

SOUTH EAST QUEENSLAND FLOODS 2022

SUPPORT NEEDED FOR BUSINESS RELIEF & RECOVERY

Submission to the Queensland Government

March 2022

South East Queensland Floods 2022: Support needed for Business Relief & Recovery

Introduction

CCIQ is Queensland's peak industry representative organisation for small and medium businesses. We represent over 460,000 Queensland small and medium businesses who employ 42% of Queenslanders working in the private sector. CCIQ works with over 100 regional and local chambers across Queensland to develop and advocate for policies that are in the best interests of Queensland businesses, economy, and community.

Over 343,000 total businesses operate across the South East Queensland region.¹ 98% are small businesses (335,000), which includes 58% of which are non-employing.² In addition to regions in the north to Maryborough and west to Southern Downs, a significant geographic spread of Queensland businesses have been directly and indirectly impacted from this extreme weather event.

Rapid impact assessments are still underway towards understanding the full impact of the floods to businesses.

Response: CCIQ recognises the importance of managing the current critical needs of the natural disaster and emergencies to ensure community safety.

Relief and recovery: Once the immediacy of the impacts have passed it is important to focus on relief and recovery efforts and measures. Planning and communication of business relief and recovery is critical to provide certainty and clarity on support available.

Summary of Recommendations

1. Activation and enhancement of the Disaster Recovery Funding Arrangements (standard assistance for natural disasters, Category B)
2. Activation of Disaster Recovery Funding Arrangements (Community Recovery Package, Category C)
3. Activation and broadening of the Disaster Recovery Funding Arrangements for exceptional circumstances (Extraordinary Special Assistance, Category D)
4. Australian Government Emergency Response Fund
5. Taxation and Permits Assistance (State and Commonwealth)
6. Ongoing Recovery: Business Continuity Support Package

Please see relevant sections for more detailed recommendations regarding each proposed initiative.

¹ This includes the local government areas of Brisbane, Gold Coast, Ipswich, Lockyer Valley, Logan, Moreton Bay, Noosa, Redland, Scenic Rim, Somerset, Sunshine Coast, Toowoomba.

² Australian Bureau of Statistics, 2021, Count of Australian Businesses, Including Entries and Exits.

<https://www.abs.gov.au/statistics/economy/business-indicators/counts-australian-businesses-including-entries-and-exits/latest-release>

Lessons from the 2011 floods

The impact on Queensland businesses

CCIQ undertook a survey of Queensland businesses³ following the 2011 flooding events, with responses from businesses collected 18 to 25 January 2011. The survey found that:

- **One in five businesses in Queensland had to close** as a result of the floods due to full or partial water inundation, loss of power or being cut off from their business;
- The **average number of days business were forced to close was eight** (median of 4 days);
- The **average number of days before their business returns to normal operations was 31 days** (median of 10 days);
- The **loss to property was significant**, including plant and equipment, stock, buildings, and motor vehicles to those businesses directly affected by the floods; and
- **22% of all businesses** within Queensland expected that the floods were likely to have a major to **critical impact on their businesses' viability**.

Further findings from this survey are provided in **Attachment A**.

CCIQ estimated the impacts of the 2011 flood events on business in the economic impact study *Six Months on from Queensland's Natural Disasters*⁴ (October 2011). The study reported the below direct and indirect cost of damage and impacts to Queensland businesses:

- Businesses directly impacted by the floods reported the average cost of damage to be **\$364,253**, with a median of **\$110,000**.
- Of businesses directly impacted, the average loss of earnings was **\$462,665**. The indirect impacts were also significant, with indirectly impacted businesses reporting average lost earnings of **\$390,867**.
- Most businesses impacted by the floods, both directly and indirectly lost up to **9%** of their annual turnover in revenue, with **10.7%** and **14.3%** respectively, reporting lost revenue greater than **50%** of their annual turnover.

Further findings from this report are provided in **Attachment B**.

Relief and recovery support provided for 2011 floods

CCIQ's six-month-on business impact study following the 2011 floods measured the proportion of businesses that accessed the available relief payments (as of August 2011), as shown in Figure 1 below. Key findings were:

