Australian Government

National Emergency Management Agency

Build resilience against natural hazards

Protecting your business

Practical steps to protect your operations, reduce downtime, and get insurance right.

Small to medium businesses

Safeguard your business, protect your cashflow

Protect your business, and your bottom line

When you're juggling daily operations, staff, and cash flow, planning for hypothetical hazards feels like a luxury you don't have time for. But a disaster threatens your entire livelihood, not just your physical building. It can have an ongoing impact beyond just a clean-up.

We cut through the noise to explain why understanding your risk is so important, and show you low-effort, high-impact things you can do today to mitigate that risk and protect your bottom line tomorrow.

Protecting your business

For Small to Medium Enterprises

At a glance

Prepare today. Trade tomorrow.

Natural hazards don't care how long you've been in business or whether you own your walls. When a crisis hits, the difference between reopening in weeks or closing for good comes down to what you do today. Here's how to get started, and build resilience into your routine.

01.

SMEs

Risk

“She’ll be right”? The numbers that tell the real story

When you’re flat-out managing daily operations, planning for natural hazards can feel irrelevant to your immediate goals. It’s easy to assume that a major weather event is a remote problem that happens to someone else.

But the data tells a different story. Natural hazards are no longer a rare exception – they’re a persistent operational risk. Complacency is the single biggest threat to a business's survival, simply because severe weather rarely gives you a second chance.

1 in 4

have a plan: Only a quarter of small or family businesses in Australia have a current business continuity plan to handle a disaster.

50%

of SMEs have to close after a disaster: Over 50% of small businesses without a disaster plan close permanently within a few years of suffering a major loss from a fire, storm, or flood.

Natural hazards have long-term impact

Natural hazards don't care whether you own or lease your premises. A flood, fire or storm can shut your business down regardless of whose name is on the title deed.

The financial and operational impact falls on you — lost revenue, damaged stock, displaced staff and the pressure of managing a crisis while keeping a business running. That's why it's essential to understand and mitigate those risks before it happens.

KEY RISKS TO YOUR BUSINESS

Understanding the risk of natural hazards at your business location is not just for property owners. Knowing your exposure before you sign a lease or renew one is essential. It directly determines your vulnerability from impact.

Your lease doesn't protect you

A commercial lease sets out your obligations as a tenant but offers no protection against natural hazard loss. Your landlord insures the building. Everything inside — stock, equipment, fit-out, data — is your responsibility to protect.

Direct property damage
Storm, flood or fire can destroy your premises and fit-out. If you lease, the landlord insures the building, not what is inside.

Damage to stock, equipment, and premises
Damaged stock, machinery and contents fall on you. Without the right cover, replacement costs come out of your business.

Power outages and utility failure
Utility failures can halt digital systems and spoil stock. Even if your building escapes damage, regional outages can force immediate shutdowns.

Road closures and lost access
Blocked transport routes prevent staff from reaching work and stop customers. This cuts off your revenue stream long before repairs begin.

Check your assumptions – how much impact it can really have

"

My standard commercial policy covers flood. I checked."

The reality:
Commercial policies vary significantly, and hazard cover is often excluded or capped. Read your policy's definition of flood and confirm with your insurer what is and is not covered.

"

We've been here 15 years. We will bounce back."

The reality:
Business recovery after a natural hazard takes longer than most owners expect. Without a business continuity plan and adequate insurance, many small businesses don't reopen at all.

"

We'll only lose one week of trade."

The reality:
Premises damage is only part of the impact. Power outages, supply chain disruption and lost customers can extend the cost of a disaster well beyond one week.

Things you can do today

Review your business insurance cover today. Confirm flood is included and ask your insurer about business interruption cover.

> The flames never reached us, but the disaster still crippled our business.

The unseen impact of a near-miss

WENDY & DAVE | RURAL NSW

As owner-operators running boutique tiny homes on a working farm, couple Wendy and Dave felt reasonably prepared for the summer hazard season. Because their physical buildings were secure, they assumed their primary risk was a direct bushfire strike. They didn't account for the indirect fallout of a disaster that happened miles away.

Though flames from the bushfire that struck never reached the farm, heavy smoke forced a total shutdown. Evacuating guests over 10 times in four months without a communication plan left visitors feeling unsupported – resulting in costly cancellations and lasting reputational damage.

The mitigation shift

This near-miss taught the owner that risk management isn't just about protecting a building structure. They completely overhauled their guest protocols, introducing mandatory risk disclosure waivers at check-in, explicit emergency communication channels, and foolproof evacuation maps for visitors.

