



# Business continuity and planning for recovery

A benchmark study conducted prior to COVID-19 into business continuity planning by SAI Global, reported that operational resilience is a key factor for decision makers such as Boards and Executives. The report also pointed to a continuing gap between the awareness of the need to take action and investing sufficiently to ensure the organisation is prepared.

The SAI study commented that professionals with responsibility in their organisation for business continuity are challenged with a lack of resources and executive buy-in. All this, at a time where their role and organisation are experiencing its biggest test and operational resilience is more important than ever<sup>1</sup>.

***Organisations should dedicate resources to thoroughly prepare for a variety of unexpected events.***

There are clear examples of events that have challenged business continuity in recent times. These include climate change, bushfires and the COVID-19 pandemic. Each are examples of the types of events that may continue to be a feature of our world moving forward. They demand a preparedness for significant and fundamental disruption to business over the medium to long term. The impact is likely to be widespread (geographically) and highly impactful on all aspects of operations. In this context business continuity planning needs to embrace several elements of planning and risk assessment activity.

*Business continuity is an organization's ability to maintain essential functions during and after a disaster has occurred. Business continuity planning establishes risk management processes and procedures that aim to prevent interruptions to mission-critical services, and re-establish full function to the organization as quickly and smoothly as possible.<sup>2</sup>*

*The most basic business continuity requirement is to keep essential functions up and running during a disaster and to recover with as little downtime as possible. A business continuity plan considers various unpredictable events, such as natural disasters, fires, disease outbreaks, cyberattacks and other external threats.<sup>3</sup>*

It is not the purpose of this paper to take a view on what remains for some, contested science – climate change. What is evident is that the cost of business is increasingly factoring increases in supply, transport and insurance that themselves are seeing inflationary rises to factor in risk of flood, fire, or adverse weather events – all matters that the climate change arguments address.

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<sup>1</sup> <https://resources.sai360.com/business-continuity-management/download-the-2020-business-continuity-benchmark-report>

<sup>2</sup> [https://infostore.saiglobal.com/en-au/resources/business\\_continuity/business\\_continuity\\_preparedness\\_disaster\\_recovery/](https://infostore.saiglobal.com/en-au/resources/business_continuity/business_continuity_preparedness_disaster_recovery/)

<sup>3</sup> <https://www.climate-expert.org/fileadmin/Ressources/Reading%20List/2006%20PEW%20Center-%20Adaptation%20-%20a%20business%20approach.pdf>

The Australian Prudential Regulation Authority (APRA) has highlighted the financial nature of climate change risks to its regulated entities. The APRA advice is that these risks are material, foreseeable and actionable now.<sup>4</sup>

APRA identifies that “*climate change financial risks include the physical risks which cause direct damage to assets or property as a result of rising global temperatures, as well as transition risks which arise from the transition to a low-carbon economy. Physical risks, including extreme weather events, have the potential to cause supply chain disruption, resulting in lower productivity as well as lower asset values. Transition risks include risks related to regulatory policy, technological innovation, renewable power and energy advancements and social adaptation and can result in stranded assets. These risks also give rise to liability risks. Liability risks stem from the potential for litigation if entities and boards do not adequately consider or respond to the impacts of climate change, and may include the potential breaching of directors’ duties*”.<sup>5</sup>

A key and recommended safeguard to climate change impacts is business continuity planning.

***Business continuity, is about ensuring that the organisation has sufficient and robust plans in place to manage any of a series of adverse environmental events.***

COVID-19 has been one of the most significantly disruptive events in Australian history and has tested the capacity of the economy, health, welfare and transport systems. For many, the restrictions on freedom of movement and personal liberty have been difficult and have led to a need for greater welfare related assistance whether in the form of income support arrangements, cost freezes (particularly moratoriums on rent increases and evictions), home mortgage repayment freezes, or economic stimulus.

Registrars noted that most CHPs are managing well through the pandemic, though there is still a long way to go before we can truly understand the full impacts. Registrars noted at the last assessment, that although a pandemic was not considered in the majority of CHP’s risk planning documents, the majority of CHPs have demonstrated an ability to adapt and manage well in terms of minimising impacts on service delivery to tenants<sup>6</sup>.

The full impacts on revenues, maintenance and tenant wellbeing will become clearer and more nuanced as we emerge in 2022 to undertake compliance assessments with CHPs.

At its most extreme the impact of COVID-19 has taken the form of an outbreak of the virus in an organisation. Management has required the isolation of those diagnosed, those in contact, and the preventative lock down of settings and a deep clean of environments. Within this the need for almost a replacement workforce has been noted.

Aged care settings, for example, have experienced whole rosters of staff needing to be isolated in the face of a suspected or real outbreak. At a time when there is a geographical aspect to viral outbreaks and a need for restricted access to be applied across an array of communities and services within them, finding and maintaining workforces has been a significant challenge. A further feature has been the need to restrict the number of services that staff work in. Restrictions have been imposed to limit to one service the settings in which aged care staff work.

