ARA SUBMISSION
COMMONWEALTH CAPABILITIES FOR CRISIS RESPONSE
OCTOBER 2023

The Australian Retailers Association (ARA) welcomes the opportunity to make this submission in response to the Department of Home Affairs Discussion Paper on the Alternative Commonwealth Capabilities for Crisis Response.

The ARA is the oldest, largest and most diverse national retail body, representing a $420 billion sector that employs 1.4 million Australians – making retail the largest private sector employer in the country. As Australia's peak retail body, representing more than 120,000 retail shop fronts and online stores, the ARA informs, advocates, educates, protects and unifies our independent, national and international retail community.

We represent the full spectrum of Australian retail, from our largest national and international retailers to our small and medium sized members, who make up 95% of our membership. Our members operate in all states and across all categories - from food to fashion, hairdressing to hardware, and everything in between.

EXECUTIVE SUMMARY
RETAIL PLAYS AN INTEGRAL ROLE IN AUSTRALIA'S DISASTER RESILIENCE

In the face of natural disasters across Australia, the retail sector's pivotal role in supporting local communities during times of crisis and fostering community resilience has come into focus. Beyond their core business activities, retailers have showcased their capability to support and amplify response, relief and recovery efforts.

The ARA recognises the potential of streamlining the retail sectors' efforts in response to natural disasters during the initial response and relief phase. From ensuring the continuous flow of essential goods like food, groceries and medicines to acting as community hubs during crises, the retail sector's contribution spans the entire spectrum of disaster response, relief and recovery.

However, there is also an opportunity for retailers to collaborate with government on the development of a longer-term national resilient strategy against disasters, given the infrastructure and support networks that retailers already have in place across the country to support local communities.

This submission outlines the ARA's recommendations in relation to the integration of the retail value chain into national disaster resilience initiatives, led by the National Emergency Management Agency (NEMA). These recommendations are summarised below and outlined in the body of this submission.

1. Seek funding to develop, test and deploy a Retail Disaster Response and Recovery Framework (RDRRF) that seamlessly aligns with the Australian Government Crisis Management Framework (AGCMF) ensuring the entire retail value chain actively contributes to disaster preparedness, response and recovery, and rebuild.

2. Integrate the RDRRF into NEMA, making the retail sectors' capabilities an intrinsic part of the relevant National Coordination Mechanisms (NCMs).

3. Embed dedicated retail value chain expertise within NEMA, to embed harness the expertise of retail experts in risk reduction and disaster management.

4. Enhance the National Situation Room (NSR) with retail value chain capability and expertise to ensure real-time data from the retail sector aids in swift decision-making during crises.

5. Expand the National Joint Common Operating Picture (COP) to deliver extensive integration of diverse expert models from multiple sources across the retail value chain into the COP.

The ARA believes that by implementing these recommendations, Australia can better leverage the strengths of its retail value chain to safeguard communities, reduce response times and ensure a more efficient allocation of resources during disasters. This approach does not only elevate disaster management but it also aims to focus the retail sector's efforts to support communities in times of need and invest in national resilience.

BACKGROUND

In recent years, the increasing frequency and magnitude of natural disasters across Australia has spotlighted the indispensable role of business in supporting local communities in times of need. Retailers, in particular, have demonstrated how they can leverage their vast networks, supply chain capabilities, and infrastructure to enhance response, relief and recovery efforts.

Retailers in Australia have played a positive role in disaster response and recovery efforts over many years, providing a range of goods and services to support affected communities, some of which are outlined below.

Essential Goods

- Food supplies: non-perishable goods including bottled water, tinned or dried food, and ready-to-eat meals

- Food supplies: perishable goods through cold-chains

- Baby products: nappies and baby food

- Personal hygiene products: toilet paper, sanitary items, soap and toothpaste

- Cleaning equipment: household chemicals and vinegar for flood and mould impacts

- Preparatory and protective equipment: sandbags, tarpaulins, torches, batteries, rope and shovels

