

COMMUNITY DEVELOPMENT AND JUSTICE STANDING COMMITTEE

INQUIRY INTO WESTERN AUSTRALIA'S NATURAL DISASTER RELIEF ARRANGEMENTS

**TRANSCRIPT OF EVIDENCE TAKEN
AT PERTH
WEDNESDAY, 21 FEBRUARY 2007**

SESSION ONE

Members

Mr A.P. O’Gorman (Chairman)

Mr S.R. Hill

Ms K. Hodson-Thomas

Mrs J. Hughes

Hearing commenced at 10.02 am**MacKENZIE, MS MICHELLE****Policy Manager, Western Australian Local Government Association, examined:****LANE, MR JOHN****Emergency Management Coordinator, Western Australian Local Government Association, examined:**

The CHAIRMAN: 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?

The Witnesses: Yes.

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

The Witnesses: Yes.

The CHAIRMAN: Did you receive and read the information for witnesses briefing sheet regarding giving evidence before parliamentary committees?

The Witnesses: Yes.

The CHAIRMAN: The committee has received a submission. Do you wish to propose any amendments to that?

Mr Lane: There are no amendments to the submission. This morning I would like to read a statement to the committee. I have a copy of the submission, which I will table.

The CHAIRMAN: If you would like to read that, we will ask you questions about the submission in a moment.

Mr Lane: The association sought feedback from its membership in June 2006 regarding their views on the adequacy of the current WANDRA. Eighteen councils, representing 12.5 per cent of our membership, responded to our survey. The response included one metropolitan council and 17 country councils. It would be fair to assume that those who responded have had recent experience with WANDRA through community recovery processes. I will present the WALGA recommendations to you first, and following those submissions, I intend to put to you a case study of the Shire of Wyndham-East Kimberley.

WALGA previously forwarded a submission to the standing committee, and I present a copy of that submission, which you have before you today. Today we put forward the following recommendations. Recommendation 1: WANDRA should provide increased support for mitigation measures, particularly for infrastructure that is damaged by incidents that are likely to re-occur; that is, floods. Additional funding should be made available through the NDRA to facilitate improvements to infrastructure standards and relocation to mitigate against further damage. Recommendation 2: designated funding to local government for the development of emergency risk management plans and recovery plans. Recommendation 3: investigation in consultation with local government of a state-funded reserve fund for immediate access by local government. Recommendation 4: implementation of better structural support systems. Recommendation 5: instigation of a freight subsidy. Recommendation 6: provision for hiring or co-opting additional staff to meet the demands of post-incident recovery. Recommendation 7: investigation undertaken with local government regarding a threshold unique for each local government area based on rate

revenue base, road infrastructure and built infrastructure to enable NDRA arrangements to be triggered by incidents of a lesser threshold than the current \$240 000, if the circumstances of a local government area warrant this approach. Recommendation 8: a quicker assessment period and immediate access to some funds to commence opening up of restoration works. Recommendation 9: access to additional expertise to assist with assessing and planning design for recovery projects; that is, civil engineers and architects. Recommendation 10: increase assistance available to the NDRA to 100 per cent or, alternatively, investigate other mechanisms for reducing the 25 per cent contribution required from local governments based on council rate base, the extent of the damage to infrastructure and the cost of opening up restoration and improvements to infrastructure. Recommendation 11: additional funding available for improvement of the standard and location of infrastructure assets to mitigate against further damage. Recommendation 12: protocols developed for special circumstances. Recommendation 13: immediate access to state funds regardless of the scale of the emergency. Recommendation 14: investigation and review of the grant schemes from the states of Queensland and Victoria as possible alternatives for Western Australia. Recommendation 15: a review of post-recovery phase of grants provided to affected persons as a result of natural disaster events, with four key components. The first component is a physical audit of the grant; the second component, whether the grant is being used correctly; the third component, whether the grant is achieving its outcome; and the fourth component, whether the emotional state of the person affected by the disaster is being supported.

