

Bushfire Recovery - the challenge continues

Maintaining contributors to the economy - not costing the economy.

The Situation

The size and scale of the social and economic bushfire impacts on individuals, communities, businesses small and large; councils, regions, and states has been immense.

Federal and State Governments have responded with significant funding for a range of measures targeting people, health, business and infrastructure.

However, there are a number of critical areas where the current options, regulations and executions of these programs fail to meet the critical needs of small businesses, especially those in the Visitor Economy sector.

Independent research and direct feedback indicate that **immediate cash flow issues, labour losses, and attracting business back are key concerns.** There are already closures, and indications are there will be an increasing rate of them in the coming months if action is not taken in the next six (6) weeks.

The most critical regions are those along the South Coast where **peak season trade was disrupted, tourist leave zones were enforced and ongoing campaign fires created uncertainty and confusion for fire impacted and fire affected towns and villages.** To a lesser extent, but nonetheless, this also applied to the Snowy Mountains and the Tableland region.

The key issue is to maintain these businesses, and their staff, as contributors to the economy as opposed to them becoming costs to the economy.

The Facts

NSW Office of Small Business Commissioner survey - Southern Region results [\[Attachment A\]](#)

- 72% of affected businesses are sole traders or 1-4 employees
- 63% identified as tourism/hospitality sector
- 72% are significantly impacted
- 90% have no damage to premises - i.e. they are fire affected not fire damaged
- Days closed:
3-6 days - 23% / 7-14 days - 23% / 15-30 days - 15%
- Average revenue loss \$144k = av 30% of annual trade
- 23 businesses have closed
- 125 are unsure of their future

Direct feedback [\[Attachment B\]](#)

- Losses range up to 60% of annual income
- The summer (peak) trade has gone - it cannot be recouped

Local Government Impacts: [\[Attachment C\]](#)

- Lost estimates are \$458m income and 3365 jobs (EFT)

Prime Minister's pledge:

For bushfire recovery Pre COVID-19

“We will do whatever it takes, whatever it costs....”

Critical Areas for immediate action:

1. Fire Damaged versus Fire Affected Grant options = Simply not Fair

Issue: Regions, towns and communities were fire affected for up to 6 weeks due to limited access, however only those businesses directly fire damaged have access to the immediate cash grant option. Concessional loans are available to all, but this is asking businesses who are in financial trouble to add debt. The Canberra District wine region has been impacted by smoke taint, however 90% of businesses are classed as being outside of a bush fire declared region, making them in-eligible for any government funding programs; loans or grants.

[\[Supporting business case example - Longstocking brewery figures - Attachment 1a\]](#)

[\[Attachment 1b - NSW Wine Special Edition Newsletter - Update Fire & Smoke Support\]](#)

Solutions:

\$10K GRANT OPTION IMPLEMENTED FOR BUSHFIRE IMPACTED BUSINESSES - 16/3/2020

- Introduce the concept of "fire impacted" to include both fire affected businesses.
Make immediate cash grant option available to fire affected businesses. Qualify the amount of grant through either:
 - % of income loss Oct-Mar using ATO data, or
 - Agree a base payment for all registered small businesses in declared fire impacted areas.

[Note: precedent exists to do this. A cash payment to individuals was made to stimulate the economy after the Global Financial Crisis]

- Ensure access to government funding programs; loans or grants for bush fire affected businesses, as per current guidelines.

2. Maintaining the casual labour work force = Pay to stay

Issue: The casual labour force, especially over the peak period of visitation, are normally increased contributors to the local economy and taxation revenues. The reduced demand for casual labour due to the crisis has seen movement away from affected regions as well as greater need for income support from Government. This labour will be needed when visitation returns.

Solutions:

\$1500 PER FORTNIGHT JOB KEEPER PROGRAM IMPLEMENTED DUE TO COVID-19 IMPACTS.

- Allow fire impacted (damaged and affected) businesses to retain staff by being able to apply for a Newstart allowance as a pay base.

3. Building back business – short and long term = Help business make business

Issue: One of the key impacts is the flow on effects of business loss to the community and the Government, especially loss of taxation revenues overall. The current recovery programs need to be extended to incentivise building back business – short term pain for longer term gain.

Solutions:

- **Incentive payments to consumers** of \$50 for every night they pay over \$100 for accommodation in a fire impacted area between now and April 2020. [\[Supporting business case: Attachment 3a\]](#)
- **Tax deductions for accommodation operators** in fire impacted areas of \$0.30 in the \$1.00 of booked income between now and June 30. [\[Supporting business case: Attachment 3b\]](#)
- **Incentives for movement of corporate and other events to bushfire impacted areas**
#Backingthebush. Adopt an Event [\[Attachment 3c\]](#)
 - If an entity holds a conference/meeting of more than 10 delegates, incurring an overnight stay at least 100 kms from their registered ABN business address, they will receive a credit for this expense against their NSW Payroll Tax liability.
 - 50% of all overnight government meetings be mandated to be held in regional NSW.
- **Take 2**
Encouraging the use of untaken leave to take 2 days of leave to make a 4-day break. [ACCI proposal]

4. Bushfire impacted area coverage in Federal tourism campaigns = Fails the pub test

Issue: Funds were provided under the National Bushfire Recovery appropriation however rather than being given prominence, **bushfire impacted areas are receiving less visibility than non-impacted areas** in advertising, website, and social promotional activities at a Federal level. These activities have in effect produced greater competition and greater difficulty in getting their messages out as opposed to providing any kind of advantage. There now also appears to be active promotion prominence and exposure based on Coronavirus impacts. [\[Attachment 4a Regional comparisons: international visitors.\]](#)

[Refer \[www.australia.com\]\(#\) \(Domestic\) Holiday here this year \(International\) There's still nothing like Australia\]](#)

Solutions:

- **Fire impacted areas need to be given prominence** in advertisements and websites of Tourism Australia that utilises the National Bushfire Recovery funding.
- **Funding to combat the Coronavirus needs to be additional** to that provided for Bushfire Recovery.