Fuel and Power Supplies

- Petrol, diesel and gas

- Batteries and power banks

- Generators

Medical Supplies

- First aid kits

- Over-the-counter medicines

- Personal protective equipment

Clothing and Household Goods

- Clothing

- Bedding, blankets and sleeping bags

- Tents

Temporary Services

- Pop-up shops in areas where retailers have been impacted

- Mobile services like mobile ATMs or banking facilities

Fundraising and Donations

- Cash donations to relevant charities and recovery organisations

- In-kind donations of essential goods

- Platforms to facilitate community fundraising efforts

Logistical Support

- Logistical networks to transport goods and personnel

- Warehousing spaces for storage of recovery materials

Community Support

- Community hubs where people can gather

- Food and supplies for emergency services workers, and evacuees and volunteers working at evacuation centres

- Financial grants for affected communities

Collaborations and Partnerships

- Collaborations with local, state and territory, and federal governments for coordinated efforts

Emotional and Mental Health Support

- Collaboration with organisations to provide counselling services

- Spaces and events where community members can congregate for mutual support

CASE STUDIES

Retailers have a proven track record of leveraging their networks, resources and community presence to play a positive role in disaster response, relief and recovery efforts. These contributions often go beyond core business activities and deliver significant benefit to impacted communities.

The retail sector is often a first responder in times of crisis. From offering essential supplies to acting as a central point for information and community support, retailers have consistently gone beyond their core business activities to aid disaster response and recovery. Several notable examples demonstrate the retail sector's pivotal role during times of need.

Small Business Retailers | Black Summer Bushfires

Often embedded deeply within their local communities, small business retailers across Australia have consistently shown resilience and community spirit during disasters. Their unique advantage lies in their close ties to the community, enabling them to understand and address immediate local needs.

During the 2019-20 bushfires, local general stores, cafes, and independent supermarkets in fire-affected towns became unofficial community hubs. These establishments often provided free food, water and shelter, acting as gathering points for locals to share information, seek assistance or to find solace among neighbours.

In Mallacoota, one of the remote towns cut off by fires, the local bakery continued to operate on generator power, providing bread to stranded residents and tourists. Such actions highlight the indispensable role of community small business retailers, as they often become the backbone of local support, contributing both resources and a sense of togetherness during trying times.

Coles and Woolworths | Black Summer Bushfires

During the Black Summer Bushfires of 2019-20, Coles and Woolworths provided immediate assistance to impacted communities, including customers and their own employees.

In addition to donating millions of dollars to recovery funds, these retailers worked to ensure their stores in fire-affected regions were well-stocked despite significant impacts to local road infrastructure. Their robust supply chains ensured that essentials goods like water, food, and hygiene products reached affected communities promptly.

Bunnings | Northern Rivers Floods

Bunnings consistently provides support before, during and following extreme weather events and disasters. This includes working with state authorities to help raise community awareness about how to prepare for bushfires, storms, floods and cyclones through in store campaigns, events and workshops.

During the Northern Rivers Floods of 2021, Bunnings contributed essential goods to preparation and recovery efforts including sandbags, water, cleaning tools and products, and established a mobile pop-up store to help with access to essential items when their own retail operations in Lismore were severely impacted.

Bunnings also has demonstrated capacity to distribute essential products to isolated regions via its extensive transport supply chain and store network, many of which are in regional areas.

Australia Post | Red Cross Collaboration

Recognising its vast network and reach, Australia Post has collaborated with Red Cross to support disaster-impacted communities. In addition to providing free mail redirection services for those displaced by disasters, Australia Post facilitated over $1.8 million in donations to Red Cross.

By leveraging their retail post offices as frontline collection points, they ensured that Red Cross could offer immediate assistance to those affected.

Amazon | Disaster Relief by Amazon

Amazon's logistical capabilities make it a major player in disaster response and recovery. During recent bushfires, Amazon Australia supported by delivering goods directly to recovery organisations and providing cash donations.

Globally, Amazon's Disaster Relief program focuses on leveraging Amazon's vast operational capabilities to respond to natural disasters. They utilise their logistical network, from cargo planes to delivery vans, to ensure rapid response.

Good360 Australia

ARA Community Partner Good360 Australia is a unique organisation in the retail sector, connecting surplus goods from businesses to the people who need them most.

During disasters, they play a pivotal role by ensuring that donated goods, which are often in abundance, reach affected communities in a streamlined manner.