THE HIDDEN IMPACT

10+ emergency evacuations
forced onto guests

$0 structural fire damage
to the actual tiny home buildings

100% revenue freeze
caused by smoke hazards, blocked local access and empty bookings

Making sense of risk ratings

HAZARD TERMS

Annual Exceedance Probability (AEP)	The likelihood of a flood of a given size occurring in any single year. A 1% AEP flood has a one-in-one-hundred chance of happening each year — not once every hundred years. It can occur in consecutive years.
Flood-prone area	Land identified by a council or state government as being at risk of flooding. If your premises sit in a flood-prone area, insurers may exclude flood cover, charge higher premiums or require specific mitigation measures.
Bushfire-prone area	Land identified by a state government as being at elevated risk of bushfire. Operating in a bushfire-prone area affects your building requirements, your insurance eligibility and the conditions attached to your policy.
Flood map	A map produced by a council or state agency showing flood risk by location and probability. Flood maps use different scales and definitions, so two maps of the same area may show different results. Check your local council's map for your premises address.
Flood certificate	A council-issued document disclosing whether a property is in a flood-prone area and its level of risk. Named differently across states, it's essential for assessing a new premises or reviewing insurance obligations.
Storm surge	A rise in sea level caused by a storm or cyclone pushing water toward the coast. Storm surge is distinct from flooding and is often excluded from standard business insurance policies. Coastal businesses should check their policy specifically.

02.

SMEs

Insurance

Review your policy gaps before a hazard hits

When a natural hazard strikes, comprehensive insurance is the ultimate backstop that keeps your business from financial collapse. It's not just about protecting your physical building, either. It's about insulating your earnings, specialised machinery and stock from devastating out-of-pocket recovery costs. Without the right cover in place, a few weeks of forced closure can permanently wipe out years of hard work.

Standard commercial policies often have hidden gaps that leave you exposed when you need help most. This section will help you check your current coverage against real hazard risks, understand industry-specific policy needs, and spot critical exclusions like flood definitions or business interruption limits.

Use these insights to identify your vulnerabilities now, so you can work with an insurer to secure your cash flow before the next crisis hits.

Check what's covered – or not

At insurance renewal

Your standard commercial policy has gaps you don't know about

Standard policies cover some risks but exclude others by default. Most SMEs discover the gaps only when making a claim. Read your Product Disclosure Statement (PDS) at each renewal and see if anything is missing.

COVERED

Building structure

Covers repairs or rebuilding costs for physical walls, roofs, and floors damaged by fire, storm, or impact. (Note: standard policies exclude flood).

Contents and stock

Protects machinery, IT systems, furniture and your inventory from the natural hazards above only. This is based on current replacement value. Check that contents cover is included.

Removal of debris

Covers the clean-up costs after a disaster, paying for safe demolition, wreckage removal, and clearing the site so rebuilding can begin.

NOT COVERED

Flood damage

Flood is excluded from most standard policies unless added. The definition varies by insurer, so confirm this with them.

Business interruption

Lost revenue during a forced closure is not covered without a business interruption endorsement.

Fit outs

Tenant fit-outs are often excluded or need a separate endorsement. If you have modified a leased space, check your policy.

What to ask your insurer at renewal

Ask your insurer to walk you through every exclusion in your policy at renewal. Confirm flood cover, business interruption and fit-out coverage are addressed. Don't assume last year's cover is the same as this year: insurers can change terms at renewal without flagging it directly.

Have you got all the insurance you need?

A key mistake business owners make is assuming property damage insurance automatically covers lost income from business interruptions. While some policies bundle both, you could be missing this essential cover.

DIFFERENT INSURANCE TYPES

Commercial property cover

Covers your building and fixed assets against fire, storm and impact damage. Check your sum insured reflects current rebuild costs at each renewal.

General liability cover

Covers legal liability if a customer or supplier is injured or their property is damaged at your premises or as a result of your business operations.

Machinery and equipment cover

Covers breakdown and damage to business-critical equipment. Essential if operations depend on machinery that takes weeks to replace after an event.

Stock and contents cover

Covers stock and business contents up to your nominated value. Review at renewal — underinsurance is common when stock values change across the year.

Business interruption cover

Covers lost revenue and fixed costs during a forced closure. Without it, your business carries all financial obligations while premises are repaired.

Flood and storm cover

Flood is not automatically included in commercial policies. Confirm this add-on is active and check how your insurer defines flood versus storm surge.

