



Bushfires and businesses – not if, but when





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We acknowledge and pay our respects to the Kurna people, the traditional custodians whose ancestral lands we gather on.

We acknowledge the deep feelings of attachment and relationship of the Kurna people to country and we respect and value their past, present and ongoing connection to the land and cultural beliefs.

Bushfires and businesses - not if, but when

Presenters



Sue Arlidge

Regional Development
Manager
Regional Development
Australia Adelaide Hills, Fleurieu
& Kangaroo Island



Fiona Jago

Owner
Western Kangaroo Island
Caravan Park



Jennifer McDonnell

Principal, Communications &
Engagement
WSP



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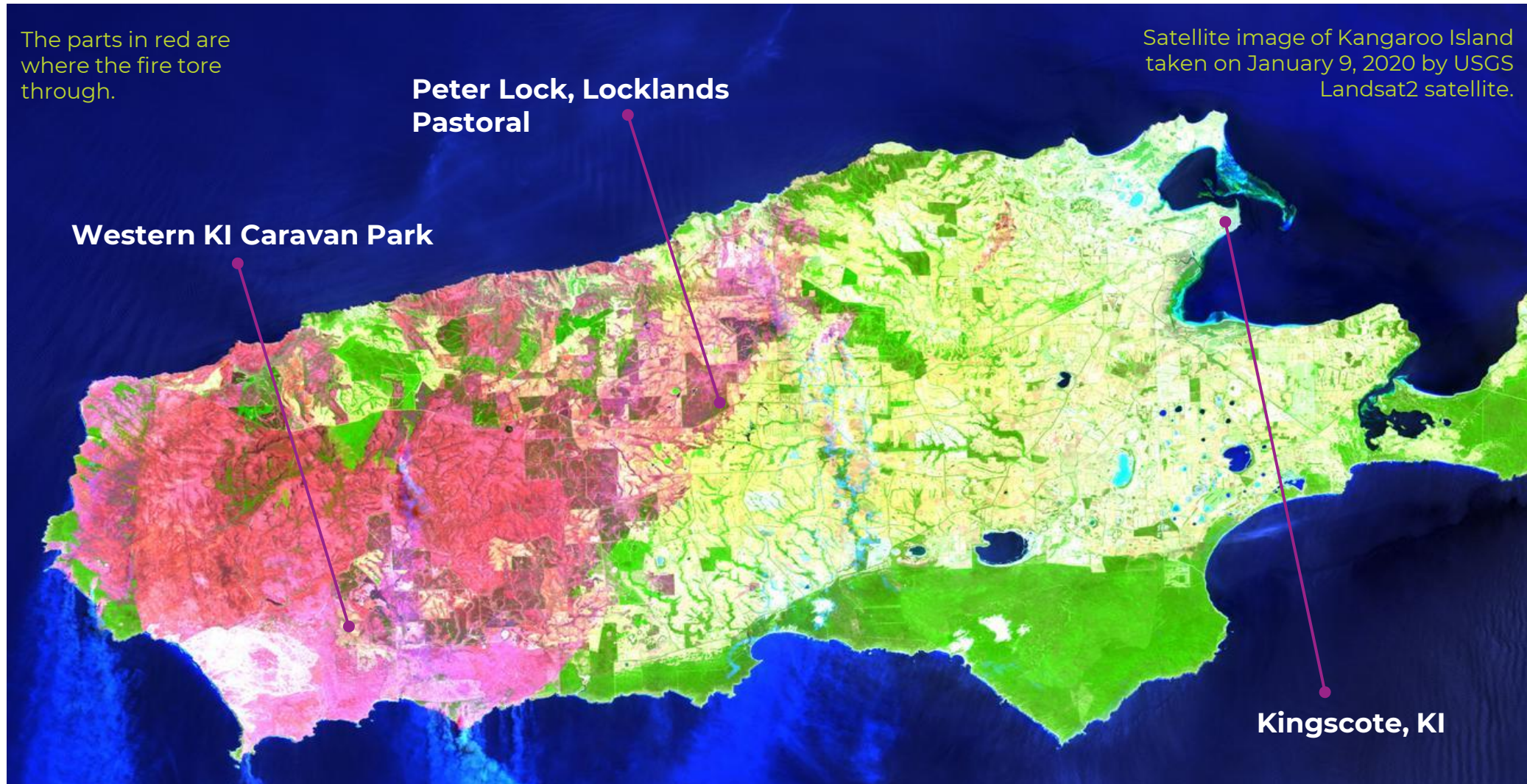


What we will cover

- 1 What business support services were most important after the bushfires?
- 2 What services need to remain in place?
What grant programs and policies need to be reviewed now, so they can be improved before the next disaster?
- 3
- 4 What can businesses do to future-proof for disasters?



