

COMMUNITY DEVELOPMENT AND JUSTICE STANDING COMMITTEE

INQUIRY INTO WESTERN AUSTRALIA'S NATURAL DISASTER RELIEF ARRANGEMENTS

**TRANSCRIPT OF EVIDENCE TAKEN
AT LAKE GRACE
MONDAY, 6 NOVEMBER 2006**

SESSION FIVE

Members

Mr A.P. O’Gorman (Chairman)

Mr S.R. Hill

Ms K. Hodson-Thomas

Mrs J. Hughes

Hearing commenced at 2.20 pm

WALLACE, MR DONALD BRUCE,
President of the Lake Grace-Corrigin Zone for WA Farmers, examined:

The CHAIRMAN: Thank you for coming in, Don. I have a few things to read to you and a couple of questions to ask. I ask that you answer them verbally - not with a nod or a shake of the head, because Hansard does not pick that up and it does not get recorded.

The committee hearing is a proceeding of Parliament and warrants the same respect that proceedings in the house itself demand. Even though you are not required to give evidence on oath, any deliberate misleading of the committee may be regarded as a contempt of Parliament. Have you completed the "Details of Witness" form?

Mr Wallace: Yes.

The CHAIRMAN: Did you understand the notes attached to it?

Mr Wallace: Yes.

The CHAIRMAN: Did you receive and read an "Information for Witnesses" briefing sheet regarding giving evidence before parliamentary committees?

Mr Wallace: Yes.

The CHAIRMAN: Would you please state the capacity in which you appear before the committee this afternoon.

Mr Wallace: I am the president of the Lake Grace-Corrigin zone for WA Farmers.

The CHAIRMAN: Thank you, Don. We received a submission from the WA Farmers Federation. Is there anything you would like to add to that? It is really an opportunity for you to make some opening comments if you like.

Mr Wallace: I think I have probably covered it reasonably well. As I indicated, I probably lack a little understanding in regards to the purpose of the inquiry.

The CHAIRMAN: I will give you the history of this particular inquiry. Graham Jacobs, the member for Roe, raised an issue in Parliament which was amended by Terry Redman, the member for Stirling. Graham Jacobs's motion asked about WANDRA, the Western Australian Natural Disaster Relief Arrangements. Terry Redman's motion amended that to ask for a committee of inquiry into NDRA - Natural Disaster Relief Arrangements. That was referred to us by the Legislative Assembly. We are asking people about their experiences with NDRA and WANDRA to see if we can find a better way of doing it, essentially. At the end of the day that was the request from Graham. The view was that certain things should be included that are not. We are trying to get a bit of a feel for that around the place. We are travelling all around the south west and right up north as well, so we should get a fairly broad range of opinions, and we have to sort it out and make a recommendation. If you like, we can just ask you some questions. If you can answer them, that is fine; if you think it is beyond what you know, that is fine as well. We are not going to hold you up to ransom for it.

Mr Wallace: Okay. As far as I go as a farmer and what I do know, I did not have a lot to do with the shire or whatever, in regards to the flood and natural disasters that have happened around the place. As far as farmers go, I guess I can reflect on some of that in the light of the impact that the flood had on most farmers. I have not heard of any farmer who received any assistance in any way other than farmers helping out farmers themselves. There was a lot of work and in fact local people and farmers tended to pull together to help with some of the tasks that the shire had to attend to

because of the floods. A lot of farmers sustained infrastructure damage, erosion and those kinds of things, which were a big problem with the flood, but I have not heard of any farmers who actually received any funding to assist them to get through some of the bad times. I know there were some donations given for hay - from one farmer to another helping farmers out; just basically community type stuff.

The CHAIRMAN: Are you aware of what is available through WANDRA for natural disaster relief?

Mr Wallace: No, not really.