Get more help with insurance ins and outs

You'll find a section called 'Insurance explained' at insurancecouncil.com.au, with lots of guides for breaking down policy fine print and navigating **Product Disclosure Statements (PDS).**

Critical questions to ask your insurance broker

A good insurance broker translates complex terms, uncovers hidden policy gaps, and acts as your advocate if a claim is ever disputed. So it's worth considering using a broker rather than buying direct.

FOR THE INSURANCE BROKER

Has this property ever been affected by natural hazards?

Agents are required to disclose known hazard history in most states. Asking directly ensures you receive this information before making an offer.

Does this policy include flood cover?

Flood cover is not automatically included in standard home policies. Confirm explicitly which types of flooding are covered — riverine, flash flood and storm surge may be treated differently.

Why is this priced lower than other properties?

A lower price can reflect higher natural hazard risk. If the agent cannot explain the discount, investigate the property's flood zone, Bushfire Attack Level rating and insurance availability before proceeding.

Are there exclusions we need to know?

Ask your broker to list all natural hazard exclusions in plain language. Exclusions buried in a PDS can leave you exposed in exactly the situations you assumed you were covered for.

Has insurance been claimed in the last 10 years?

A history of insurance claims can indicate recurring hazard exposure. It may also affect your ability to obtain cover or the cost of your premium going forward.

Is there a waiting period before my cover becomes active?

Many insurers apply a waiting period for flood cover after a policy is taken out. Confirm this before exchange so there are no gaps in your cover.

GET MORE HELP WITH INSURANCE INS AND OUTS

The National Insurance Brokers Association of Australia (NIBA) maintains a public directory of registered brokers at niba.com.au. Search by location and business type to find a broker who knows your industry and risk profile.

Making sense of insurance terms

INSURANCE TERMS

Business interruption insurance	Cover that replaces lost income if your business cannot operate after a natural hazard event. It is the most commonly overlooked gap in small business insurance and is separate from property damage cover.
Indemnity period	The length of time your business interruption insurance will pay out after an event. A period that is too short may leave you without income before your business has fully recovered. Twelve months is a common minimum for small businesses.
Sum insured	The maximum amount your insurer will pay out on a claim. For businesses with stock or equipment, the sum insured should reflect current replacement costs — not purchase price. Underinsurance is common where stock levels change frequently.
Excess	The amount you pay out of pocket when you make a claim, before your insurer covers the rest. Commercial excesses are often higher than home insurance excesses and may vary by claim type. Confirm the excess for each cover type in your policy.
Exclusions	Conditions or events your policy does not cover. Flood is a common exclusion in standard commercial policies, particularly in high-risk areas. Always read the exclusions section of your Product Disclosure Statement before signing.
Asset register	A record of your business assets including equipment, stock and fixtures, with photos and estimated values. Insurers may require an up-to-date asset register to process a claim.

How to make an insurance claim after an event

Print this to have on hand if you ever need it

Most business owners make their first insurance claim after a disaster.
Knowing the process in advance means fewer mistakes and a faster resolution.

Right away

- [ ] Contact your broker or insurer as soon as it's safe to do so.
- [ ] Don't start repairs or clean up until your insurer has been notified.
- [ ] Request a claim reference number and note the name of who you spoke to.
- [ ] Ask your broker or insurer to confirm which covers apply to your situation.
- [ ] Follow up any phone call with a written summary of what was agreed.

Supporting your claim

- [ ] Photograph and video all damage before anything is moved or repaired.
- [ ] Keep all receipts for emergency repairs, temporary premises and equipment hire.
- [ ] Provide your asset register — a current record speeds up the assessment.
- [ ] Record lost revenue daily from the date of the event if you have Business Interruption Coverage.
- [ ] Separate personal expenses from business losses in your records.

Know your rights

Insurers must respond to claims within set timeframes, under the General Insurance Code of Practice. If your claim is delayed or disputed, contact the **Australian Financial Complaints Authority (AFCA)** at afca.org.au.

03.

SMEs

Mitigation

Future-proofing your business from the ground up

While emergency preparation is about how you react in the final critical hours, mitigation is the permanent groundwork you lay long before a hazard ever develops. It means looking deeply at your physical footprint, your digital architecture, and your critical workflows, then making structural investments that permanently lower or completely remove your exposure to risk.

Investing in long-term mitigation flips the script on operational survival. Instead of facing weeks of catastrophic trading downtime, ruined stock, and uninsured asset replacements, an optimised business is built to absorb the shock of an extreme weather event. By embedding structural resilience into your business model today, you protect your team, insulate your cash flow, and guarantee your ability to outlast any crisis.

