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Your Reference

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Telephone Enquiries

Response to the
**PARLIAMENTARY JOINT SELECT COMMITTEE ON
THE AUSTRALIA FUND ESTABLISHMENT**

From

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Murrindindi
Shire Council

Background

During my time as Economic Development Manager with Murrindindi Shire Council over the past 10 years, our organisation and our local communities have had to contend with numerous bushfires, floods, storms and blue green algae blooms (on Lake Eildon). Murrindindi Shire was the hardest hit municipality by the 2009 Black Saturday Bushfire disaster. Our local communities - including our business community - have had to become very resilient and responsive to change.

Post Black Saturday I was responsible for operating two relief centres and subsequently working with many others to support our affected communities to recover and move forward. The immediate needs related to personal/familial relief and recovery. As time passed commercial/business recovery began to come into sharper focus. It became clear however, that despite the fact that community recovery and business recovery were inextricably linked, there was a significant amount of funding support available (mainly through the Victorian Bushfire Appeal Fund) to individuals and families but far less available to businesses. Often in regional and rural settings, the community leaders are also the business leaders.

What could the Australia Fund support?

General business support - Business Recovery and Grants Officers

The establishment of a fund could support the need for Business Recovery Officers (to be located in the community), Grant Support Officers, and potentially Case Managers. Following Black Saturday, a case management model was funded for personal recovery but this was not available for most businesses. A range of general support services were made available to business operators however a case management model would achieve better results long term.

Business Recovery Officers and Grants Support Officers can provide long term support including information sessions (e.g. tax implications, insurance, grant processes and availability, building and planning advice, etc), application form writing, moral support, networking and social re-engagement opportunities, access to medical/psychological support, advocacy and much more. Funding for this type of support should be provided quickly and for a reasonable period. A great deal of time was wasted in the months/years after Black Saturday, applying for grants to secure further funding for the Business Recovery Officer roles. It is also more difficult to secure high quality people to fill these roles if there is a lack of security of tenure.

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Other effective business support services

Support to individual businesses could be funded and provided by the:

- Rural Financial Counselling Service – specifically for agri business
- Small Business Mentor Service – business planning and neutral advice.

Direct financial support

Based on an independent review of a business regarding its future direction and viability, a range of measures could be considered to assist a business to rebuild/recover or change direction (e.g. a pre-fire, timber haulage contractor may be able to restructure to offer earth moving services). These measures include but are not limited to:

- Emergency financial relief
- Low or no interest business loan
- Covering costs of back filling a business operators role for a period of time (e.g. temporary manager)
- Funding business equipment replacement or equipment upgrade
- Relaxation of insolvency laws
- Flexibility in taxation laws and requirements – allowing late BAS statements/early access to tax refunds or tax credits/prioritising affected businesses needs.

Financial support to a local industry based body or business association

Creation of a local Economic Leadership Group (ELG) to guide the economic recovery of an impacted region can be very effective. The Marysville and Triangle ELG played a major role in identifying needs and opportunities, recruiting key stakeholders and setting priorities in the aftermath of the 2009 bushfires. The group included representatives from the local business and tourism association/chamber of commerce, local business operators from key sectors/townships and local and state government (including the Marysville Business Recovery Officer, Councils Economic Development Manager and a representative from Regional Development Victoria). The MTELG recruited an independent chairperson from Chartered Practising Accountants Australia (CPA).

The MTELG was very effective and was recognised with a High Commendation at the 2011 Economic Development Australia National Awards in Adelaide.

As early as possible, development of an economic recovery strategy is vital. This should be done by an independent, well qualified, neutral organisation with a significant amount of local consultation. In the case of the 2009 bushfires two economic recovery strategies were developed. The Boston Consulting Group (BCG) completed the Marysville and Triangle Economic Recovery Strategy and Deloitte undertook the task of delivering the Kinglake Ranges Economic Recovery Strategy.

Both of these documents provided a blueprint for recovery. The BCG strategy also identified the need to create the Marysville and Triangle ELG that was so successful in prioritising/consolidating the key recovery initiatives and enabling a single unified voice to be heard in the advocacy process.

Other initiatives that would help to build resilience and capacity and aid recovery include:

- Supporting programs to better prepare businesses for natural disasters and downturns including pre planning, business continuity planning, cash flow projections with worst case scenario's
- Improve access to rebuilding works to local operators
- Advocate for more major projects to be undertaken in affected areas to catalyse business recovery
- Control the flow of incoming gifted goods (e.g. white goods, tools, work wear) to reduce the negative impact on local businesses.

Timing of support mechanisms/funding

It should be noted that business operators are impacted differently by downturns and disasters and will therefore recover at different rates. Recovery support/funding arrangements and the associated timelines need to be flexible and long term. The Black Saturday bushfire disaster occurred 6 years ago and the recovery process continues with many of the impacts diminished, but still apparent.

Local businesses still face issues such as less local purchasing (i.e. many houses have not been rebuilt and many residents have not returned), weak trading conditions, less/variable visitation, cash flow issues, cost increases including power and insurance as well as declining or fluctuating business confidence.

Business Recovery reference material

Restore Your Business Community Practitioners Handbook – As a legacy project Murrindindi Shire Council commissioned Sally Macdonald and Sandra Slatter (who were recruited to Council's two Business Recovery Officer roles following the 2009 bushfires) to develop this practitioners guide. The guide provides practical pre-planning and recovery suggestions and was a winner at the 2013 Resilient Australia Awards. The guide is available online at www.murrindindishirecouncil.vic.gov.au

Are U Ready - surviving small business disaster - This book, written by Anthony Turner (a small business mentor) and Sandra Slatter (the Marysville Business Recovery Officer) outlines a range of measure to help small business operators to prepare for and recover from various types of disaster scenarios. The authors were winners at the 2014 National Resilience Awards for their *Are U Ready* publication.