

18 November 2020

Major General Andrew Hocking
Deputy | Engagement and Operations
National Bushfire Recovery Agency

By email: Charles.Broughton@bushfirerecovery.gov.au
Teneille.Tress@bushfirerecovery.gov.au

Dear Major General Hocking,

Submission - Advice on unmet recovery needs

CPA Australia represents the diverse interests of more than 166,000 members working in over a 100 countries and regions around the world. We make this submission on behalf of our members and in the broader public interest.

The National Bushfire Recovery Agency (NBRA) is currently supporting a new phase of 2019-20 bushfire recovery – medium to long term economic and social recovery – while continuing to support immediate recovery needs. NBRA has requested assistance to understand whether there are any 2019-20 bushfire recovery needs that have not yet been met.

CPA Australia offers the following observations.

Concessional Loans and Grants

The government announced the provision of concessional loans as part of the first round of grant assistance for businesses impacted by the fires. Although many businesses were not keen to increase debt immediately after the fires, many now have little option and our members have advised us that applications are increasing for these loans.

Data we have reviewed from Victoria (we have not seen data from other states) showed that there has been delayed processing of concessional loans with many applications still outstanding.

That same data also shows that many businesses in Victoria have not been successful in their application for concessional loans as they cannot demonstrate a capacity to re-pay, which given the bushfires and COVID-19, is a very difficult threshold for many businesses to conclusively prove.

A mandated service level should apply to loan processing times so businesses know quickly whether their application will be successful. Businesses should be clear on the loan assessment requirements so that they have the best chance of submitting successful applications.

CPA Australia recommends there should be a consistent national approach to the delivery of assistance to businesses impacted by disaster.

"I had one person a couple of weeks ago that didn't approach anyone for help until late June. He was on a property in Walwa, living in a caravan and thought he could manage ... it took until June to reach out. I was able to help him get a loan to buy a shed so he can move the van into there. He told me the grant was 'life changing'." - CPA Australia Member

Business Advice and Viability

We believe that there is still an unmet need in encouraging and supporting small business to seek advice from professionals to determine their options for recovery, or in some cases, the need for a managed and dignified exit from business.

Businesses still in the process of recovery have had the added complication of COVID-19 impacting their ability to revitalise their operations. Professional advisers play a key role in determining the best course to support businesses not only to recover, but to stabilise and restore growth.

Governments often have time limits on funding applications and strict interpretations of guidelines. Support needs to be holistic, delivered by professionals with specialised skills from the local area. We also think support to the affected areas should not be time-limited to ensure businesses and individuals can get the support they need when they are ready to do so.

Access to professional advice is essential to enable businesses to manage through a crisis, adapt to the new environment and aid in their recovery.

"People and business owners are usually dealing with both personal devastation as well as devastation to their business, which compounds the financial and emotional impact" - CPA Australia Member

Further observations and lessons

Detailed observations and lessons were submitted to the NBRA Learnings and Adaption Team through the national recovery lessons management and sharing capability survey (submitted 22 September 2020).

Further recommendations about bushfire recovery and support can also be found in the CPA Australia [Submission to the Royal Commission into National Natural Disaster Arrangements](#).

If you would like to discuss any of the issues outlined in this letter or our previous submissions, please contact Kimberley Ohayon, Stakeholder Relationship Manager on 02 6267 8556 or kimberley.ohayon@cpaaustralia.com.au.

Yours sincerely,

Dr Gary Pflugrath
Executive General Manager,
Policy and Advocacy

CPA Australia