Partnering with retailers and manufacturers, Good360 Australia redistributes items that would otherwise go to waste, ensuring that communities receive the right kind of help at the right time. Their model exemplifies a sustainable and effective approach to disaster recovery, minimising waste while maximising community support.

CONTEXT

The prevention, preparedness, response, relief, recovery, reconstruction and risk reduction disaster cycle is currently addressed across the breadth of the retail value chain from sourcing to customer engagement.

The ARA understands the potential to harness and streamline this contribution to produce a retail engagement that is not just acting on response, relief, and recovery agendas but participates in underpinning a truly resilient national strategy.

Phase	Sourcing and Procurement	Warehousing and Inventory Management	Distribution and Logistics	Merchandising and Store Management	Sales and Customer Interaction
Prevention	Partner with suppliers with demonstrable resiliency in their own supply chains.	Design warehouses and supply chains to be disaster-resistant.	Design contingency distribution routes and methods.		
Preparedness	Secure agreements with suppliers for priority access to essential goods during emergencies.	Maintain emergency stockpiles and diversify storage locations.	Conduct scenario planning, preferably informed by advanced logistic simulation tools.	Training local teams in disaster response.	Disseminate information on disaster preparedness to customers.
Response	Support the rapid procurement and sourcing of essential goods.	Monitor and evaluate emerging needs.	Distribute emergency supplies, to the right location, in an expedient timeframe.	Allocate store sections for emergency goods, information and support services.	Direct customers to essential resources and services.
Relief	Enable expedited procurement for immediate disaster relief basics such as bottled water.	Release stockpiles to meet immediate community needs.	Establish mobile distribution units or pop-up supply points.	Offer space for community services or relief efforts post-disaster.	Offer accommodation and support to relief services, community organisations and assistance programs.
Recovery	Consult and plan for recovery needs.	Maintain access to recovery supplies.	Maintain mobile distribution units or pop-up supply points.	Return store function and capacity to 'normal' as soon as possible.	Manage and facilitate community support events.
Reconstruction	Consult and plan for reconstruction needs.	Maintain access to reconstruction supplies.	Re-establish permanent supply infrastructure.	Ensure supplies for ongoing recovery and reconstruction, where applicable.	

With this context in mind, the ARA recommends the inclusion of a retail value chain expert capability into the NEMA. The functional capability would be charged with strategic preparative work in times of stability, and with coordinated response across the retail value chain during times of disruption.

RECOMMENDATIONS AND RATIONALE

Recommendation 1
Seek funding to develop, test and deploy Retail Disaster Response and Recovery Framework

The Australian Government Crisis Management Framework (AGCMF) outlines the government's approach to preparing for, responding to and recovering from crises. To improve disaster management effectiveness, the ARA recommends the creation of a Retail Disaster Response and Recovery Framework (RDRRF).

This model aims to align with and support the operational scope of the AGCMF from a retail value chain capability perspective. This perspective begins with sourcing, including sovereign sourcing, spans supply-chain and logistics, through to store operations and customer interaction. The whole retail value chain has something to offer disaster resilience and crisis management approaches.

The ARA proposes that the RDRRF represents the whole contingency capability of the retail value chain and is created though a collaborative forum of major retailers, logistics and distribution companies, and small business community retailers. The framework outlines the capacity and capabilities of retailers - large and small - to support disaster response and recovery efforts in alignment with the AGCMF.

Suppliers	Inputs	Processes	Outputs	Customers
• Government agencies • Non-governmental agencies • Retail value chain Stakeholders	• Australian Government Crisis Management Framework • Stakeholder capability and capacity models • Gap analysis: Retail value chain contingency support capabilities	• Identify all touchpoints with Australian Government Crisis Management Framework • Create Retail Disaster Response and Recovery Framework, supporting the National Emergency Management Agency from retail perspective	• Retail Disaster Response and Recovery Framework	• National Emergency Management Agency

Recommendation 2
Integrate the RDRRF into National Emergency Management Agency (NEMA)

The NEMA would facilitate the integration of the RDRRF framework. The RDRRF framework would be operationalised through relevant National Coordination Mechanisms (NCMs).

