



22 May 2020

Inspector General for Emergency Management
GPO Box 4356
Melbourne VIC 3000
Email: igem@igem.vic.gov.au

Dear Inspector General,

Inquiry into the 2019-20 Victorian Fire Season

The Australian Banking Association (**ABA**) welcomes the opportunity to provide a response to the Inquiry into the 2019-20 Victoria Fire Season.

The banking industry understands the importance of supporting Victoria customers and communities, both in the immediate aftermath of a natural disaster and on the road to recovery. During one of the worst bushfire seasons that Australians have ever experienced, our members stepped in to help relieve the financial stress experienced by affected businesses, individuals and communities.

By the beginning of March 2020, the major banks had provided bushfire assistance grants totalling \$7.6 million to more than 4,000 customers across Australia. The banks had also raised more than \$42 million in donations to help devastated communities and assisted more than 3,500 customers with financial relief packages of the types described below.

Support for small businesses and agricultural customers

In many cases, the 2019-20 bushfires only worsened existing financial stress experienced by farms and small businesses during a prolonged drought. The assistance offered by our members was proactive and tailored to the specific needs of each banks' customers, including consideration of any existing financial strain.

Assistance has encompassed both emergency relief and longer-term arrangements, including:

- grants to help restart or reopen and cover the cost of damaged property, equipment and loss of stock or livestock
- concessional loans to customers seeking to restructure existing facilities to assist in repairs, restocking and re-opening for business
- support to manage existing regional and agribusiness bank facilities, and
- waiving other fees and charges, such as monthly terminal access fees.

Case study – Bushfire recovery grant for a small business in Mallacoota, Victoria

"We lost literally everything – except for the battered long drop dunnies, that are as old as hell, and two gates left swinging off..."

Now we can look to the future with this \$50,000. It will go a really long way in rescuing our club, bringing it back to life and open for business again once we're past the coronavirus. It is a once in a lifetime opportunity, one where we can now take our time and build a club with facilities we can once again be proud of and will last generations."

Cate Tregellas,
Mallacoota Pony Club Secretary



Support for individuals

ABA members have permanent hardship teams in place to assist customers on a case-by-case basis. During the bushfires, banks placed dedicated hardship bankers in affected communities and set up emergency hotlines for customers to reach out for assistance.

In many cases, our members extended their emergency relief packages to volunteer firefighters. The types of assistance on offer varied by institution, but included:

- grants to cover temporary accommodation, food and clothing
- deferrals of interest and repayments for existing loans
- commitments not to foreclose upon, or force the sale of, existing loans for up to three years
- waiving costs and charges for withdrawing term deposits early, and
- waiving other fees and charges, such as loan application fees.

To support emergency evacuations, several banks deployed specialised mobile ATMs key local centres to enable access to cash. Banks also ensured extra cash provisions were available in communities bordering regions affected by fire.

Case study – Assisting a bank customer in regional NSW

Today, we had an intellectually disabled customer who lost his home and everything he owned come into the branch for assistance. He was left with just the clothes on his back and had been sleeping in a car park.

Our staff put him through to a special assistance line to help with emergency accommodation. The assistance team was able to deposit \$5,000 into his account today and offered to pay for his accommodation while his house was being rebuilt.

The customer was so overwhelmed with the help provided he broke down in tears. Following the phone call, branch staff organised accommodation with a local motel in town for the night.

Support for communities

As well as this direct form of support, many of our member banks have put in place other initiatives to indirectly support people and communities suffering from the impact of bushfires, including:

- establishing emergency relief and recovery funds for individuals, farmers and small businesses
- providing grants or donations to not-for profit organisations and community groups, such as Australian Red Cross and volunteer fire services
- offering support and counselling to customers through the bank's assistance programs
- supporting staff in affected communities by providing extended leave and expanding their organisational volunteering policies, and
- launching donation collection programs across their organisations from staff and customers, often matched dollar for dollar by the banks.



Case study – Generating power for north west Kangaroo Island

Lara Tilbrook's property and business, Bush Organics Kangaroo Island, sustained significant damage in last summer's fires. Her 400 acres of conservation heritage-listed bushland was devastated by the blazes, with beehives, workshops, tools, and irrigation systems all lost.

One of our members raised emergency funds to provide a generator to Lara, purchased locally at Mitre 10 Kingscote. This generator provided power to Lara's off-the-grid home as well as to volunteers from local community organisations, including Kangaroo Island Conservation Landowners Association (KICLA) and Kangaroo Island Wildlife Network (KIWLN).

The volunteers used Lara's property as a base for supporting the conservation of critical habitat and wildlife impacted by the fires in western Kangaroo Island. With two-thirds of this area of the island wiped out by fire, the volunteers worked to assess the damage caused, assemble nesting boxes for pygmy possums, birds and bats, and monitor wildlife affected.

Future preparedness

Bushfires are an inevitable occurrence in Australia. However, with the climate changing, they are increasing in scope and severity. The ABA has set up a natural disasters work program that reports to our 16 Council members in order to clarify, strengthen and streamline the banking industry's response to natural disasters to ensure that they have the right tools for the job at the right time.

For example, financial counselling is a vital response to natural disasters in the immediate and longer term. Our members were supportive of the Federal Government's efforts to expand counselling services during the recent bushfire season, and welcome additional efforts to strengthen these services in the future.

If you have any questions or would like further information please contact Jess Boddington, Policy Director at jess.boddington@ausbanking.org.au.

Yours sincerely,



The Hon. Anna Bligh AC
Chief Executive Officer

About the ABA

The Australian Banking Association advocates for a strong, competitive and innovative banking industry that delivers excellent and equitable outcomes for customers.

We promote and encourage policies that improve banking services for all Australians, through advocacy, research, policy expertise and thought leadership.