

BCA

Business Council of Australia

Submission to the Inquiry into Australia's Disaster Resilience

February 2023

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1. About this submission

This is the Business Council of Australia's submission to the Senate Select Committee on the Inquiry into Australia's Disaster Resilience.

The Business Council represents Australia's largest employers. Our members touch the lives of all Australians, through the jobs, goods, and services they provide. Businesses, big and small, are the backbone of Australian communities.

The devastating bushfires in 2019-2020 led Business Council members to respond with a sense of urgency; and BizRebuild was born as a result.

BizRebuild, established by the Business Council of Australia through the Community Rebuilding Trust, managed by Equity Trustees, provides targeted and timely support to small businesses impacted by natural disasters. More frequent and intense natural disasters mean the role of charities, like BizRebuild, will only increase.

The impetus for BizRebuild providing a submission to this Inquiry is largely driven by recurring issues each time a natural disaster occurs. We strongly believe a solution to these issues is possible, and will only have positive impacts, not only for BizRebuild, but other disaster-related charities across Australia.

Triggered by a disaster, the BCA would like to see:

- greater coordination with government and NGOs
- direct assistance with easing immediate cash flow – eg, waive or delay debts for affected small and local businesses and speed up payments
- immediate help for businesses with a **Disaster Recovery Payment**
- access to a **disaster wage subsidy**
- **engagement with a low-documentation cash grant scheme – like BizRebuild**

At the forefront, the primary issue BizRebuild has had to contend with is poor central coordination during the emergency and the recovery phases of natural disasters. Similarly, it is difficult to obtain accurate, reliable, and timely information about the impact to small businesses when a disaster occurs.

The Committee would also be aware the National Emergency Management Agency (NEMA) was established in September 2022. This submission contends NEMA should take a greater role in the coordination of disaster-relief charities, as well as the dissemination of data to these charities during the emergency and recovery-phases of a natural disaster.

It is worth noting since the Business Council's submission to the Royal Commission into National Natural Disaster Arrangements in 2020, various key recommendations suggested are still contemporary and have not yet been addressed. This committee would also be aware that there have been inquiries and reviews in relation to natural disaster resilience and response at the state level in recent years.

This submission will focus on Terms of Reference (a)iv and (b)i.

2. BizRebuild at a glance

Following the bushfires in 2019-2020, BizRebuild was established to ensure targeted and timely assistance to small businesses affected by natural disasters. BizRebuild is all about big business giving to small businesses by providing practical, on-the-ground assistance. It's vital that local businesses get back on their feet so their communities can recover, rebuild, and come back stronger than before.

BizRebuild's role is unique in Australia because no other organisation has been set up to fill this gap in the nation's disaster and recovery response. BizRebuild is a permanent feature of the Business Council's engagement with the broader community and is designed to be ramped up quickly to respond immediately to future disasters and continue providing assistance all the way through to recovery. BizRebuild is part of the Community Rebuilding Initiative, which has a charitable trust focused on rebuilding communities with Deductible Gift Recipient status; BizRebuild is the only charity that can donate to small businesses in Australia.

Since its inception, BizRebuild has donated over \$8 million to small businesses and communities affected by natural disasters. In 2022 alone, following the unprecedented flood events in New South Wales and Queensland, BizRebuild provided around \$2.5 million worth of grants to more than 1,500 small businesses across more than 50 Local Government Areas (LGAs).

BizRebuild focuses on a 'light touch' approach in disaster-affected communities, relying on building important relationships at a federal, state, and local council level as key liaisons with impacted businesses on the ground.

3. Key Points

3.1 Poor coordination can lead to delayed assistance and duplication

Centralised coordination during a natural disaster is essential in rolling out BizRebuild quickly, effectively and in a targeted manner. Forging close working relationships with various disaster-related organisations, agencies and government bodies is essential for the dissemination and success of BizRebuild.

This committee would be aware that each state and territory has its own government agencies, non-government agencies, business chambers, and charities who are all trying to help communities and people affected by natural disasters. Effective coordination between all these levels is fundamental for charities, such as BizRebuild, to be rolled out successfully.

In times of acute crises, Australians and the business community are generous and want to assist. However, without proper and effective coordination, in-kind contributions can lead to unnecessary duplications, and money raised and grants available can be wasted. For BizRebuild to be effective, assistance must get to where it is most needed as quickly and targeted as possible for money raised to do the most good.

3.2 The nature of floods makes it harder to ascertain the level of impact to small businesses quickly

As the Committee would be aware, Australia has been severely impacted by flood over the last few years, rather than bushfires. Unlike bushfires and cyclones which can spread and move through communities rapidly, the nature of a flood event means it can take weeks to ascertain the level of impact to small businesses. BizRebuild has consistently found accurate, reliable, and real-time information and data can be difficult to access, which is also compounded by the lack of central coordination as previously discussed.

Assessing the level of impact to small business is critical for BizRebuild to understand the funds needed to donate, and in turn, the level of fundraising possibly required to meet this need.