Suppliers	Inputs	Processes	Outputs	Customers
• Dedicated retail value chain expertise in the National Emergency Management Agency • Retail value chain stakeholders	• Retail Disaster Response and Recovery Framework • Capability / capacity information inputs from stakeholder community; including data and networks	• Operationalise the Retail Disaster Response and Recovery Framework during disruption • Work on risk management and preparedness outside of disruption	• Resilient contingency plans for retail value chain	• National Emergency Management Agency • State and Territory emergency response operations

Recommendation 3
Embed dedicated retail value chain expertise within NEMA

To ensure efficient use of retail sector resources in disaster response and recovery, the ARA recommends establishing dedicated retail value chain expertise within NEMA. This capability would be tasked with integrating retail sector capabilities into national disaster management plans, and operations overseen by NEMA including through relevant NCMs. The role would build, train and test capability and strategy during times of stability and activate and manage plans during times of disruption.

Suppliers	Inputs	Processes	Outputs	Customers
• National Emergency Management Agency • Retail value chain stakeholders	• Role Description • Performance objectives and measures • Training materials, Industry data, advanced analytic tools	• Role definition, recruitment, onboarding, training • Integration into National Emergency Management Agency • Operating structure	• Advanced retail value change knowledge sharing and optimisation • Enhanced disaster response and recovery strategies • Expedited pathway to resilience	• National Emergency Management Agency • State and Territory emergency response teams • Retail value chain stakeholders

Recommendation 4
Embed retail expertise expanding the capabilities of the National Situation Room (NSR)

As the centralised hub for disaster-related data and situational awareness within NEMA, the NSR would benefit from dedicated retail sector expertise. Representation could ensure, through alignment with the proposed RDDRF, the sector-wide identification, negotiation, and integration of real-time data and capabilities. This would enable authoritative and enhanced situational awareness during disasters.

Suppliers	Inputs	Processes	Outputs	Customers
• Retail value chain experts, including production, supply chain and logistics • Statement and territory emergency management teams • National Situation Room team members	• Reports from retailers and their supply chain partners • Communications channels • National Situation Room tools	• Engagement with retail sector to gather insights from value chain partners • Incorporate retail insights into National Situation Room awareness methodologies and operational procedures	• Comprehensive Situational Awareness Framework	• National Emergency Management Agency • State and Territory emergency response teams • Retail value chain stakeholders

Recommendation 5
Expand the National Joint Common Operating Picture (COP)

The ARA recommends the extensive integration of diverse expert models from multiple sources across the retail value chain into the COP – through the creation of an advanced integration platform utilising machine learning and artificial intelligence, supporting systemic, parallel simulation modelling.

The creation of advanced analytic capability, utilising retail supply chain and logistic data would require competitive intelligence to be safeguarded. This capability should be managed by government or by an independent trusted third party.

Suppliers	Inputs	Processes	Outputs	Customers
• Retail value chain entities • Government, industry and academia	• Expert models for across retail value chain • Expert models from other domains including climate, transport, population	• Integrate diverse expert models from multiple sources into Common Operating Picture	• Simulations to solve for complex integrated problems	• National Emergency Management Agency • State and Territory emergency response teams • Retail value chain stakeholders

CONCLUSION

Australian retailers play a pivotal role in supporting local communities during times of crisis and disruption, often beyond their core business activities.

This submission has outlined a number of recommendations that would streamline and amplify the sector's response to natural disasters and opportunities for stronger collaboration between retailers and government on the development of a longer-term national resilient strategy against disasters.

Thank you again for the opportunity to engage in this consultation. For any queries in relation to this submission, please contact policy@retail.org.au

APPENDIX A

REALISING THE VALUE PROPOSITION
THE VALUE THAT THE RETAIL SECTOR BRINGS TO DISASTER RESPONSE & RECOVERY

The retail sector is not only a conduit of commerce; it is a lifeline to communities, ensuring essential supplies are available even in the most adverse conditions. Its integration into national disaster response and recovery mechanisms is not just advantageous; it is imperative for the well-being and survival of communities in crisis.

Ubiquity and Accessibility
The retail sector spans the breadth and depth of the nation, reaching urban centres, regional areas, and remote communities. With its vast network of outlets, storage facilities, and transportation and logistics mechanisms, it can serve as a rapid distribution channel for relief goods. In past crises, such as the COVID-19 pandemic, it was the retail sector that endeavoured to ensure the uninterrupted supply of food, medicine, and other essential items, even in areas hardest hit by lockdowns.