This concludes the submission to the standing committee on behalf of the Western Australian Local Government Association. I will now relate to the committee a case study prepared for the committee from information supplied by the Shire of Wyndham-East Kimberley, in particular in relation to the Kununurra area.

The CHAIRMAN: John, can I just stop you for one second, because this is drifting away from the submission. Is it your wish that your submission be incorporated as part of the transcript of evidence?

Mr Lane: Yes.

The CHAIRMAN: Thank you. You may continue with your evidence, now that we have all the official bits done. It is now over to you.

Mr Lane: The Shire of Wyndham-East Kimberley covers an area of 121 180 square kilometres, comprising 1 474 kilometres of unsealed road. The rate base of the shire is \$3 387 900, with a total revenue of \$12 480 000. In March 2006, a cyclone that became a large rain-bearing depression dumped significant rain on the Kununurra area, resulting in widespread flooding, and causing damage to housing and roads. This event was a declared event, and was declared eligible under the ANDRA funding system. Several dwellings on the Weaber Plain Road were flooded, as has been the situation on a number of other occasions.

[10.10 am]

The dwellings are built along the M1 channel, which is a drainage channel associated with the Ord River catchment. This particular area has caused concern for the residents for many years. There is ongoing argument about who has responsibility for the remedial works that are needed to rectify the flooding problem. The problem stems from erosion in the upper Ord catchment. In addition to the Weaber Plains Road area, several key roads in the area have been subjected to major damage, as have drainage channels that needed to be cleared of silt before floodwaters could recede. The shire has only just completed a claim for submission to FESA. The claim for the 75 per cent WANDRA funding amounts to \$1.25 million in road repairs and a further \$200 000 for the restoration of drainage systems. The council must bear the 25 per cent residual cost, which amounts to \$362 500. Even though the 75 per cent will be refunded to council, the committee must be made aware of a number of other issues. WANDRA is structured as a reimbursement facility, which means that local governments must bear the cost of any repairs upfront and, in most instances, over long

periods. The funds expended on recovery must be resourced from road funding that is held by a council for general repairs and then from money ordinarily destined for other important community projects that are put on hold pending reimbursement. The accounting system must be structured to account for every dollar expended on restoration infrastructure and must be linked to a declared event. The claim for reimbursement cannot be forwarded until every account for restoration has been collated. In this particular case, that has taken almost 12 months to complete. WANDRA reimbursement to council will take a further five to six months to process, leaving the council to bear a \$1.45 million deficit in its revenue base. The flooding of roads, particularly the Weaber Plains Road area, occurs regularly and is an ongoing problem for the council. Information received suggests that residents of the Weaber Plains Road area are preparing a class action against the council if the situation is not remedied forthwith.

The CHAIRMAN: Some of the councils have managed to fund that 75 per cent. However, as you have indicated, when a road is continually washed out due to flooding and it is known that it will flood every time a cyclone occurs, WANDRA funding does not allow for any improvements. Are you suggesting that consideration should be given to providing an allocation towards improvements so that that road is not continually washed out?

Mr Lane: We are suggesting exactly that. WANDRA funding should contain a mitigation element not only before flooding but also where flooding occurs continually. The road must be upgraded or something must be done to prevent that flooding and to eliminate the ongoing expenditure of funding on the same piece of infrastructure. A case in point is the Jigalong community, which is continually under water and causes the bore field to be isolated. When the bore field breaks down, the community cannot get to the bore field to supply the community with water. That is an ongoing problem. Every time there is a flood in the Jigalong community, the bore field cannot be reached. That was the case this year. Two shires fought over who was responsible for the repair of that section of road. I am talking about only 1 000 metres of roadway. The matter was eventually resolved, but it took some weeks. That is a ridiculous situation considering that the community went without water for a number of weeks.

The CHAIRMAN: Would recognition that engineering improvements must be undertaken on that section of road save money in the long term?

Mr Lane: I suggest that it would, and that applies right across the state. WANDRA funding is used to reinstate infrastructure back to its original condition, whatever that was. However, it is not used to upgrade the infrastructure. In some cases, the infrastructure may need to be moved or roads may need to be re-routed around a problem area.