SMEs | Mitigation

The real value of upfront investment

BOB'S CUSTOM JOINERY | REGIONAL TASMANIA

The risk & the strategy
Bob was reviewing the state of affairs for his custom joinery workshop, and decided to shift from reactionary preparation to permanent mitigation. Recognising that his machinery and physical files were the business's biggest vulnerabilities, he spent an annual shutdown period hardening the property. He installed commercial flood barriers across the roller doors, raised electrical switchboards, and completely digitised client asset registers to the cloud.

The event & the payoff
Twelve months later, severe flash flooding hit the industrial estate, leaving the road cut-off and the workshop surrounded by mud and water.

Because the structural barriers held, water never breached the main workshop floor. While neighbouring businesses spent weeks discarding ruined stock and waiting for custom machinery replacements, Bob's workshop washed down the exterior and safely resumed full trade within 48 hours.

> "We spent $8,500 on structural barriers. When the river broke its banks, that single investment saved us over $60,000 in damage and downtime."

MITIGATION IMPACTS

$8,500
upfront mitigation costs

$65,000
estimated losses prevented

2 days'
total trading downtime, compared to an average of 5 weeks among neighbouring businesses

Types of mitigation

Mitigation is the strategic, structural and systemic long-term groundwork you undertake months in advance to permanently lower or remove your risk from natural hazards. And then keep going! Continuity plans are a big part of mitigation. It's easy to put these into the "too hard" basket, but they can make a huge difference should a natural hazard unexpectedly impact your business.

Asset & property hardening

Invest in permanent structural upgrades. Install flood barriers, fit ember-proof mesh to vents, and permanently raise heavy machinery and electrical switchboards above flood lines.

Note: Check your lease before you make large-scale structural changes.

Supply chain & inventory redundancy prep

A hazard miles away can paralyse your business. Mitigate this risk by diversifying your supplier networks, holding critical inventory buffers off-site, and securing backup logistics agreements before disruptions occur.

Digital resilience & cloud infrastructure

Move your point-of-sale systems, customer databases, and financial records to secure, automated cloud networks with off-site backups.

Operational flexibility & remote protocols

Avoid total closure by setting up remote-work workflows before a crisis hits. Ensure staff can securely access key systems from home and establish an emergency channel to broadcast quick updates to clients.

Business continuity & financial buffers

Ensure cash flow survival by establishing an emergency capital reserve earmarked for unexpected closures. Cross-train staff on essential business operations so your business never relies on a single point of failure.

Alternative revenue & delivery channels

Plan how to pivot your business model if your physical location is cut off. Establish secondary digital marketplaces, click-and-collect partnership zones, or mobile service alternatives to keep trading through long recoveries.

Your mitigation checklist

Print this to have on hand if you ever need it

During EOFY & tax returns

- **Update your asset register:** Document infrastructure and stock with high-res photos to streamline future insurance claims.
- **Review business interruption margins:** Check that your payout limits realistically cover modern supply delays and cash flow timelines.

During health & safety reviews

- **Test remote-access setups:** Confirm critical staff can securely access point-of-sale, payroll, and server files from home.
- **Inspect physical protections:** Clear gutters, test backup power, and check that structural flood barriers or ember guards are sound.

During annual stocktake & inventory audits

- **Optimise your storage footprint:** Move high-value inventory, machinery, and electrical items off ground levels in hazard zones.
- **Audit vendor vulnerabilities:** Map out where your top suppliers operate and secure backup contracts if they are concentrated in high-risk areas.

During IT upgrades & software renewals

- **Automate data redundancy:** Move files completely off local drives and onto automated, encrypted cloud-based recovery networks.

Resilience made routine

By linking mitigation to your routine business cycles, building long-term resilience becomes an integrated operational habit rather than an administrative burden.

04.

SMEs

Preparedness

Practical steps to manage an emergency

When a natural hazard threatens your business, having a clear plan removes the guesswork from critical moments. Preparedness isn't about halting your daily operations. It's about putting simple, actionable steps in place today so your team can react with absolute confidence when every minute counts.

By building a practical emergency response plan, training your staff, and knowing exactly what to secure or pack during an evacuation, you put yourself in control of the situation.

Preparation vs. recovery: the real cost

Most small business owners know preparation matters. Few act on it before they need to.

The gap between what a natural hazard costs a prepared business and an unprepared one is not marginal. It's the difference between reopening in weeks and closing for good. Every action on the left takes minutes. Every consequence could take months – so take some time today.

