

## Financial responses to different emergencies

Type of Crisis	Examples	Financial Response
1. <i>Brief or Sudden Event: Short Term Consequences for the business</i>	<ul style="list-style-type: none"> <li>• Infrastructure/transport failure</li> <li>• Rain affecting access roads to the business</li> </ul>	Act immediately to ensure that the short-term effect of the emergency can be handled using existing financial resources. Otherwise arrange for extra cash - cash injection, overdraft or credit extension.
2. <i>Brief or Sudden Event: Medium to Long Term Consequences for the business</i>	<ul style="list-style-type: none"> <li>• Disease outbreak at or near the business premises (food poisoning, Legionnaire's, bird flu)</li> <li>• Terrorism attack or riot</li> <li>• Shark attack</li> </ul>	This type of emergency threatens customers' sense of safety and security with long-term impacts on visitation. It may be important to invest in marketing campaigns and preventative systems to restore confidence, e.g. food safety systems in the case of food poisoning. Develop a budget to present to the bank or shareholders to secure the extra cash required.
3. <i>Medium Term Event: Medium Term Consequences for the business (1-4 years)</i>	<ul style="list-style-type: none"> <li>• Flood or bushfire eliminating a whole tourist season, with longer term impacts</li> </ul>	Organise for additional cash to be available to the business to help tie it over until sales return to a normal level. This could come from a bank or from further investment from the owners or shareholders, once a plan has been prepared to show how the business will return to profitability.
4. <i>Long Term Event: Changing Business Strategies for the business (4+ years)</i>	<ul style="list-style-type: none"> <li>• Long-term impacts of climate change, altering the ambiance and attractiveness of a tourist location (e.g. ongoing water restrictions)</li> </ul>	Invest in promoting the most positive messages about the destination to potential visitors, ideally in collaboration with other businesses to pool marketing dollars. The business may also need to invest in new systems that demonstrate they are tackling the challenges of the long-term emergency, e.g. energy or water saving devices, or security systems.
5. <i>Long Term Event: Continuing Consequences for the business</i>	<ul style="list-style-type: none"> <li>• Closure, or reduced access, to a fundamental resource or activity that is crucial to the business, such as a national park for a tour operator, or the drying of an inland lake to a boat or accommodation provider</li> <li>• A flood or a fire resulting</li> </ul>	If relevant, use an insurance payout to start afresh. If there is no financial payout, assess whether the expertise, enthusiasm and financial resources exist for the business to provide a new package of services or to re-establish in a new location. In an extreme case, the business owners may need to seek accounting and legal advice to determine how to meet the

	in substantial destruction of the business' assets and equipment	demands of creditors to wind-up the business, and avoid being forced into liquidation.
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