—and as a member of the World Bank's Global Facility for Disaster Reduction and Recovery group—Newton champions a view of crisis management that focuses on mission awareness, organization, and the measurable value of preparedness.

In January 2011, you were appointed chief executive of the newly formed Queensland Reconstruction Authority. What were those first days like?

Newton: This was a sequence of multiple events over an area about twice the size of Texas. In the span of 24 hours, I went from a senior government role, as someone who was observing and participating, to being the person responsible for dealing with it all. And I think that's a pretty small fraternity, even globally. There are plenty of people who have been involved in crises, but there's a very small list of people who have actually borne the responsibility for recovery.

Of course, people who had suffered damage to their own homes and businesses were out working to clean up. But we also had what become known as the "Mud Army"—people from all over Queensland who pitched in wherever help was needed. I remember the sight of this mass of people going out with buckets and shovels. And it hit me in that moment the magnitude of what I was involved with.

This effort that involved so many people, so many communities, and so many billions of dollars—it all began with a single sheet of A3 paper. That's where I sketched out my plan on the first day. That's where I started. From that point, I didn't have a day off for about six months.

What were the early turning points that shaped the experience?

Newton: As we surveyed the damage from the floods and began to map out a path back, it became evident the normal process of recovery wouldn't be enough. Then, less than a week later, we got hit by a Category 5 cyclone. That's the point when I realized: I don't know what the full scope of this job is going to be. It started out as a big one and it just got bigger.

Over the years to come, I would spend plenty of time getting dirty. But at the start of my new role, the challenge wasn't physical. It was organizational. I had to set up a working structure, and I hit the phones recruiting people from around government. Every head of a general department willingly gave me their best people.

It wasn't long before politics made the task even more multidimensional. I think in any crisis situation, there's a grace period during which everyone just says, "whatever you need, I'll do it." That lasted for a period of time, and I got great support from our state premier, the military, and a number of CEOs. But you can't suspend the rules forever, especially not with so much money moving about so quickly. We had to rewrite the rules of governance to keep the financial side flowing. As much as I wanted to focus on the ground, I also had to manage up.

Does that grace period mean that it's actually easier in some ways to manage people in crisis than it is before or after?

Newton: Certainly. The self-effacing, get-it-done spirit you see during a crisis isn't there during periods of normalcy. It's hard to get the internal regime in any organization to think ahead. Unfortunately, I had early opportunities to put that lesson to work, because there were repeat floods and new cyclones in each of the three subsequent years.

What we found was that the grace period or "amnesty" lasted for about three to six weeks after a disaster struck. During that period, you can make significant advances. So I learned from that, and decided, "Let's put a couple of things in the starter's blocks." Let's know ahead of time what we want to ask for.

Looking back, what were some of the moments of accomplishment?

Newton: One of the communities hardest hit was Grantham [a town about 60 miles west of Brisbane]. When the flash floods hit, there were many houses washed away, and 12 people were killed. I knew the 12-month milestone after the floods hit was going to be significant. So we decided to move the town, up a nearby hill and out of the floodplain.

The best part was that the local council and community were central to the plan. This was an emotional step, to abandon the physical space that had defined the town for more than 150 years. And it was a touchy process to assign new parcels of land fairly. We wanted to have the first people in their new homes by Christmas. And it happened. That's one of those moments when you just go phew!

Beyond the overall fact of having been the man in charge, are there specific lessons from the QRA experience that guide your work with Deloitte clients today?

Newton: People will tell me, "A financial crisis is very different from a cyclone," or "A cyber-breach isn't the same as a river flooding its banks." But it isn't as different as they think. It's a denial of your ability to function. You need to plan ahead so you can restore the function that crisis takes away.

You really need to start with the end in mind, because the distractions will pile up quickly, and you're forced to make spur-of-the moment decisions almost constantly. What you learn is that there's no such thing as a wrong decision—except for making no decision.

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For example, people who needed our help had to talk to different people about everything – one person for eligibility, one person for engineering, and so forth. I said: Split Queensland into nine areas and appoint a single liaison officer for each region. That was the best decision I made, I think, and it was one I made on the spot. It allowed our reach to get much closer to the ground and it gave me a direct line of communication.

You've said you focused on strategy and building the team, and tried to leave the technical field work to the experts. But you must have some stories from the field.

Newton: On one occasion, I had to visit a site in a two-seater helicopter. Every time the pilot would let go of the collective control to read his map, we'd lose altitude. So he asked me, "Can you take hold of the collective, or can you read the map for me?" Being an ex-infantry officer, I said, "you do what you're good at, and I'll do what I'm good at." So I chose the map. There are two lessons there: First of all, be willing to do whatever it takes. But don't over-reach what you're capable of.

Now that some time has passed, what's your view of your time leading the QRA? What lessons did you take away?

Newton: The QRA is now a permanent body. But when it was under the greatest stress, at the beginning, it was all very ad hoc. That really brings home to me the lesson of building in capabilities before you need them.

The experience also reinforced the importance of mission focus. When you step back, the nature of what has affected you is almost irrelevant. Something has disrupted your ability to carry out your objectives. So you need to ask: What is my objective? For a corporation, it might be to get back into business. For a hospital it might be to get its doors back open. In our case after the floods, it was to get Queensland's economy running again. The cause is one thing, but it's the consequence you want to focus on. Those are the terms in which you define recovery and resiliency.

How does that perspective inform your work on behalf of clients today?

Newton: No matter what the industry they're in, clients want to know how to prepare and structure for future crises. What the QRA days taught me is to ask the right questions: What does success look like? What is the mission you need to sustain and re-establish after some outside force disrupts it?

To answer those questions you need inputs from people and technology. You need objective information and subjective advice. What a lot of people forget is that you also need to address governance—because in a crisis, the everyday rules don't apply.

Whatever organizations need to weather a crisis, we have the people and the experience ready to go. Whether it's forensics or financial or whatever the situation requires, our organization can provide that. So I can say: Here's someone with technology experience. Here's a manufacturing person. Here's a finance person. And I can plug them right in, then go on focusing my energy on strategic support. It's a suite of resources I certainly would have like to have had back in 2011.

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