PREPARATION			RECOVERY	
Check your risk zone Know what hazards apply to your location.	15 min	VS	**Insurance claim** Claims can take a while. Business Income Coverage covers the gap.	3 months
Back-up your data Cloud backup keeps data safe if premises flood.	10 min	VS	**Recover data** No backup means weeks of lost data recovery time.	2-4 weeks
Review your insurance Confirm your flood and Business Interruption Cover.	30 min	VS	**Insurance** Time to recover financially when insurance falls short.	6+ months
Back-up supplier Find an alternative supplier before a crisis forces the decision.	20 min	VS	**Find a new supplier** Finding a new supplier mid-crisis takes weeks, and costs more.	4-5 weeks
Continuity plan A basic plan covers what to do and who acts if premises close.	15 min	VS	**No plan to follow** Businesses without a continuity plan take far longer to reopen.	12+ months

Create your natural hazard evacuation plan

Most small businesses already have a fire evacuation plan. This page helps you extend that plan to cover natural hazards and make sure your staff know what to do before you need them to act.

Assign roles for when evacuation happens

Give specific staff responsibility for securing the premises, saving critical IT data, and moving high-value stock.

WHEN TO DO IT

Before hazard season
It takes 15 minutes to assign clear roles.

Map evacuation roles

Establish primary and backup exits from the building, clear pathways, and pick a safe outdoor assembly point. Ensure how you'll account for all staff or customers who were on site.

WHEN TO DO IT

Annually
Walk the route with your team once a year.

Conduct seasonal briefings

Run through your hazard procedures with all staff, explicitly tracking new starters and casual workers.

WHEN TO DO IT

Start of season
Add a 10-minute briefing to your regular team meeting.

Make your plan accessible

Keep a printed copy on-site, share digital versions with all staff, and post local State Emergency Service and other emergency numbers visibly.

WHEN TO DO IT

Today
It takes 5 minutes to print and share.

Add this to your emergency plan

Safe Work Australia requires all workplaces to have an emergency plan. Your natural hazard plan can sit alongside your existing workplace emergency procedures. Visit safeworkaustralia.gov.au for template guidance.

Natural hazard emergency checklist

Print this to have on hand if you ever need it

Has a natural hazard warning arrived? Things can change fast, and decisions need to be made fast, too. Don't wait for conditions to worsen before acting. Run through this list before you leave.

Right now

- [ ] Confirm the warning level on your SES app.
- [ ] Call or message all staff and tell them not to come in.
- [ ] Turn off electricity, gas and water at the mains if safe to do so.
- [ ] Move stock and equipment away from flood entry points.
- [ ] Lock and secure all premises entry points before leaving.

Before you leave

- [ ] Activate your business continuity plan and brief your team.
- [ ] Forward your business phone to a mobile number.
- [ ] Check on neighbouring businesses and share information if safe to do so.
- [ ] Get your business go-bag including insurance documents, lease or ownership papers, payroll records, your devices, petty cash, premises keys and chargers.
- [ ] Follow emergency service instructions and leave early if told to.

Have you signed up to emergency alerts?

AusAlert provides national warnings, but you should also monitor local channels. Below are key examples. If your state or territory isn't listed, check your local emergency services website.

NSW	Download the Hazards Near Me App
VIC	Download the VicEmergency App
QLD	Monitor the QldAlert App

05.

SMEs

Resources

Where to go for resources specific to small business

RESOURCES

National Resilience Action Library (NRAL)

A NEMA-maintained library of tools and templates for natural hazard preparedness, including resources designed specifically for small businesses.

Visit
nema.gov.au/our-work/resilience/national-resilience-action-library

Disaster assistance

Provides links to recovery grants, emergency management plan templates and business continuity tools from state and federal government.

Visit
business.gov.au

Bureau of Meteorology (BOM)

The authoritative source for weather forecasts, hazard warnings and seasonal outlooks. Set up alerts for your location before hazard season begins.

Visit
bom.gov.au/

Australian Small Business and Family Enterprise Ombudsman

The ASBFEO publishes disaster preparation and recovery checklists with links to state and federal resources on risk and insurance.

Visit
asbfeo.gov.au/

Insurance Council of Australia (ICA)

Publishes plain-language guides on business insurance, runs a disaster hotline after major events and can help you understand your policy or resolve a dispute with your insurer.

Visit
insurancecouncil.com.au

HELPFUL TIP

Your State Emergency Service, fire service or emergency management agency publishes hazard-specific guides for your region. Your local council can provide flood maps, risk information and community preparedness plans.

Your business is more than just a livelihood, it is your hard work. By investing in resilience now, you're taking control of an unpredictable future.

www.nema.gov.au