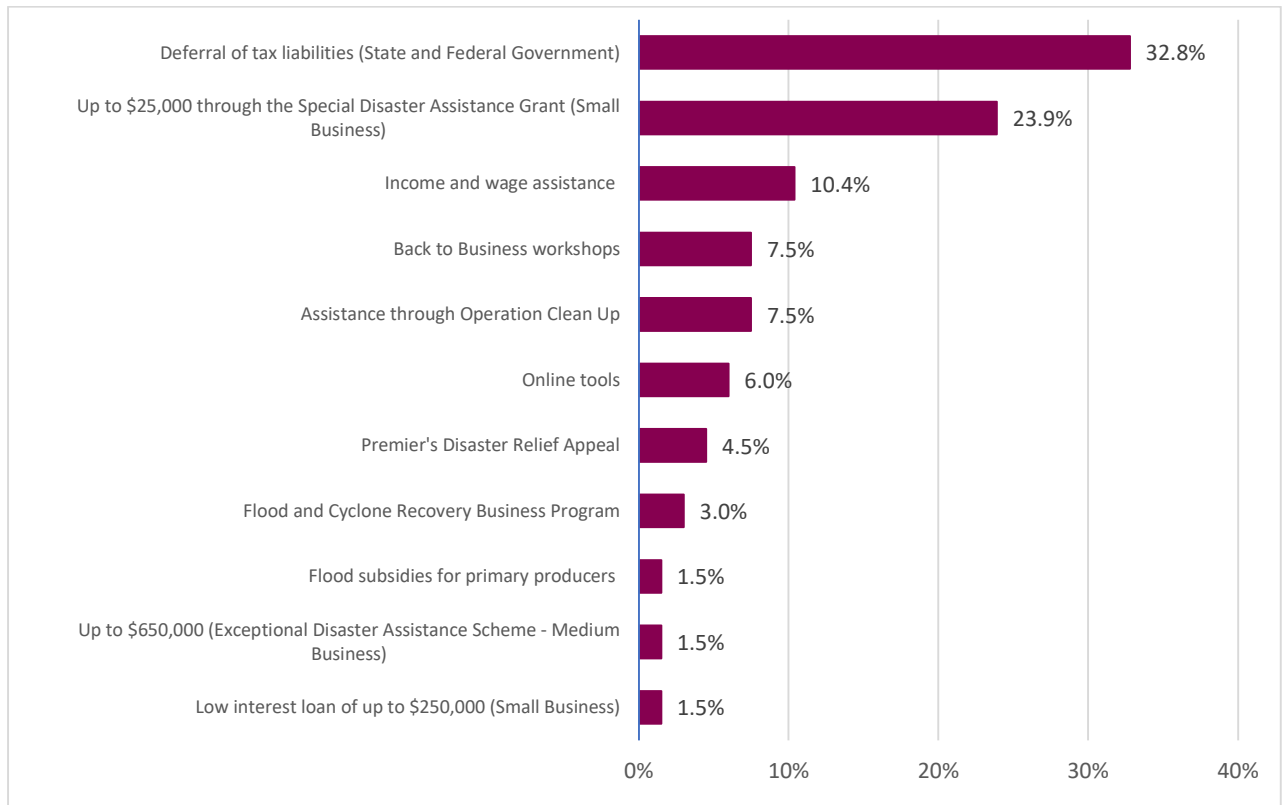
- **Almost 24%** of businesses accessed the **Special Disaster Assistance Grant** (Small Business, up to \$25,000) funding to assist with clean up expenses;
- **1.5%** of businesses received funding through an **Exceptional Disaster Assistance Scheme** (Medium Business, up to \$650,000 available);

³ CCIQ, February 2011, Impact of the Queensland Floods on Business. www.cciq.com.au/assets/Documents/Advocacy/110204-CCIQ-report-on-the-impact-of-the-Queensland-floods-on-business.pdf

⁴ CCIQ, October 2011, *Six Months on from Queensland's Natural Disasters: Longitudinal study examining the impact of the natural disasters of Queensland businesses*. www.cciq.com.au/assets/Documents/Advocacy/111014-October-CCIQ-report-to-the-Queensland-Government-Six-Months-on-from-Queenslands-Natural-Disasters.pdf

- **1.5%** of businesses sought access to the **Disaster Assistance Loans** (Small Business, up to \$250,000)⁵; and
- a further **32.8%** took up the opportunity to **defer payments of state and federal tax liabilities**.

Figure 1. Assistance measures sought by businesses after the natural disasters.



2022 Floods: The compounding impacts of a natural disaster during a pandemic

The current impacts of the February 2022 flooding events are being experienced on top of existing constraints and challenges faced by businesses due to the COVID-19 pandemic. CCIQ is proposing the Queensland Government offer a support package for Queensland businesses which considers the holistic view of the real impacts being felt in the current day, and not as an isolated extreme weather event.

CCIQ's recent Pulse Survey of Business Conditions⁶ (for the December 2021 quarter) reported that the emergence of the Omicron variant in Queensland had significantly impacted Queensland businesses, as shown in the summary findings below:

- **Business confidence in Queensland is at its lowest** since the economic impact of the emergence of the COVID-19 pandemic in March 2020. This decline is reflective of the compounding impact of labour shortages, supply chain disruption and considerably lower consumer spending levels associated with the Omicron wave.

⁵ CCIQ, October 2011, *Six Months on from Queensland's Natural Disasters: Longitudinal study examining the impact of the natural disasters of Queensland businesses*. www.cciq.com.au/assets/Documents/Advocacy/111014-October-CCIQ-report-to-the-Queensland-Government-Six-Months-on-from-Queenslands-Natural-Disasters.pdf

⁶ CCIQ, February 2021, *CCIQ Pulse Survey of Business Conditions: December Quarter 2021*. www.cciq.com.au/business-voice/pulse/

- Regarding the level of constraint on business growth since the emergence of the Omicron variant of COVID-19 in Queensland:
 - 40% are experiencing a major or critical constraint to the **ability to maintain business opening or operational hours**, with **1 in 5 critically constrained**
 - 50% are experiencing major or critical constraints by the availability of staff, with **1 in 4 businesses critically constrained by staff shortages**
 - **40% are experiencing major or critical supply chain disruptions**
 - In total, **85% reported experiencing these constraints** (minor through to critical), indicating broadly felt impacts across Queensland SMEs.
- In indicating their business's operating level compared to March 2020, businesses gave an average score of 84.9 per cent (a decrease on the September quarter result of 90.1 per cent).
- **63 per cent** of businesses also indicated that they or one of their employees had been **impacted by mental health challenges** attributed to COVID-19 related stressors. This is up from 45 per cent when also asked in June 2021 and is indicative of an emerging and serious challenge for many Queenslanders. The recent natural disaster and related damages and impacts to business will very likely result in a further increase in mental health concerns with Queensland businesses from initial feedback from our members.

The relief and recovery package provided to business for this natural disaster must consider the current day and economic circumstances of Queensland businesses.

CCIQ has prepared a proposed framework for a support package for Queensland businesses directly affected by the February/March 2022 floods, overleaf.

