



Helping small businesses prepare for natural disasters

Climate change and other factors mean the risk of natural disasters adversely impacting small businesses is rising[1]. But there are many steps firms can take to reduce the risk of flood, fire and other catastrophes affecting their operations.

Research[2] shows bushfire risks are growing across Australia, especially in coastal Western Australia, central Queensland and in large parts of NSW, the ACT and Victoria. This year's La Niña weather event means there's also a greater risk of cyclones and floods at the moment.

While we can't control the weather, there are plenty of actions small businesses can take so that in the event of a natural disaster, their premises and their staff have good protection.

How to prepare for fire

The first step in preparing for a fire is to understand the risks you face. This starts with an assessment of how your physical premises could be affected by bush or other types of fires.

- Review how close the building is to vegetation, as well as the type of vegetation and its dryness.
- Learn how different weather patterns and topography could affect your business premises. The incline of the land on which the building stands is key here, with buildings on a slope or located at the top of a hill surrounded by bush typically at greater risk of fire damage.
- Keep an eye on weather patterns and be aware of present threats by regularly checking media such as local radio stations.

It is important to have a plan



There are lots of resources to assist businesses to prepare for natural disasters. What's important is to have a plan in place and understand the steps to follow if a major catastrophe is imminent.

[1] Bushfire risk: changing trends across Australia, IAG, 2020, accessed 05/01/21
<https://edit.iag.com.au/sites/default/files/Documents/Announcements/IAG-Fact-Sheet-Changing-bushfire-risk-across-Australia.pdf>

[2] Ibid

Here are some steps that may help to reduce the risk of bushfires impacting your operations.



Make a Bushfire Survival Plan

Contact your local fire authority, which can provide you with advice specific to your local area about how to prepare for a fire. Some of the elements the plan may consider include what to do in the event of a fire and what you can do to reduce the risk of fire affecting your premises. This may include clearing gutters and securing flammable and dangerous materials such as gas cylinders and farm chemicals.



Check your insurance policies

If you own your business premises, ensure you understand how much it could cost to rebuild it, including the cost to remove debris. According to IAG's figures based on the 2019/2020 fire season, the average cost for debris removal after a fire for a dwelling is \$46,000. This figure is \$68,000^[3] for properties that require asbestos removal. Also review your vehicle insurances and business interruption insurance to understand how the policies can respond in the event of a fire. Check with your Steadfast broker to ensure you know what cover you have.



Understand the Bushfire Attack Level (BAL) of your property

This establishes the requirements to construct a building that is resilient to bushfires, including the type of materials that should be used, taking into account factors such as nearby vegetation that has the potential to be flammable and the proximity of the building to it.

How to prepare for storms, floods and cyclones

The La Niña weather pattern means it's critical to be prepared for more frequent and severe storms and rain events. As with bushfires, the first step is to clear gutters and downpipes of debris and anything else blocking them to help prevent water ingress in the event of a storm. It's advisable to hire experienced tradespeople to do this work.

Always keep an eye on upcoming weather patterns so you can be prepared for a storm, which can often form suddenly. If there is a storm approaching, ensure vehicles are undercover to protect them from hail. Also make sure any objects surrounding the business premises that are untethered such as signage are tied down to prevent them from causing damage to people or property.

It's also essential for the business to develop a communication and evacuation plan and processes to follow if a storm or other weather event is approaching. This involves making sure first aid kits are accessible and stocked.

Back up all the business' data, ideally in the cloud. Depending on the nature of the threat, it may be advisable to remove any IT and electronic equipment from the business premises or re-locate equipment on lower floors to higher ground. This also applies to any stock that could be damaged by either storms, floods or cyclones.

[3] Ibid

Contact us today



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This information is provided to assist you in understanding how to prepare for natural disasters. Deductibles, exclusions and limits apply to insurance policies. Insurance policies are issued by various insurers and can differ.