Ms MacKenzie: The issue is about not only funding but also the quality of people's lives. People become stressed during disasters, so we must consider the human aspect as much as the funding aspect.

Mrs J. HUGHES: In addition to the \$1.45 million deficit that the council must carry for an extended period, you mentioned that a class action was being taken against the council. How often does this type of action occur after these events?

Mr Lane: The information I have received from the council is that this occurs every one to three years. It could occur this year and then the following year, or it may be three years down the track before it occurs again. It is an ongoing problem. It is a bit like the situation with Fossil Downs Station in the Fitzroy Valley. Every time the Fitzroy River floods the station goes under water. Fossil Downs Station has militated against that by installing a system in the house. The house is constructed in such a way that floodwaters do not do a lot of damage inside the house itself because the floors are polished concrete and the walls are properly sealed. During a flood the furniture floats to the roof, and there is an alternative camp on the other side of the creek. The station owner has militated against floods. However, that is not to say that other issues are not ongoing that people must bear all the time because of floods. In the Kununurra instance there is a lot of

argument about who owns the catchment, how to get around the problem and who is responsible for fixing it. A house that I legally built on Weaber Plains Road goes under water every year, every second year or every third year. Someone is responsible for militating against that, but just because I own a little plot of land I am not responsible. A higher authority is responsible, whether that be the council or the Water Corporation.

The CHAIRMAN: If I can play devil's advocate: in the case of infrastructure that is being washed out continually, could it be argued that the original engineering was not up to a standard to ensure that it would withstand such an event?

Mr Lane: Quite possibly, yes.

The CHAIRMAN: Therefore, would it not be the council's responsibility to upgrade that? As you have mentioned, it would be ideal if WANDRA covered 100 per cent of the reinstatement of roads. If that happened, would councils be in a position to spend extra money on upgrades?

Mr Lane: Yes, I would say so. That is the argument. If funding is provided to fix infrastructure, it should also include an upgrade component so that funding will not have to be expended the following year.

[10.20 am]

The CHAIRMAN: You said that you are claiming a total of \$1.45 million from WANDRA for the recent emergency incident. Does the council use that money out of its reserves, or does it borrow that money and then have to pay interest on it?

Mr Lane: I believe that the council takes it out of its reserves.

The CHAIRMAN: Does the council not pay any interest on it?

Mr Lane: This council is one of the richer councils. However, when a flood incident occurs in a smaller council such as the Shire of Woodanilling, Arthur River or Williams - not that those types of incidents occur very often in those places - the council would not be able to manage the restructure.

Mrs J. HUGHES: The \$1.45 million is taken out of the council's reserves for an extended time; therefore, the council misses out on the opportunity to invest those funds during that time.

Mr Lane: It takes an inordinate amount of time to receive the funding. It must be taken into consideration that this event happened in March 2006, which was 12 months ago. It takes a long time to get the infrastructure back in place. The floodwaters must recede before the roads can be repaired and the drains must be cleared so that the water can subside. All those things require a specific accounting system so that the accounts for those matters can be separated and moneys can be provided for reimbursement.

The CHAIRMAN: You mentioned the accounting system earlier. Has any more work been done to ensure that the accounting system needed matches up? Is the council's accounting system set up so that it is relatively easy to match up the funding? Does FESA or Main Roads need to use that particular method of accounting?

Mr Lane: I believe that is happening in a number of shires. This council obviously has done that. I cannot speak for Esperance. I spoke with the emergency management coordinator in Esperance but he did not have much information and it is too early to tell what the outcome will be for Esperance. Bunbury has those facilities in place, and does it particularly well.