Proposed Support Package for Queensland Businesses affected by the February/March 2022 floods

Summary of Recommendations

1. Activation and enhancement of the Disaster Recovery Funding Arrangements (standard assistance for natural disasters, Category B)
2. Activation of Disaster Recovery Funding Arrangements (Community Recovery Package, Category C)
3. Activation and broadening of the Disaster Recovery Funding Arrangements for exceptional circumstances (Extraordinary Special Assistance, Category D)
4. Australian Government Emergency Response Fund
5. Taxation and Permits Assistance (State and Commonwealth)
6. Ongoing Recovery: Business Continuity Support Package

Please see relevant sections below for more detailed recommendations regarding each proposed initiative.

1. Activation and enhancement of the Disaster Recovery Funding Arrangements (standard assistance for natural disasters, Category B)

In response to the February/March 2022 floods, CCIQ is putting forward to the Queensland government the need for urgent communication and implementation of key business support measures to help get businesses back in operation and on the journey to recovery.

For immediate relief, State and Federal Government Disaster Recovery Funding Arrangements (DRFA) grants and loans can be activated for small businesses directly impacted during natural disasters. This funding is essential for directly impacted businesses to clean-up, restore day-to-day operations and get back to business and serving their communities as soon as possible. It's especially important when many of these businesses are still recovering from the emotional and financial impacts of COVID.

Disaster Recovery Funding Arrangements for Category B funding have not been activated and communicated for this disaster yet (at time of submission). This includes all grants, loans and subsidies listed in the table below. Businesses need communication about what relief will be available as soon as possible.

Important considerations for DRFA funding for the 2022 flooding event:

- Concessional loans may not have strong take-up in current economic circumstances where businesses are not looking to take on additional debt following the financial stress and take up of the COVID concessional loans throughout 2020 - many may already be carrying significant loan liability. Other support options will be critical.
- The DRFA funding must also be fit-for-purpose, and maximum value amounts should reflect current day market prices to effectively assist the applicant in their recovery. The maximum amounts available reflect the same values as what was offered for the 2011 flooding events, over a decade earlier. The current economic crisis also has seen significant increases to the

price of building materials and trades, as well as wages. Maximum amounts will need to be enhanced, such as via a top-up-relief, and a review and reset of the maximum amounts for Category B in the DRFA Guidelines.

Support	Details
Special Disaster Assistance Recovery Grants	Grants of up to \$25,000 (\$50,000 for primary producers) are available for primary producers and small businesses to pay for costs arising out of damage caused by the Queensland flood crisis. <ul style="list-style-type: none"> initial claim: up to \$5,000 (\$10,000) to assist with immediate early recovery (subject to future QRAA audit) subsequent amount of up to \$20,000 (\$40,000) is available to support subsequent claims for which full evidence of payment is required.
Disaster Assistance (Small Business) Loans	Concessional loans of up to \$250,000 may be granted to primary producers and small business operators. <ul style="list-style-type: none"> repairing or replacing damaged plant and equipment repairing or replacing farm buildings purchasing livestock to replace those lost in the disaster event meeting carry-on requirements Activated under the DRFA Category B.
Disaster Assistance (Essential Working Capital) Loan	Concessional loans of up to \$100,000 may be granted to primary producers and small business operators for: <ul style="list-style-type: none"> paying salaries and wages paying creditors paying rent and rates buying goods
Freight subsidies	Freight subsidies of up to \$5,000 per disaster event are available for eligible primary producers*: <ul style="list-style-type: none"> located within a disaster-declared area under Disaster Recovery Funding Arrangements (DRFA), or who hold a current Individual Disaster Stricken Property (IDSP) declaration. Freight subsidies may be made available for moving materials such as: <ul style="list-style-type: none"> emergency fodder for livestock to the primary producer's* home property building, fencing materials, machinery, and equipment animals purchased for restocking as a result of the disaster.

Recommendations for Category B – standard Disaster Recovery Funding Arrangements

Activation: Activation and communication of DRFA (Category B) relief available immediately.

Maximum amounts (to be enhanced):

a. Immediate relief: As per maximum amounts outlined in the current Queensland Disaster Funding Guidelines – June 2021, for immediate relief to approved applicants.

b. Top up relief: Accounting for inflation and current day market prices (construction etc), top up relief assistance to approved applicants of up to \$10,000.

c. Review of maximum amounts: Revision of the maximum amounts for business assistance for future events to reflect current day market prices and ensure relief is fit-for-purpose.

2. Activation of Disaster Recovery Funding Arrangements for Community Recovery Package (Category C)

The Community Recovery Package (Category C) is designed to support a holistic approach to the recovery of regions, communities or sectors severely affected by an eligible disaster. The Community Recovery Package (CRF) is intended as a 'helping hand' to aid the recovery of communities, regions and sectors and are not intended to provide an economic stimulus.

Feedback from the regional Queensland Chamber network has providing anecdotal reports that funding for businesses through this category can be delayed due to multiple layers of government (state and local) between the fund and the recipient. Opportunities to fast track and/or pre-approve applications should be considered to reduce this delay.