3.3 'Grant fatigue' has become a common issue following natural disasters and COVID-19

Following consecutive years of natural disasters, coupled with COVID-19, BizRebuild has found there is a pervasive sense of 'grant fatigue' among small business communities. We have been told anecdotally that business owners have had difficulty navigating the various forms and applications across governments and community services.

Similarly, government agencies and chambers of commerce across Australia have relayed that small business owners are overwhelmed at the prospect of applying for more grants. They have found other grant applications – whether for natural disasters or COVID-19 – confusing, time consuming, slow to be paid out, and not worth the red tape or paperwork. This has led to some small businesses not applying for BizRebuild at all, or not fully completing an application, despite their need for assistance and the ease of the BizRebuild application process.

3.4 The importance of business and business activity

Throughout BizRebuild's work since 2020, it has continually been reinforced that business is the glue that holds local communities together. When businesses are destroyed or severely damaged, communities risk losing people; population and skills, and activity dissipates.

Disaster relief during the emergency phase must focus on shelter and safety, but we have seen firsthand the importance of ensuring local economies can recover during the recovery phase. Commerce is critical to restoring vibrancy and life to a region, and business must continue to be included as a core focus of future recoveries.

3.5 Cash flow is king

During a natural disaster, it's clear individuals and businesses need access to cash flow quickly and efficiently, whether from government or charities. This need did not dissipate once the disaster phase moved into the recovery phase. Without timely funds coming in, businesses can not pay for essentials to help get back on their feet.

4. Key recommendations

4.1 Better coordination

The principal challenge when attempting to respond quickly to a natural disaster is central coordination. At present, when a natural disaster occurs, it is incumbent on BizRebuild to internally try to access key contacts in the affected state or territory. Better architecture linking charities, non-government entities and government entities would enable BizRebuild to work more effectively to obtain information about impact, and to ensure affected small businesses are getting timely assistance.

We recommend the utilisation of NEMA, who acts as the central point of coordination for charities in the event of a natural disaster. Having a permanent body and better coordination will enable BizRebuild to be put on autopilot when a disaster occurs, and in turn, scale up and down when required.

We also recommend the establishment of a network of disaster management and recovery key contact lists with roles and responsibilities in each state and territory. These key contacts can be approached directly through BizRebuild and other relevant charities when a disaster occurs, if necessary.

Further, regular briefings specifically for charities during the emergency and recovery phases of a natural disaster would also be welcome.

4.2 *Easier access to accurate information and data*

Better information and data sharing between key agencies, government, and charities would be welcome. It can be difficult, convoluted and often require discussions with numerous stakeholders to obtain data on the extent of the impact to businesses when a natural disaster occurs (i.e. how many businesses have been affected due to a natural disaster).

Better information sharing is particularly important for charities requiring a fast fundraising response, as accurate data enables us to better set and meet our fundraising goals, and as a result, be able to help as many people and businesses as possible.

We suggest this information sharing could possibly be achieved through NEMA, or the Australian Tax Office.

4.3 *More face-to-face grant application form assistance to help alleviate 'grant fatigue'*

It would be beneficial if more teams of well-trained government or charitable personnel could be available for face-to-face help in the recovery phase of a disaster. They would ideally be knowledgeable of assistance across all levels – federal, state, local, and charitable. They would help people with forms and advice. Some of this help was offered in some recovery centres, but it is not a standard practice.

We believe this would help alleviate 'grant fatigue' following more frequent natural disasters and COVID-19.

4.3 *Better coordination between charities*

In order to eliminate duplication and assist donations reach the right people and businesses, more coordination between charities would be welcome to ensure there isn't a double-up of the assistance being provided. This means charities can focus on their core business and what they're best at doing.

Similarly, we recommend better communication between charities – whether through disaster-related charity roundtables, or a disaster agency like NEMA coordinating and directing charities.

We strongly believe better coordination between charities of programs and assistance available to people affected by natural disasters could assist with 'grant fatigue,' as well as help to eliminate duplication of the same type of grant or assistance. This will also help to ensure assistance is directed efficiently, effectively, in a targeted way, and donations are less likely to be wasted.

4.4 *Assistance with immediate cash flow*

The BCA's experience in delivering support following natural disasters has highlighted the immediate problem of cash flow for businesses and communities. For example, the BCA encouraged all business to waive or delay debts for affected small and local businesses and speed up payments to help with cash flow.

There is a role for National Cabinet to develop an assistance package that will immediately come into effect following a natural disaster. This will ensure businesses and communities are aware of the urgent relief available – and can access it quickly. Too much time can be lost developing and implementing this immediate response to disasters. We also believe this package will enable BizRebuild to be able to better operate on 'autopilot' when a disaster occurs.

This package should include:

- The **Disaster Recovery Payment**, which would come into effect immediately once a disaster has been declared and the payment would be time limited. The payment should not impact access to JobSeeker.

- A **disaster wage subsidy scheme** (similar to JobKeeper) to help small- and medium-sized businesses stay open and retain workers immediately after a natural disaster. This would come into effect immediately once a disaster has been declared and the payment would be time limited.
- A **low-documentation cash grant scheme** for all businesses whose revenues have been significantly affected by a disaster.

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