Key considerations for CHPs when developing a business continuity plan can be framed through the following questions:

- Do you know if your employees work for other agencies and in what field of care or service provision (for example, do they also work in aged care or disability care settings).

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<sup>4</sup> <https://www.apra.gov.au/understanding-and-managing-financial-risks-of-climate-change>

<sup>5</sup> [https://www.apra.gov.au/sites/default/files/climate\\_change\\_awareness\\_to\\_action\\_march\\_2019.pdf](https://www.apra.gov.au/sites/default/files/climate_change_awareness_to_action_march_2019.pdf)

<sup>6</sup> <https://www.communityhousing.com.au/wp-content/uploads/2020/10/Covid-19-ImpactsProject-webFinal.pdf?x65550>

- Do you have an understanding of the likely impact on your organisation's ability to service clients if staff are required to isolate and not attend work?
- Do you have a stockpile and/ or reliable supply of personal protective equipment (PPE), and are staff trained in its use?
- Do you have an outbreak management plan for your service?<sup>7</sup>

### Focus on tenants

Importantly, **a key differentiating factor between a typical business continuity plan and that of a CHP is an added focus on tenants.** This not only requires planning around short term or temporary incidents (properties becoming uninhabitable or being cut off from important support networks) but also the longer-term impacts of these events such as long-term or permanent health impacts on tenants<sup>8</sup>, housing design and location<sup>9</sup> and ongoing capacity for staff and systems to act on the plans developed.

There are a range of resources that can be accessed to assist organisations considering development of a business continuity plan.<sup>10</sup>

### Emerging from a disruption to business continuity

An emerging risk for providers moving into the recovery phase is the capacity to cope with the next 'critical interruption' – for example, in relation to recovering from the COVID -19 pandemic response to the response needed for when the rental / job seeker assistance schemes and eviction moratorium wind back and organisations are potentially in the position of receiving reduced rental incomes, rental recovery, and possibly increased evictions.

Appropriate attention should be paid to planned emergence from the disruption to business continuity. In many ways this parallels the steps needed to be considered for disaster recovery. ***In moving forward, CHPs need to consider changes to practices that are worth keeping, and plan a return to previous practices, if appropriate. For example, moving back to face to face service delivery approaches rather than virtual/digital and/or offering multiple options in future.***

There are some useful resources for recovery published by the Australian Institute for Disaster Resilience<sup>11</sup> and each jurisdiction produces comparable materials associated with its emergency management /disaster recovery arrangements<sup>12</sup>.

CHPS can consider the following principles as part of the recovery elements in business continuity planning:

- Understanding the community context – essentially understanding tenants and their issues
- Recognising complexity in the dynamic nature of emergencies and impacted communities this can include for CHPs matters that range from the impacts of cessation of rental eviction moratoriums; reduced charitable donations; higher levels of unemployment and under employment; general downturn in economic activity)
- The importance of using community-led approaches as they evidence responsive and flexible approaches and empower people to move forward

<sup>7</sup><http://www.qshelter.asn.au/elements/2015/05/Business-continuity-plan.pdf>

<sup>8</sup> <https://www.who.int/news-room/fact-sheets/detail/climate-change-and-health>

<sup>9</sup> <https://theconversation.com/how-might-covid-19-change-what-australians-want-from-their-homes-145626>

<sup>10</sup> <https://www.cio.com/article/2381021/best-practices-how-to-create-an-effective-business-continuity-plan.html>; <http://www.qshelter.asn.au/elements/2015/05/Business-continuity-plan.pdf>

<sup>11</sup> <https://knowledge.aidr.org.au/resources/handbook-community-recovery>

<sup>12</sup> See for example <https://www.emergency.nsw.gov.au/Documents/publications/Emergency-Management-Arrangements-For-NSW.pdf>

- Ensuring activities are coordinated across multiple fronts for CHPS this could include consideration of the role of shared support services, an increased need for coordination with other providers or the provision of other supports
- Build on effective communication with affected people, communities and stakeholders
- Actively recognise, support and build on community, individual and organisational capacity to ensure that people are not left behind.

The following link is a useful resource on Business Continuity Planning recovery phase. This handbook aims to provide a comprehensive guide to community recovery in Australia. It is intended for use by planners, managers and those involved in working with communities to design and deliver recovery processes, services, programs and activities.

***Recovery is the process of coming to terms with the impacts of a disaster and managing the disruptions and changes caused, which can result, for some people, in a new way of living.*** Being 'recovered' is being able to lead a life that individuals and communities value living, even if it is different to the life they were leading before the disaster event

<https://knowledge.aidr.org.au/resources/handbook-community-recovery/>