<p>Community Recovery Package</p>	<p>Assistance measures under the Community Recovery Package may include:</p> <ul style="list-style-type: none"> a) Community Recovery Fund b) Special Disaster Assistance Recovery Grants – Small Business and Not-for-profit organisations c) Special Disaster Assistance Recovery Grants – Primary Producers. <p>One or a combination of assistance measures may be implemented to support community recovery following the eligible disaster.</p> <p>a) Community Recovery Fund A CRF may be made available where a community is severely affected and needs to restore social networks, community functioning and community facilities. The purpose of the CRF is to assist severely impacted communities with their medium to long-term recovery by providing funding for activities/projects aimed at community recovery, community development, community resilience and capacity building for the future.</p> <p>b) Special Disaster Assistance Recovery Grants – Small Business and Not-for-profit organisations: In determining the severity of impact on the region, community, or sector, DESBT in conjunction with DCHDE demonstrate the following impacts in a business case:</p> <ul style="list-style-type: none"> • Standard recovery grants (i.e. up to \$10,000) to a small business and not-for-profit organisation sector: <ul style="list-style-type: none"> – more than 15 per cent of small businesses and not-for-profit organisation in the sector are directly affected – average individual small business and not-for-profit organisation losses of at least \$45,000, and – the community is at risk of losing essential businesses and not-for-profit organisations as a direct result of the disaster. • Exceptional circumstances recovery grants (i.e. up to \$25,000) to a small business or not-for-profit organisation: <ul style="list-style-type: none"> – more than 33 per cent of small businesses and not-for-profit organisation in the sector are directly affected – average individual small business and not-for-profit organisation losses of at least \$75,000, and – the community is at risk of losing essential businesses and not-for-profit organisations as a direct result of the disaster.
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	<p>c) Special Disaster Assistance Recovery Grants – Primary Producer: In determining the severity of impact on the region, community or sector, DAF must demonstrate in a business case the following impacts:</p> <ul style="list-style-type: none"> • Standard recovery grants (up to \$10,000) to a primary producer sector: <ul style="list-style-type: none"> – more than 15 per cent of primary producers in the sector are directly affected – those primary producers affected have incurred losses worth more than 10 per cent of the Total Gross Value of Agricultural Production (TGVAP) in the sector, and – primary producer viability or production in the sector is at risk of disruption beyond the current season. • Exceptional circumstances recovery grants (i.e. up to \$25,000) to a primary producer sector: <ul style="list-style-type: none"> – more than 33 per cent of primary producers in the sector are directly affected, – those primary producers affected have incurred losses worth more than 20 per cent of the TGVAP in the sector, and – primary producer viability or production in the sector is at risk of disruption beyond the current season.
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Recommendations for Category C – Community Recovery Package

Activation: Activation and communication of DRFA (Category C) relief available immediately.

Maximum amounts (to be enhanced):

a. Immediate relief: As per maximum amounts outlined in the current Queensland Disaster Funding Guidelines – June 2021, for immediate relief to approved applicants.

b. Top up relief: Accounting for inflation and current day market prices (construction etc), top up relief assistance to approved applicants of up to \$10,000.

c. Review of maximum amounts: Revision of the maximum amounts for business assistance for future events to reflect current day market prices and ensure relief is fit-for-purpose.

Fast-track and/or pre-approval of applications: to reduce delay between CRF and recipient due to multiple layers of government (state and local) handling.

3. Activation and broadening of the Disaster Recovery Funding Arrangements for exceptional circumstances (Extraordinary Special Assistance, Category D)

The impact of this natural disaster is compounded by the impacts many businesses have experienced throughout the COVID-19 pandemic. There is strong evidence to suggest that there will be many businesses for which the DRFA loans for rebuilding and operational costs will not be suitable or effective. The relief provided for this disaster must take into consideration that due to the pandemic this disaster is unlike any other regarding businesses ability to rebound – **these are extraordinary circumstances, for all businesses impacted.**

CCIQ is not recommending DRFA Category D be activated due to the pandemic, but rather regarding the economic crisis still being experienced by Queensland businesses which further impacts their vulnerability to this natural disaster.

While concessional loans can allow businesses to borrow substantial amounts of money at a lower rate to survive and recover in times of crisis, many businesses are not in any reasonable or advisable position to take on additional debt for recovery from a natural disaster on top of the health crisis. The Reserve Bank of Australia (RBA) reported that businesses – and SMEs particularly – had little appetite for taking out new loans, with just over 10% of small businesses surveyed indicating they had tried to access finance in late 2020⁷, down from approximately 20% in 2011.

Many businesses have also already contributed significant personal funds towards keeping their business in operation through the COVID-19 pandemic. CCIQ's Pulse survey for the December quarter 2021, reported 46.8% of businesses had contributed personal funds to their business' operations in the past 12 months due to COVID-19 related disruptions.

CCIQ's six-month-on business impact study following the 2011 floods showed only 1.5% of businesses (as at August 2011) sought access to the Disaster Assistance Loans⁸ available to them (\$250,000 available to small business). There would be strong reason to believe this take-up will be much lower in the current economic crisis. As such, other forms of support may see greater outcomes for impacted businesses and be more fit-for-purpose in today's economic climate.

The purpose of Category D of the Disaster Recovery Funding Arrangements – for Extraordinary Special Assistance – is to provide relief whereby other forms of funding may not meet the required needs, or where extraordinary conditions and special assistance needed requires additional or alternative forms of relief funding, as explained in the Queensland Disaster Funding Guidelines⁹ and summarised below:

*“Extraordinary Special Assistance measure is an act of relief or recovery carried out to alleviate distress or damage in circumstances that are exceptional. This funding may be requested to meet the particular circumstances of the event, and **where a gap or need for special assistance above and beyond the standard suite of DRFA assistance arises.** This special relief measure is available under DRFA Category D and is only available in exceptional circumstances.”*

Precedent: Category D funding was activated in response to the 2011 flooding events (and Townsville flooding event in 2019). 1.5% of businesses received funding through an Exceptional Disaster

⁷ Reserve Bank of Australia, March 2021, *Australia's Economic Recovery and Access to Small Business Finance*.

<https://www.rba.gov.au/publications/bulletin/2021/mar/australias-economic-recovery-and-access-to-small-business-finance.html>

⁸ CCIQ, October 2011, *Six Months on from Queensland's Natural Disasters: Longitudinal study examining the impact of the natural disasters of Queensland businesses*. www.cciq.com.au/assets/Documents/Advocacy/111014-October-CCIQ-report-to-the-Queensland-Government-Six-Months-on-from-Queenslands-Natural-Disasters.pdf

⁹ Queensland Reconstruction Authority, June 2021, *Queensland Disaster Funding Guidelines*. www.qra.qld.gov.au/sites/default/files/2021-07/queensland_disaster_funding_guidelines_-_june_2021.pdf

Assistance Scheme, which was made available to medium business, with a maximum funding of up to \$650,000 available (as of August 2011, six months after the events).