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In the aftermath



211,474 hectares burnt



2 lives lost



119 dwellings destroyed



59,730 head of stock lost



332 outbuildings destroyed



2 places of worship destroyed



322 vehicles destroyed



\$148.2 million estimated
economic cost



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The challenges for fire-affected SMEs

- Fire affected business generally had **very limited capacity** physically and mentally after the fires.
- They were **trying to do it all** – tidy up, rescue what was left of their private things, try to rescue their business and keep trading with whatever they have left.
- SME's are **emersed in day to day of their business** and therefore have limited capacity to radically pivot.
- External assistance cannot do everything. **Sharp, focused bursts of activity are required** to take a pressing issue off the owner's hands and deliver back a finished solution.
- Recognition that recovery is not short...its **at least a two to five year journey or longer**.

CASE STUDY 1

Western KI Caravan Park owners Fiona and Mark Jago

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The evacuation



CASE STUDY 1

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Our home,
our business,
our livelihood





CASE STUDY 1

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The aftermath

CASE STUDY 1

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The clean up begins

CASE STUDY 1

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Ready to start again

CASE STUDY 1

West End KI Recovery Project and BizRebuild

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“Businesses are the glue that keep people in a community. We cannot stand by and allow small and local businesses to fail and communities to fade away.”
BizRebuild Chairman General the Honourable Sir Peter Cosgrove (Retired)

CASE STUDY 1

West End KI Recovery Project and BizRebuild

- Loss of **231 out of the 263** commercial accommodation in west end KI
- No community gathering places
- No workers accommodation remaining

Case Manager located grants with park contributing land, project and operations management.

Business Council of Australia - **BizRebuild Foundation \$700,000**

- 10 ensuite rooms and rec room for workers accommodation

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Local Economic Recovery Fund

\$1.1 million

- 40 bed bunkhouse
- Fuel outlet

Additional infrastructure supporting community paid **by WKICP**

- Expansive dual commercial camp kitchen - capacity 200
- Outdoor BBQ area
- General store

CASE STUDY 1

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Before



During



After

CASE STUDY 2

Peter Lock, Managing Director Locklands Pastoral

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Turning disaster into opportunity by rebuilding a business that was “falling between the cracks”.

CASE STUDY 2

A hell of a fight to recovery

- Leased main facilities from another party that were destroyed on January 3, 2020 (incl. the shed, cold-stores, grading facilities, machinery, two family homes and workers accommodation)
- Plant and equipment was insured at cost, thus underinsured by \$2.3M in 2020
- Locklands Pastoral was in the process of purchasing the land and asset, the sale had not gone through leaving them without insurance on the main facilities.
- As a lessee with limited equity it was impossible to access concessional loans to rebuild.

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Locklands Pastoral experienced a 2020 financial loss of \$3 million

CASE STUDY 2

Trying to survive

With a \$800k insurance payout, Peter managed to:

- pay out loans on destroyed vehicles,
- purchase land that was previously leased,
- put a deposit on new shed and rejuvenate a neighbor's old plant,
- replace essential items like potato boxes, bags etc.

No cool storage meant valuable virus seed stock was rotting in the heat under whatever shade could be found.

Locklands Pastoral unnecessarily lost 50% of the unique virus-free Gen 1-5 seed stock due to lack of financial support.

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... trying to survive as a business!

CASE STUDY 2



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Rebuilding and recovery

- From July 2020, Sue Arlidge and Andrew Boardman were case managers through the AusIndustry's Strengthening Business Entrepreneurs' Program and **focused on assisting businesses** recover and rebuild after the bushfires.
- Sue and Andrew worked with Peter to turn disaster into a **generational opportunity**.
- Through a **systematic, hands-on process**, Sue and Andrew have helped the business survive the \$3 million loss and redevelop Locklands Pastoral.
- Sue and Andrew sought assistance from RDA; **securing \$1 million in commercial loans** through NAB, including an Australian Government Guarantee Loan.