The CHAIRMAN: Okay. There are primarily two initiatives. There are others but two have been brought to our attention. Firstly, there is up to \$1 500 towards a consultant to come in and talk to you about the disaster and financial implications, implications for your business, and those types of things. Secondly, there is a four per cent interest rate rebate for loans of up to \$150 000 to help get people back on their feet from issues related to the disaster. There are a number of other initiatives that the agricultural department administers and distributes information for, but they are the two main ones that seem to be involved in this flood event. Were you not aware of any of those? You said you did not sustain any trouble.

Mr Wallace: I could have been notified. One of the big problems we always have, of course, is information overload. There is that much information out there about these things. Farmers are constantly - well, exceptional circumstances and all the rest of it, but I think most farmers tend to steer clear of them or whatever, because of the paperwork and bookwork involved in applying for them. Unfortunately, we are a breed of people - there are fewer of us and we find ourselves snowed under work-wise. One of the big problems that farmers struggle with today is there are fewer farmers. As far as applying for a grant for a consultant, most farmers are already with a consultant. The consultants tend to be the ones who alert farmers to whatever is available in the form of help, but, once again, farmers rely on someone else to inform them and make sure that they get told about these things. Once again, from talking with my peers, I have not heard of anybody who has applied for a loan or interest rate subsidy, and I have not heard anyone apply for \$1 500 for a consultant either.

[2.30 pm]

The CHAIRMAN: So people just took it on the chin.

Mr Wallace: Most farmers are a pretty proud group of people. I suppose it is a part of what we do really. We have to deal with the weather, and these flood events and all the rest of it constantly pop up. For example, my particular farm has been hit three times with storm events in the past - that is, since 2003 - which have taken out fences and all the rest of it, albeit each one has been different. Two of them had hail involved. There are other things we can insure against. Fences, crops and those kinds of things are insurable, and most farmers do the insurance to make sure that they are covered.

The CHAIRMAN: If you have been hit three times in three years by various events, and if you have lost fences and you have insured against that, is your insurance now heading up as a result of the claims, or have they already covered that in the premium?

Mr Wallace: It is very hard at the moment. Farmers in this area seem to be going through a very difficult time economically at the moment. Since 1998 we have had some extraordinary weather events. One of the big problems is that when you start to get like that, you start to look at ways to cut your costs, and insurance is one of those ways that you do look at reducing your costs. Unfortunately, farmers may think that it is worthwhile taking the risk to remove their fences from being insured, for example, to try to bring their insurance premiums down. Of course, every farmer has a different way in which he weighs that up. Some farmers just absolutely have to do their insurance; other farmers will take the risk and try to carry it themselves.

The CHAIRMAN: The submission from the Western Australian Farmers Federation highlights the importance of better collaboration between state, regional and local bodies in natural disaster situations. Are you able to comment on how effectively the various agencies work together at district and regional level following the floods in Lake Grace?

Mr Wallace: Yes. Basically, I do not have a problem with the way everybody worked together. There are probably two answers to that. There is the bureaucratic level between your shires, your local government and that kind of thing, and then there is your local community pulling together and local farmers working with the shires and the community and local businesses working with the shires. I think that as a community locally, the towns and everybody deal with it the best way they can, and they do work very well together. I probably cannot really comment as much in regard to the shires and government in the local town. However, there is the agriculture department and fire and rescue. In a small community like this, it is always said that the same group of people are always there. If it is bushfires or whatever, you have always got that core group of people who actually get out there and try to do their little bit and work really well as a community. Basically, it is most of your community. Everybody does what they can do.

The CHAIRMAN: In your own particular circumstance, you said that you did not have much damage during the event.

Mr Wallace: Personally?

The CHAIRMAN: Yes.

Mr Wallace: I did sustain a lot of damage personally. I still have fences that need dealing with almost 12 months on. It depends a little on the location of your farm. On a farm that I lease, the water was flowing, I suppose, a couple of kilometres wide by probably in some places metres deep through most of one-half of the farm. Needless to say, there are a lot of kilometres of fences that were removed in that process. There are great holes a metre or so deep that have been eroded out here, there and everywhere. Anywhere that was a bit open, like firebreaks and roads, seemed to really erode. Basically, the erosion and the damage to fences were probably the worst things, but other things like weed control come along after that, because everything grows after it, so all of a sudden if you are thinking about planting a crop next year, you have to start thinking about controlling weeds. We are still fighting a locust plague that is a result of the rains we received in the autumn period of the year. Yes, it does have a big impact, but having said that, it is what farming is about. It is about dealing with those things of the weather. Farmers know that they have to set goals, but our income streams are totally dependent on the weather patterns. They are the biggest influencing factors, and those flood events, those disasters -

The CHAIRMAN: Extraordinary events.