In a Queensland Government Response, Productivity Commission Inquiry: Natural Disaster Funding Arrangements Issues paper June 2014, the value of the critical and flexible nature of Category D funding was summarised:

Category D provides the flexibility to take into account the unique issues arising from disasters. Following recent disasters, Category D funding has been vital to assist communities, small businesses and primary producers to recover from the devastating social and economic impacts of natural disaster events.

For example, the relocation of Grantham could not have been possible without Category D funding, and the Queensland Betterment Fund was enabled through the provisions of this category.¹⁰

A summary of the Category D funding used after the 2010-11 Queensland Floods, Tropical Cyclone Yasi in 2011 and ex-Tropical Cyclone Oswald and the associated flooding and rainfall in 2013 is at Attachment C.

Important considerations for DRFA funding for the 2022 flooding event:

- For the 2011 flooding events, Category D funding was activated for up to \$650,000 for medium businesses only. CCIQ would recommend broadening the eligibility to include small businesses.
- This special assistance could be suitable for businesses that have been:
 - impacted directly by the floods, and
 - can also demonstrate significant financial impact from the COVID-19 pandemic over the past 12 months, and/or
 - where taking on new debt would not be an advisable option for the business or business owner/s.

Update: at time of publishing, the Queensland Government has announced (4/3/2022) they have asked the Australian Government to activate Category D funding for \$559 million on a 50/50% matched budget for small businesses, primary producers and not-for-profit organisations.

CCIQ is proposing the activation and broadening of the eligibility (compared to 2011) of Category D of the Disaster Recovery Funding Arrangements – for Extraordinary Special Assistance.

Extraordinary Special Assistance	Extraordinary Special Assistance measure is an act of relief or recovery carried out to alleviate distress or damage in circumstances that are exceptional. Activation of measures under Category D is by a joint agreement between the Prime Minister and the Premier, and approval by the Prime Minister. A proposal for Category D assistance should be provided to QRA in the form of a written request, supported by a business case, for progression to the Prime Minister, via the Premier, as soon as practicable following an eligible event.
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¹⁰ Queensland Government, June 2014, *Queensland Government Response Productivity Commission Inquiry Natural Disaster Funding Arrangements Issues Paper*. Available here: <https://www.pc.gov.au/inquiries/completed/disaster-funding/submissions/submissions-test/submission-counter/sub095-disaster-funding.pdf>

Recommendation for Category D – Extraordinary Special Assistance

Activation and broadening of Category D: CCIQ recommends the Queensland Government progress activation of the Category D DRFA funding for Extraordinary Special Assistance with 50/50% matched budget with the Australian Government, uncapped as per 2011 flooding event.

Eligibility Criteria for businesses to access funding:

- a.** The Queensland Government has announced (4/3/2022) they have asked the Australian Government to activate Category D funding for \$559 million on a 50/50% matched budget for small businesses, primary producers, and not-for-profit enterprises. CCIQ would recommend also broadening the eligibility to include medium sized businesses.
- b.** CCIQ further recommends funding under Category D of DRFA be made available to businesses that have been impacted by the floods and that can also demonstrate significant financial impact from the COVID-19 pandemic over the past 12 months and/or where taking on new debt would not be advisable.

4. Australian Government Emergency Response Fund

Following a natural disaster in Australia, the Emergency Response Fund¹¹ (ERF) allows the Australian Government to draw up to \$200 million (in any given year), beyond what is already available, to fund natural disaster emergency response and disaster recovery and preparedness. The ERF provides an additional and sustainable source of funding for emergency response and recovery from natural disasters in Australia that have a significant or catastrophic impact.

The Australian Government's Emergency Management Minister may enter into an arrangement or make a grant of financial assistance for recovery or post-disaster resilience where he or she is satisfied that:

- *the natural disaster has had a significant or catastrophic impact, or*
- *existing programs are insufficient to meet the scale of the response required.*

The ERF also provides an additional and sustainable source of funding to build resilience to prepare for or reduce the risk of future disasters, or to build the long-term sustainability of communities that are at risk of being affected by a future disaster.

Recommendation for Emergency Response Fund

Activation request: Queensland Government to request the Emergency Response Fund be activated for this disaster by the Australian Government.

5. Taxation and Permits Assistance

CCIQ's six-month-on business impact study following the 2011 floods measured the proportion of businesses that accessed the relief payments and other benefits.

32.8% took up the opportunity to defer payments of state and federal tax liabilities (as of August 2011), indicating a clear sign from business of the benefit of this initiative.

Support	Details
Fee and permit waivers – Local and Queensland Government	Implement fee and permit waivers (e.g. liquor licensing, outdoor dining, and other operating permits) dependent of type of business and direct impacts experienced.
Payroll tax – Queensland Government	Implement payroll tax deferrals, waivers, or refunds.
Taxation Assistance – Commonwealth Government	The ATO can offer the following assistance for individuals, small businesses and primary produces who suffer financial hardship as a result of a natural disaster: <ul style="list-style-type: none">• can fast track refund of tax return• re-issue tax documents such as tax returns, activity statements, notice of assessments for those who have their records or documents lost or destroyed

¹¹ Department of Home Affairs, *Emergency Response Fund Program Guidelines*. www.homeaffairs.gov.au/emergency/files/emergency-response-fund-guidelines.pdf

