

Preparing for Business Disruption

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The current outbreak of Covid-19 (Coronavirus) has the potential to greatly disrupt ongoing business operations in Australia. Several businesses have already seen significant disruption to their supply chain and staffing as a result of Coronavirus.

Given the very real likelihood of continued disruption it is imperative for all businesses to take stock of their current situation and review the impact of possible scenarios. Should supply chains continue to be disrupted or revenues significant decrease from self-quarantining, businesses need to be armed with strategies in advance to address the following issues:

1. How will I pay our staff?
2. How will I manage our financiers and creditors?
3. What other funding options are there for this interim disruption?
4. How will I keep up to date with ATO payments?
5. How will the business continue to operate under lockdown/quarantine scenarios?

Major financial institutions and some government agencies have offered delayed payment terms which will provide short term cash flow support, but these may not be adequate in isolation. In any event, delayed or missed payments will need to be brought up to date and affected businesses must plan for this as cash flows may take some time to return to normal.

There are a range of initiatives which could be employed to stabilise a business in the event conditions worsen, and business owners should consider the appropriate strategies for their protection.

Should you wish to discuss any concerns regarding your business, including possible continuity strategies please don't hesitate to contact our office.

If you have any questions or would like more information, please contact our office:

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