CASE STUDY 2

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Rebuilding and recovery



CASE STUDIES COMPARISON

CASE STUDY 1

Western KI Caravan Park

1. Property owners fully insured, had lived experience and were prepared
2. Needed individual skilled case managers in place to:
 - help navigate grants/loans/clean up
 - get what they were entitled to and minimise barriers
 - free them to focus on sorting out insurance and other issues.
3. Owner focused on saving the business – on reopening and providing workers accommodation to support rebuild of west end of island.
4. Consideration of mental health: Although well meaning, multiple groups helping is mentally draining (when already feeling impacted by loss and stress).



In August 2022 both parties still live in temporary accommodation

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CASE STUDY 2

Locklands Pastoral

1. Lessee owner at the time was under insured and was not prepared
2. Needed individual skilled case managers in place to help
 - navigate grants/loans as being a lessee was more complex
 - provide hands-on early support to navigate and minimise barriers.
 - Find solutions without access to capital
3. Owner focused on saving business - trying to harvest and save seed. Seed could not be stored off island due to virus free status.
4. Consideration of mental health: Loan application was initially incomplete and once turned down, introduced massive life threatening stress and substantial delays to recovery.



1

What business support services were most important after the bushfires?

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Place-based leaders and empathic communicators

1. **Response phase:** individual skilled case managers – with real life business expertise on grants and fixing problems sorting waste, insurance, life and wellbeing issues
2. **Recovery phase:** skilled boots on the ground project managers with capacity and capability to develop strategies, teams and project plans including cash flows and timelines
3. Recovery coordinator and RDA – very helpful at navigating all levels of government.
4. Kangaroo Island mental health team (S.A. Health) – were exceptional, already embedded in community and delivered critical support



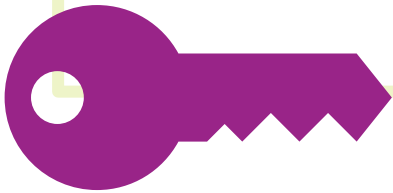
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2 What services need to remain in place?

Ongoing, targeted support

1. Direct business assistance via an individual skilled case manager (five years or ongoing role)
2. Wellbeing services and mental health support (five years or ongoing role)
3. **A job-keeper style program for disaster affected businesses.**

- **Qualified, practical, boots on ground, place-based people** with a can-do, non-bureaucratic approach to providing business assistance solutions
- **Register of skilled disaster-ready human capital**
- Ensure **focus is maintained on disaster-affected businesses** as they require longer term strategic support
- **Ensure funding to be directed to disaster-affected businesses** as well as community





3

What grant programs and policies need to be reviewed now, so they can be improved before the next disaster?

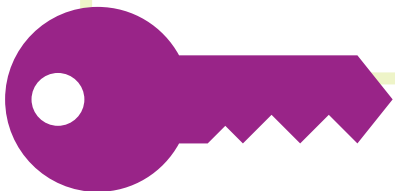
Grant programs

A more efficient and effective grant process:

- Policies need to be kept broad and the detail be delivered in regulations.
- Efforts to simplify and remove barriers to apply, reassess treatment of owner's verses leasers.
- The ball must be picked up on speed of processing and decision-making.
- Ensure effective channels in place to communicate quickly and succinctly.
- **Politics needs to be kept at arms length from grants.**

Recommendation

- **Designated disaster management system**
- Undertake an **independent review process of grant programs** to look at practical application and effectiveness for disasters. **What worked, what did or does not?**
- Educate and **bring the bureaucracy into the disaster zone very early** to talk with those affected.





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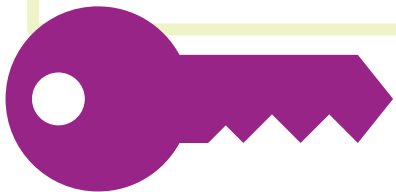
4 What can businesses do to future-proof for disasters?

Wide-ranging planning and preparation

1. **Revise insurance policies** regularly (i.e. annual insurance review and action as required)
2. **Know your property** and update site plans in case evidence, as needed
3. Have accurate **asset registers and asset valuations**
4. Draft **evacuation plans** – livestock and humans
5. Back up **digital files** (e.g., cloud based storage)
6. **Build good relationships** with the bank and accountant.

Recommendation

- Individual case managers – if ongoing role could be providing support for businesses to future proof via supporting all these actions and others.



In conclusion, we simply cannot deliver the magnitude of what was experienced.....
but we can help everyone learn and improve future disaster management

Thank you