	<ul style="list-style-type: none"> • help to reconstruct tax records where documents have been destroyed • taxpayers, including volunteers, may apply to the ATO for an extension of time to pay their tax debts or lodge documents and the ATO may waive General Interest Charge • the ATO may consider request from a self-managed superannuation fund seeking additional time to meet its reporting obligations • for businesses in one of the flood affected postcodes, the ATO will automatically defer the lodgement and payment dates for December monthly activity statements to 21 February 2011.
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Recommendations for Taxation and Permits Assistance

- a. **Fee and permit waivers:** Local and Queensland Government
- b. **Implement payroll tax deferrals, waivers, or refunds:** Queensland Government
- c. **ATO taxation assistance:** Commonwealth Government

6. Ongoing Recovery: Business Continuity Support

Longer term recovery will require additional ongoing support, including programs to show when South East Queensland is back open for business. In the past, effective initiatives have included:

- retail and hospitality vouchers, to encourage customers to shop locally
- campaigns to support buy local small and local businesses
- tourism promotion campaigns- open for business (similar to 2011)
- Financial counselling program (additional resources required as a result of flood events)
- Mental health and wellbeing support

CCIQ recommends an urgent need for continued mental health and financial support for business.

Recommendation: Business Continuity Support

Business Continuity Support Package for Queensland businesses, including but not limited to campaign support, buy local vouchers, targeted industry support, and mental and financial counselling support for businesses.

Attachment A: Impact of 2011 Floods on Queensland businesses

CCIQ undertook a survey of Queensland businesses following the 2011 flooding events, with responses from businesses collected 18 to 25 January 2011. 555 businesses responded to the survey.

Key findings included:

- One in five businesses in Queensland had to close as a result of the floods due to full or partial water inundation, loss of power or cut off from their business.
- The average number of days business were forced to close was eight (median of 4 days).
- The average number of days before their business returns to normal operations is 31 days (median of 10 days).
- The loss to property including plant and equipment, stock, buildings and motor vehicles to those businesses directly affected by the floods was on average \$589,000 (median of \$40,000).
- Business directly affected by the floods on average expected to lose in total \$908,000 or approximately 11% of their annual turnover (median was \$50,000 or 7% of annual turnover).
- Unfortunately, most businesses were unsure what their insurance covered them for with many businesses reporting difficulty in getting clear positions on where they stand.
- Many businesses have also been indirectly impacted by the floods through affected customers, affected suppliers, through employee inability to attend work or through loss of appeal of Queensland as a tourism destination.
- Critically, 22% of all businesses within Queensland have indicated that the floods have had a major to critical impact on their businesses' viability with the very real threat of job losses.

When asked what government assistance was needed, Queensland businesses asked for:

- Financial assistance with cash flow and concessional loans from Government to help business meet their immediate debtor obligations;
- A marketing campaign highlighting that Queensland is open for business and as a tourism destination is unscathed;
- Deferral of tax and bank debt;
- Flood proof infrastructure;
- More effort to buy and holiday locally;
- Higher priority for business in power restoration; and
- Reduced red tape for businesses to get back up and running

Source: CCIQ, February 2011, *Impact of the Queensland Floods on Business*. www.cciq.com.au/assets/Documents/Advocacy/110204-CCIQ-report-on-the-impact-of-the-Queensland-floods-on-business.pdf

Attachment B: Cost of Damage to Businesses Directly Affected by the Natural Disasters (2011)

Table B.1 The cost of damage to businesses directly impacted by the floods six months on.

Cost of Damage	Businesses Directly Impacted by the Floods (August 2011)
\$1 - \$4,999	5.6%
\$5,000 - \$9,999	5.6%
\$10,000 - \$19,999	5.6%
\$20,000 - \$49,999	16.7%
\$50,000 - \$99,999	8.4%
\$100,000 - \$499,999	41.7%
\$500,000 - \$999,999	5.6%
\$1,000,000+	11.1%
<i>Average physical damage</i>	<i>\$364,253</i>
<i>Median physical damage</i>	<i>\$110,000</i>

Table B.2 Lost earnings for businesses impacted by floods six months on.

Cost of Damage	Directly Impacted Businesses	Indirectly Impacted Businesses
\$1 - \$4,999	3.2%	-
\$5,000 - \$9,999	1.6%	-
\$10,000 - \$19,999	6.3%	4.0%
\$20,000 - \$49,999	12.7%	4.0%
\$50,000 - \$99,999	20.6 %	8.0%
\$100,000 - \$499,999	30.2 %	60.0%
\$500,000 - \$999,999	7.9%	8.0%
\$1,000,000+	17.5%	16.0%
<i>Average physical damage</i>	<i>\$462,665</i>	<i>\$390,867</i>
<i>Median physical damage</i>	<i>\$100,000</i>	<i>\$200,000</i>

Table B.3 Total lost earnings as a percentage of annual turnover six months on.

Percentage of Annual Turnover	Directly Impacted Businesses	Indirectly Impacted Businesses
1 – 9%	60.7%	39.3%
10 – 19%	14.3%	21.4%
20 – 49%	14.3%	25.0%
50%+	10.7%	14.3%
<i>Average percentage</i>	<i>16%</i>	<i>17%</i>
<i>Median percentage</i>	<i>7%</i>	<i>10%</i>

Figure B.1 Assistance measures sought by businesses after the natural disasters.

