

# Client eBrief



## Small Business Resilience: Disaster Preparedness

### Disaster Recovery and Business Continuity Planning

Australia's summer brings the promise of warmth and sunshine and the potential for natural disasters such as bushfires, storms, and extreme heatwaves. For small businesses, being prepared for these challenges is crucial to ensuring continuity of operations and safeguarding against potential risks.

A Business Continuity and Disaster Risk Management Plan outlines key strategies tailored for small businesses in Australia to navigate the uncertainties of the summer season.

### Risk Analysis: Identifying and Assessing Threats

The first step in developing a comprehensive plan is to conduct a thorough risk analysis. Small businesses should consider the threats they face during the summer, such as bushfires, storms, power outages, and extreme heat.

Each potential risk should be evaluated based on its probability of occurrence, potential impact on the business, and the resources required for recovery.

For instance, a small retail business may identify the risk of a power outage, which could lead to the spoilage of perishable goods and financial losses.

### Prioritising Risks and Developing Preventive Measures

Once risks are identified, they must be prioritised based on their likelihood and potential impact. For example, in a region prone to bushfires, the risk of this natural disaster may be higher than that of a storm.

Therefore, preventive measures such as maintaining a cleared perimeter around the business, installing fire-resistant materials, and having a well-defined evacuation plan should be prioritised.

Considering the possibility of power outages during heatwaves, businesses might invest in backup power sources like generators, and establish protocols for regular equipment checks.

These dates are from the ATO website and do not account for possible extensions.

You remain responsible for ensuring that the necessary information is with us in time.

See [ATO Due dates by month](#) to check monthly lodgment and payment dates.

#### **BAS/IAS Monthly Lodgements**

Final dates for lodgements and payments:

December Activity Statement  
21 January 2024

January Activity Statement  
21 February 2024

#### **BAS Quarterly Lodgements**

Final dates for lodgements and payments:

**2nd Quarter 2024 Financial Year:  
December Quarter 2024 (incl. PAYGI)**  
28 February, 2024

**3rd Quarter 2024 Financial Year:  
March Quarter 2024 (incl. PAYGI)**  
28 April, 2024

When a due date falls on a Saturday, Sunday or Public Holiday\*, you can lodge or pay on the next business day.

\*A day that is a public holiday for the whole of any state or territory in Australia.

Due date for super guarantee contributions:

**2nd Quarter 2024 Financial Year:**  
October to December 2024 – contributions must be **in the fund** by 28 January, 2024

**3rd Quarter 2024 Financial Year:**  
January to March 2024 – contributions must be **in the fund** by 28 April, 2024

Late payments of superannuation are **not** tax deductible. If your business has overdue superannuation guarantee payments and you are unsure of how to proceed, please contact us to discuss.

Additionally, implementing measures such as fire-resistant roofing and secure storage for essential documents can significantly reduce the impact of potential disasters.

## **Budgeting for Disaster Preparedness**

Understanding that preventative measures are an investment in the business's future, budgeting for disaster preparedness is crucial. Small businesses should allocate funds for equipment such as fire extinguishers, backup generators, and protective infrastructure. Insurance coverage tailored to the specific risks faced, such as coverage for bushfire damage or business interruption insurance, should also be considered.

Dollars spent in prevention are worth more than dollars spent in recovery. Allocating resources upfront to minimise risks can save businesses from substantial financial losses and potential closure in the aftermath of a disaster.

## **Communication and Education**

Ensuring that employees are well-informed and educated about disaster preparedness is vital. Conducting regular training sessions on evacuation procedures, fire safety, and the use of emergency equipment can make a significant difference during critical situations.

Small businesses should establish clear communication channels to keep employees informed about potential risks and the actions they need to take.

Additionally, maintaining open communication with local emergency services in bushfire-prone areas can provide valuable insights and support in times of crisis. Being part of local community networks and staying informed about weather forecasts and potential hazards contributes to a proactive approach to disaster management.

## **Developing a Detailed Recovery Plan**

In the event of a disaster, having a detailed recovery plan is essential for small businesses to resume operations swiftly. This plan should outline specific roles and responsibilities within a designated recovery team. For instance, designating individuals responsible for equipment checks, data backup, and coordination with emergency services ensures a coordinated and efficient response.

Defining the sequence of actions during recovery, from assessing the damage to implementing repairs and restoring essential services, is critical.

The recovery plan should include provisions for data recovery, ensuring that vital business information is backed up regularly and stored securely at offsite locations.

## **Regular Testing and Evaluation**

A robust plan is only effective if it has been tested and evaluated regularly. Small businesses should conduct simulated drills to assess the readiness of their teams and the efficacy of their recovery procedures. This testing helps identify any gaps or weaknesses in the plan, allowing for adjustments and improvements.

Recording test results and updating the plan accordingly ensures the business continuously improves its disaster preparedness. Regular reviews should also consider changes in the business environment, technology, and potential new risks that may emerge.

## **Adaptation to Changing Circumstances**

Much like the climate, the Australian business landscape is dynamic, and small businesses must adapt to changing circumstances. As technology evolves, businesses should incorporate new tools and systems into their disaster preparedness strategies. Cloud computing, for example, provides an opportunity for secure data storage and accessibility, reducing the risk of data loss during disasters.

New threats may emerge, necessitating updates to the disaster risk management plan. Whether it's a cybersecurity threat or an environmental risk, small businesses should stay informed and adjust their plans accordingly. The plan should be a living document, evolving with the business and the external environment.

## **A Resilient Future for Small Businesses**

Australian small businesses facing the challenges of the summer season can navigate these uncertainties with a well-crafted Business Continuity and Disaster Risk Management Plan. Businesses can enhance their resilience by conducting a thorough risk analysis, prioritising preventive measures, budgeting for preparedness, fostering communication and education, and developing a detailed recovery plan.

Regular testing, evaluation, and adaptation to changing circumstances ensure the plan remains practical and relevant. By investing in disaster preparedness, small businesses protect their assets and contribute to the community's overall resilience.

**Why not consider having a discussion with your Professional Bookkeeper about assisting you in designing and implementing a Business Continuity and Disaster Risk Plan?**



Disclaimer: All or any advice contained in this newsletter is of a general nature only and may not apply to your individual business circumstances. For specific advice relating to your specific situation, please contact your accountant or contact me for further discussion.

**The Institute of Certified Bookkeepers**

Tel: 1300 856 181

Email: [admin@icb.org.au](mailto:admin@icb.org.au)

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