Mr Wallace: Yes, extraordinary events all play a big part in our cash flow.

The CHAIRMAN: However, from your point of view, that is part of farming, to a point. Obviously, there are points at which people have to step in and help.

Mr Wallace: It is part of farming, although what occurred in February is not something that any people who are alive today would expect. I have graphed the rainfall of the Lake Grace town site since it has been recorded, and those graphs showed me that global warming is certainly an event that is happening. As I said, there has been a steady decline in winter rainfall throughout that period, whereas the annual rainfall has dropped off to a point and then it has plateaued out. What that says is that more of our rainfall is coming in those summer months, and the two months that I can pick up in which we are receiving more rainfall are January and November. That has been from larger rainfall events such as cyclones and that kind of thing coming down and sitting over our area.

Mrs J. HUGHES: In the light of the weather changes that are being experienced around this area, is there anything within the Western Australian natural disaster relief arrangements that you, as a farmer, see as essential?

Mr Wallace: Probably what is going on in the news at the moment about greenhouse gases and all those kinds of things weighs extremely heavily on the agricultural industry, because, as I indicated before, it is our livelihood. It is the very thing that our incomes depend on. Having reliable winter rainfall for the winter crops that we grow here is extremely important. For farmers, that is probably the biggest issue. As these events keep coming, it is taking away the certainty in what we are doing. [2.39 pm]

Mrs J. HUGHES: For instance, should fences be automatically covered by way of assistance to farmers to keep them humming along as best they can with the changing climate and these exceptional events that occur? Is there a specific area you can think of - stock, fencing - that needs to be covered?

Mr Wallace: For stock management, it is imperative that the fences are in good condition, although as I indicated before, some areas are far more prone to fence damage from floods than others - the gullies and those sorts of things. There are probably ways and means of fencing these areas to minimise damage and I think farmers are doing that and will be doing that. I know it is one of the things that cross my mind about the area that I have - how I can improve what I have there? That is the way I like to think we can deal with it. I guess fencing is fairly expensive and when a flood event occurs, it is usually a short section of fencing that needs to be replaced. It is not the whole fence that requires replacement. As far as the rest of farming goes, it is very hard to say to the government or anyone else that we need to replace this or that and that we should not have to insure it. I think it gets down to the fact that a farm's viability is the important thing for the government to take care of. Farmers can take care of managing the situation themselves so long as their viability is not under threat. There are certain things that can protect our viability. We can insure fences and all the rest of it. Bear in mind that what we have seen for the last eight years may not happen for the next 10 years. Weather patterns have shown us that for 10 years we get extremes. You could not ask for better years than the 1990s and a lot of grain and production came out of this area. From 1998 to now has been rather difficult. It tends to be in decade sections. That is my personal opinion.

The CHAIRMAN: We are now 10 months since the event. Have things got back to normal mostly or are there still major issues that have not been addressed? I am aware of fences and things like that.

Mr Wallace: As far as the floods go, things are relatively back to normal. I suppose there are a few last-minute things that are still taking place. As far as the weather goes, we have seen an extremely wet and cool summer; 2 April was our last major rainfall event and the winter has been extremely dry. As much as the disaster was one huge rainfall event, it really seems as though -

The CHAIRMAN: It has dissipated by now.

Mr Wallace: Yes. That impacts on farmers. We have had an extremely dry winter. It has been very difficult to produce reasonable crops despite having all this rainfall earlier in the year and even through to September and the finish of the year when our winter crops are at their grain full stages it has been difficult.