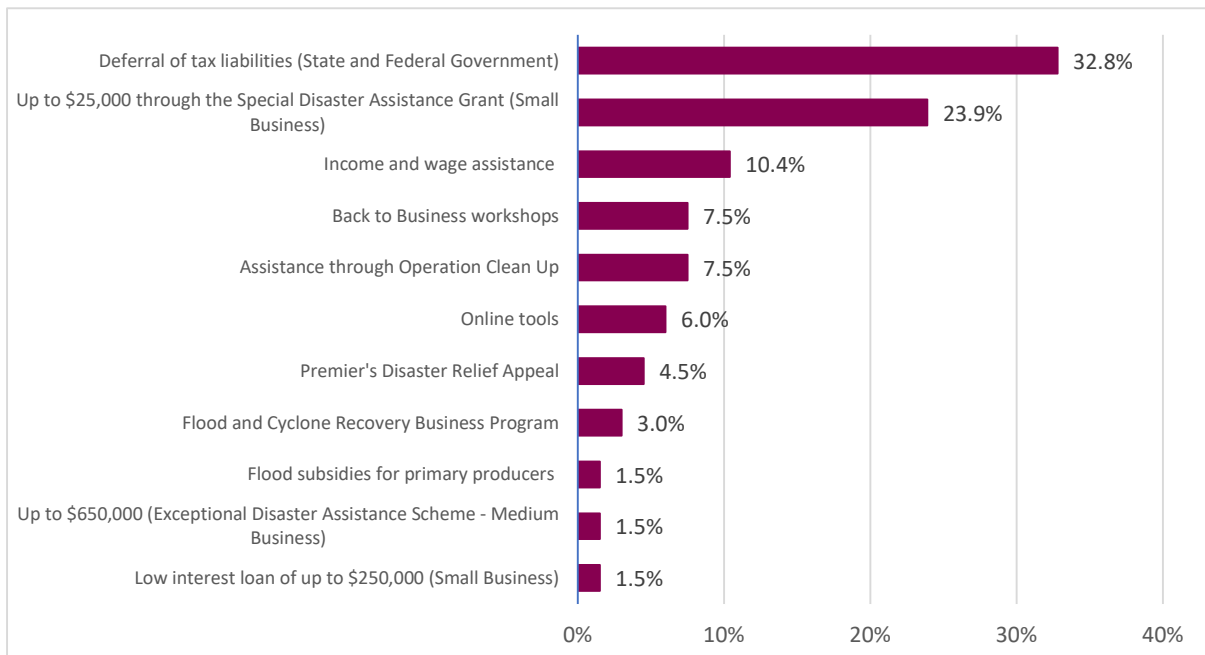
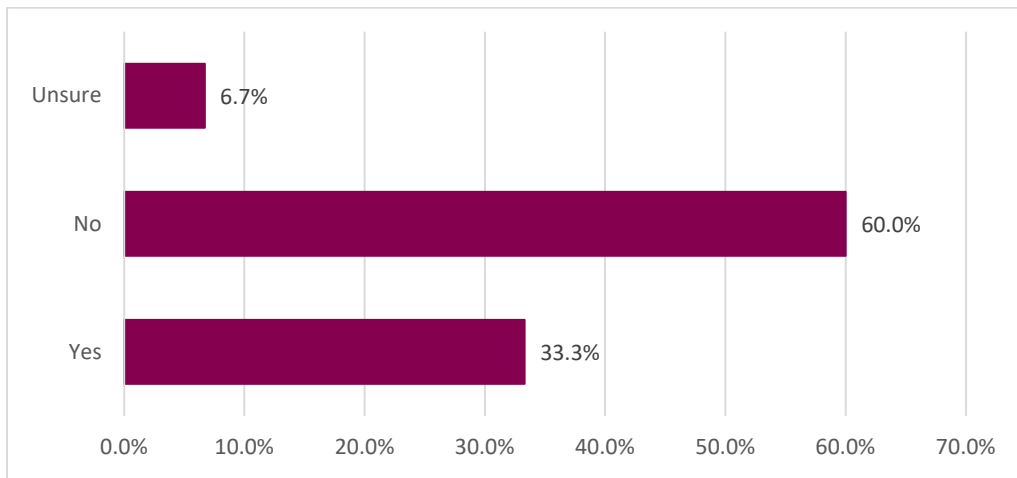


Figure B.2 "If your business made an insurance claim, has it been settled?"*



The survey was conducted in August 2011, six months after the floods.

*Figure B.2 shows the difficulty many businesses had with receiving timely resolutions to their insurance claims.

Source: CCIQ, October 2011, *Six Months on from Queensland's Natural Disasters: Longitudinal study examining the impact of the natural disasters of Queensland businesses*. www.cciq.com.au/assets/Documents/Advocacy/111014-October-CCIQ-report-to-the-Queensland-Government-Six-Months-on-from-Queenslands-Natural-Disasters.pdf

Attachment C: Queensland Government Response to the Productivity Commission's Public Inquiry on Natural Disaster Funding Arrangements.

Natural Disaster Relief and Recovery Arrangements - Category D

Qld Flooding & Tropical Cyclone Tasha and Anthony, November 2010 - February 2011 and Tropical Cyclone Yasi, 2 February 2011

Program	Lead Agency / Council	Package budget	State split	Purpose
Special Disaster Assistance Grants to Primary Producers, Small Business & Non-Profit Organisations	QRAA	Uncapped	50%	Grants up to \$25,000
Special Disaster Assistance - Exceptional Concessional Loans Package of \$650,000 - Grant component of up to \$50,000	QRAA	Uncapped	50%	Loan/Grant package
Brisbane Riverwalk & Ferry terminals	Brisbane City Council	\$145.0m	25%	Replacement of the Brisbane Riverwalk and Ferry Terminals
Remote and regional Day Labour	Various	\$50.0m	50%	Capped model
VfM Day Labour model	Various			VfM Day Labour Trial, applies to 2011 and re-damage 2012
Local Government Utilities Package	Various	\$59.5m	50%	To provide funding to restore Water and Sewerage Infrastructure
Strengthening Grantham Initiative	Lockyer Valley Regional Council	\$18.0m	50%	Development of a residential subdivision on elevated land provided by the Lockyer Valley Regional Council at Grantham for eligible flood affected residents to participate in a land swap program.
Gowrie Creek Catchment strategy for flood mitigation	Toowoomba Regional Council	\$20.0m	50%	To provide protection for property and business owners through improved flood mitigation
Acute riparian, Flood Plain, Coastal and Farm Clean up program	DNRM	\$8.4m	50%	Provide funding for the priority environment recovery projects across the state
Rockhampton Airport urgent repairs	Rockhampton Regional Council	\$0.9m	50%	Flood damage repairs to Runway 15/33 and 04/22, taxiways, perimeter fencing, flood levee and internal roads.
Rural Resilience Fund	Dept of Agriculture, Fisheries & Forestry	\$20.0m	50%	To help fund business and community support activities, such as farm clean ups, counselling and social support activities.
Cassowary Coast Support Package	Cassowary Coast Regional Council	\$15.0m	50%	Repair of the Dunk Island and Clump Point Jetties as well as restoration of Cardwell beach foreshore.