Resilience and Adaptability
Retailers can adjust their supply chains based on demand. For larger retailers this is a highly technologically empowered capability. This capability can be harnessed during emergencies to prioritise the supply of critical items. During natural disasters, such as floods, retailers will reroute supplies and adjust inventory to provide essentials, demonstrating agile responses to dynamic events.

Economic Stability
The retail sector is a significant contributor to the economic activity and employs a large portion of the population. Ensuring its swift recovery post-disaster is paramount not just for economic reasons but for societal well-being, as it aids in restoring normalcy. Post-disaster economic recovery often sees a boost when the retail sector is back in operation, helping communities return to routine, providing jobs, and ensuring the flow of goods and services.

Trust and Community Engagement
Retail outlets, especially local stores, are trusted entities in communities. They can serve as information dissemination points, aiding in government communication efforts. In times of crises, community members often turn to local stores for information, resources, and support, establishing these entities as trusted local anchors.

Integrated Supply Chain Intelligence
The retail sector possesses rich data on supply chains, demand patterns, and consumer behaviour. Integrating this data into national disaster response mechanisms can improve predictability, response times, and resource allocation. During supply chain disruptions, retailers' insights into alternate suppliers, stock levels, and logistics can be invaluable for national efforts in resource management and distribution.

The retail sector's representation in NEMA, aligned with a RDRRF framework for disaster response and recovery, is a strategic move. The sector's inherent capabilities, trust within communities, and vast reach make it a cornerstone for safeguarding citizens during times of major disruptions.

APPENDIX B

CHALLENGES TO THE VALUE PROPOSITION

While the retail sector's potential in disaster response and recovery is immense, harnessing this potential in a cohesive, streamlined manner is not without challenges. From the immense networks of large supermarket chains to the niche operations of independent stores, the retail landscape is broad and diverse.

Achieving a coordinated response that leverages the strengths of each retail entity is crucial to realising the sector's full value proposition in times of crisis. There are a number of key challenges for the sector in facilitating an operationally optimised approach to disaster response and recovery:

- **Variability in Operational Capacities**: The retail sector is a mosaic of enterprises; large, medium, and small. Each has its own set of resources, protocols, and challenges. Coordinating a response that takes into account these varying capacities and operational differences is complex.

- **Diverse Supply Chain Mechanisms**: Different retailers rely on a plethora of supply chains, each with its own set of vulnerabilities. A disruption affecting one may not affect another, making a one-size-fits-all response inadequate.

- **Information Disparity**: While large retailers might have advanced data systems to track inventory, demand, and logistics, smaller retailers may lack such sophistication, leading to gaps in the overall situational awareness during a crisis.

- **Coordination Mechanisms**: current coordination mechanisms appear ad-hoc, when an approach that smooths disaster driven demand with supply across the national footprint appears lacking at a sectorial level.

OPERATIONALISING THE BENEFITS OF THE RETAIL VALUE CHAIN WITHIN NEMA:

To mitigate these challenges, embedding dedicated retail expertise within the NEMA becomes essential to creating a unified, optimised and coordinated approach:

- **RDRRF**: A dedicated retail capability or expertise within the NEMA can facilitate the development of a standardised, yet flexible, model that caters to the unique needs of various retail entities, ensuring a more cohesive response.

- **Advanced Data Integration**: With expertise in the nuances of retail operations, the NEMA can better integrate data from different retailers – from sophisticated inventory systems of mega-stores to the manual stock lists of smaller outlets.

- **Supply Chain Vulnerability Assessment**: A dedicated retail capability or expertise can continuously assess the vulnerabilities of various supply chains, offering pre-emptive solutions and alternative sourcing and logistics during crises.

- **Capacity Building and Training**: With an in-depth understanding of the retail sector, the NEMA can devise targeted training programs, ensuring that every retailer, irrespective of size, is equipped to respond effectively during disasters.

- **Stakeholder Engagement and Trust Building**: A dedicated retail capability within NEMA can foster better trust and communication channels between the government and retailers, ensuring smoother coordination and collaboration.