The CHAIRMAN: I am a straight-out city boy, so this question might seem stupid, but from a farmer's point of view does that spur you to look at a different type of crop or a different use for your land, or is it a case of "It's probably only for this year; we'll keep going as we have done"?

Mr Wallace: Farmers are indeed a resourceful lot and they just about try anything. Summer crops have been grown around the area in the past 10 years without a huge amount of success. I think the biggest thing with crop production is reliability of rainfall. Most farmers plan around 10-year averages, so we work on 10-year yields to be able to make long-term predictions and plan the next 12 months because we can only work on the averages of what has transpired in the past 10 years. I think the average yield here is 1.7 tonnes, so when we plant a winter crop or when we try a summer

crop, it gets down to whether we are going to reliably get this rainfall in the summer. At the moment it is not reliable enough to be able to plan for it. If it ever eventuates and this present cycle continues, it could well be that it is reliable enough for us. If I had planted a crop as soon as I could get on the paddocks in February, I believe I could have produced a lot more grain from then until April or May than we did through the winter months. That is something in the future and you cannot see it. Hindsight is a lovely thing to have on your side!

Mrs J. HUGHES: You do not do stock?

Mr Wallace: I have not done so in the past - well, I opted out of stock in 2000 as a trial period. It was a business decision I made. I will not say it was one of the best decisions I ever made or one of the worst. I made it based on my circumstances. I am proceeding to bring stock back into the rotation end of the program.

Mrs J. HUGHES: It is just that stock seems to be covered through a fire but not through flood or other disasters. Do you have a comment on that? Stock seems to be covered for agistment and transport in a fire incident, but not for flood.

Mr Wallace: Do you mean for insurance?

The CHAIRMAN: No, under WANDRA, after a fire event, you can have stock transported off your property to another property for agistment, but that is not available in a flood event.

Mr Wallace: With a flood event, it is only fences that limit stock capacity. With a fire, you lose their feed, so you cannot feed the animals unless you bring in hay, and a lot of times it is far more economic to agist them to someone else's farm. I do not have a problem with that really. We can rally round and patch up the fences that need to be patched up. Although some fencing might be lost, there are other paddocks. It depends, I suppose, on when it happens. If it happens when the winter crops are in the ground, farmers might be restricted for land to run those stock on, but in the summer because all the paddocks are available farmers usually are able to move stock from one paddock to another while they repair the fences in an area. Summer rains momentarily destroy the dry grass or take the proteins and the value out of dry grass, but usually we find that green grass and plants start to germinate from the summer rains if there has been a significant rainfall event. It does not take long, only a few weeks, and the animals end up with this green pick which they usually do quite well on. That would be the reason.

Mrs J. HUGHES: Okay, that works for you. I just wondered what the reason was.

Mr Wallace: Hopefully that has answered your question.

The CHAIRMAN: I think we have exhausted our questions. Is there any closing comment you would like to make - things you think should be covered that we have not covered?

[2.50 pm]

Mr Wallace: I have probably only one comment about road closures and all the rest of it. It was quite an inconvenience to farmers to have road closures after the floods. It is no reflection on the shire and everyone else like that. Obviously, the shire realised that roads needed to be closed because large trucks would only damage the roads. We saw that around the area. That inconveniences farmers as far as being able to get on with their general business and what they have got to do. Probably the other thing is dams. In some of the last flood events, some of the dams were damaged - banks were busted out and that sort of stuff. That usually requires heavy machinery to be put in to restore the dams. I cannot think of anything else, although I am sure there is probably something.

The CHAIRMAN: Thank you again for coming in. Thank you for your contribution to the committee's inquiry. A transcript of the hearing will be forwarded to you for correction of typographical errors or errors of transcription or fact. New material cannot be introduced in the sense that the evidence cannot be altered. Should you wish to provide additional information or

elaborate on particular points, you should submit a supplementary submission for the committee's consideration. If the transcript is not returned within 10 days of receipt, it will be deemed to be correct. You have 10 days to look over it and send it back to us. Once again, thank you for coming in.

Hearing concluded at 2.51 pm