Program	Lead Agency / Council	Package budget	State split	Purpose
Tropical Cyclone Oswald & Associated Flooding & Rainfall, 21 - 29 Jan 2013				
Special Disaster Assistance - Exceptional Concessional Loans Package of \$650,000 - Grant component of up to \$50,000	QRAA	Approx \$3.0m	50%	Loan/Grant package
Betterment Fund	QldRA	\$80.0m	50%	For restoration or replacement of essential public assets to a more disaster resilient standard
Clean Up and Recovery Program (On Farm productivity)	Dept of Natural Resources & Mines	\$10.0m	50%	<ul style="list-style-type: none"> assist primary producers clear debris and restore fencing in worst affected areas to maintain workers while income generating activities are reduced to clear debris from watercourse that poses a hazard to downstream infrastructure and activities.
Environmental Recovery Program	Dept of Natural Resources & Mines	\$5.0m	100%	To fund existing programs to conduct flood specific clean up and soil conservation work (Riparian Recovery Program)
Industry Recovery Officers	Dept of Agriculture, Fisheries & Forestry	\$1.5m	50%	Placement of Industry Recovery Officers to assist business and primary producers recovery Business Support Officer
Port of Bundaberg Dredging & repairs	Gladstone Port Corporation	\$11.9m	50%	Dredging of Bundaberg River, repairs to training rock wall
Remote and regional Day Labour	Various			Extension of the VfM Day Labour Trial for 2013 damage
Bundaberg Recovery Works for parks	Bundaberg Regional Council	\$0.9m	0% (100% Cwealth)	To help meet the costs associated with recovery works for community parks and gardens (ordinary wages).

Other Category D funding (Note figures and information taken from State Claims. Actual approved amount of funding unknown)

Year	Event	Program	Lead Agency / Council	Package budget	State split	Purpose
2009/10	Qld Monsoonal Flooding & Tropical Cyclones Olga, Neville, Ului and Paul, Jan - Apr 2010	Day Labour	Dept of Local Government	Approx \$85mil	25%	Reimbursement to Councils for day labour used on eligible restoration projects. Claimed amount unknown. (Trim Ref: DOC/12/7993)
2007/08	Qld Monsoonal Flooding, Jan 2008	Fodder Dropping	Dept of Primary Industries & Fisheries	\$1.8mil	50%	Fodder dropping to cattle isolated by floods in the Emerald, Clermont and Belyando areas in January 2008 (note this appears to have been claimed in the 2008/09 State claim (\$609k) under the event <i>Qld Monsoonal Flooding & TC Charlotte & Ellie, Jan - Feb 09</i>)
2005/06	Tropical Cyclones Larry and Monica and Flooding, March - April 2006	Provision of power generators to primary producers	Dept of Primary Industries & Fisheries	Unknown	Unknown	Provision of power generators to primary producers in the immediate aftermath of TC Larry to allow for the continuation of milking of animals (Claimed \$225k in 2006/07 State claim)
2005/06	Tropical Cyclones Larry and Monica and Flooding, March - April 2006	Mental Health Program	Dept of Communities (?)	Unknown	Unknown	Mental Health Program to assist individuals recovery from TC Larry. (Total claimed \$919k. Claimed \$674k in 2006/07 State claim, in 2007/08 claimed \$245k)
2005/06	Tropical Cyclones Larry and Monica and Flooding, March - April 2006	Employment Program	Dept of Employment (?)	Unknown	Unknown	Employment program to assist residents to remain in the area due to reduced work opportunities as a direct result of damage caused by TC Larry (Total claimed \$5.44mil. Claimed \$4.952m in 2006/07 State claim, in 2007/08 claimed \$491k)
2005/06	Tropical Cyclones Larry and Monica and Flooding, March - April 2006	Aerial Photography	Dept of Emergency Services (?)	Unknown	Unknown	Aerial Photography to map impact of TC Larry in the immediate aftermath. (Total claimed \$265k. Claimed \$123k in 2006/07 State claim, in 2007/08 claimed \$142k.)
2005/06	Tropical Cyclones Larry and Monica and Flooding, March - April 2006	Operation Farm Clear	Dept of Primary Industries & Fisheries	\$10mil	Unknown	\$10m to assist farmers to clear debris from their property to allow them to re-start their operations. (Claimed \$10m in 2006/07 State Claim)

Source: Queensland Government, June 2014, *Queensland Government Response Productivity Commission Inquiry Natural Disaster Funding Arrangements Issues Paper*. Available here: <https://www.pc.gov.au/inquiries/completed/disaster-funding/submissions/submissions-test/submission-counter/sub095-disaster-funding.pdf>

Attachment 4 available here: <https://www.pc.gov.au/inquiries/completed/disaster-funding/submissions/submissions-test/submission-counter/sub095-disaster-funding-attachment4.pdf>