Ms MacKenzie: I refer to the Chairman's question when he was acting as the devil's advocate. The committee is aware that the council approved the capital works program based on the best possible information that was available at the time. A council must be trusted to approve the work to be done to a certain standard, based on the information that it had at the time. When these types of incidents occur, councils must reconsider the works that are required. That may mean mitigating

factors that were not known then must be factored in. The committee is aware that a national mitigation fund is operated jointly with the state. The issue for local government is that the granting of the funds is competitive. The funding is advertised, it has certain cut-off periods during the year and it is oversubscribed. Some state agencies have said that perhaps a solution to this is for the councils to tap into the mitigation funding. When these types of crises occur, the funds are oversubscribed and it is a competitive process. Given the way WANDRA was established, it could be expanded to look at particular cases to incorporate that mitigation work.

The CHAIRMAN: We will ask some other questions that are probably not related to some of the information that you have provided the committee. The administration of WANDRA relies on a number of different state government agencies. How closely do the agencies work together following a natural disaster, and how well do the agencies work to administer WANDRA?

Mr Lane: I cannot relate specific instances whereby they have come together, but obviously they do come together. I have spoken with members of the Shire of Wyndham-East Kimberley, who have told me that it takes a fair bit of time for Main Roads to inspect the roads that are washed out. It then takes more time to get the go-ahead for the roads to be repaired under WANDRA. That is the only comment I can make on that.

Ms MacKenzie: Through the Emergency Management Act, local governments are responsible for establishing local recovery plans. It is expected that prior to a disaster occurring, everything is sorted out and that the state agencies meet to prepare and plan for these types of catastrophic events. The challenge for local governments is that this is a new act. Although the state thinks that the councils under the policy statement have always developed local recovery committees, our members have told us that they are struggling with local recovery planning. It is because no corresponding funding or support was provided to the councils when the act was declared that the councils are now struggling to comply with the legislation to establish recovery plans. DCD, FESA and many other people must swing into action quickly when a disaster occurs. It would be a positive step if more support were provided up-front to coordinate the emergency response through the recovery plan process.

Mrs J. HUGHES: That is a pre-planning option for when a cyclone is bearing down, for instance, and there is a possibility that it will cross the coast at a certain stage. An emergency management plan based on previous experience with that type of event would indicate the number of staff who would be required to pre-empt some of the things that could possibly go wrong in a community when the disaster occurred.

Ms MacKenzie: That is done very well. A raft of fairly prescribed actions comes into play when a cyclone is imminent. What is required through the Emergency Management Act is pre-planning to be done by the councils to develop local recovery plans based on the possibility of a disaster occurring within their regions. The local recovery plan for Port Hedland is different from the recovery plan for Lake Grace, even though the plans are for the same type of event. The challenge is to get the state agencies to take the matter seriously when there is no imminent disaster and to provide an emergency risk management plan to militate against the known disasters. A recovery plan is needed so that when a disaster hits, they can swing into action and be confident that DCD will do this, FESA will do that, the council will do this and the police will do that. A recovery plan is needed prior to when a crisis occurs.

The CHAIRMAN: Does that not happen through the LEMCs and disaster management committees?

Ms MacKenzie: It does, but our members are struggling to comply with the legislation and do the planning process well.

The CHAIRMAN: Is that because the councils do not have the resources to do that? The committee has previously heard that because it is a new task for the councils, they do not have either the resources or the knowledge in some cases to do it.

Ms MacKenzie: The feedback we have received from our members is that they are willing to do it and that they believe it is an important process for local government to take part in. Some councils do it very well because they have the resources. We surveyed our members last year and found that the majority of councils are struggling simply because of the resource constraints within their council, but also because of the constraints placed on some of the state agencies in the regions; therefore, they have found it a bit of a challenge.

The CHAIRMAN: That is a different inquiry too. We will refer to WANDRA after an emergency event.

Mrs J. HUGHES: It is obviously very important for the community to be made aware of the assistance measures that are available following a natural disaster. To your knowledge, how aware are local governments generally of the assistance measures that are available to them; how well aware are the communities; and are those communities able to access WANDRA?

Mr Lane: The councils that have ongoing issues, such as those in the Kimberley and the Shire of East Pilbara to a certain extent, and some of the southernmost councils such as Bunbury and Albany where these events are likely to occur in any given year, are quite well versed in WANDRA. However, some of the smaller councils in the wheatbelt areas probably are not.

Mrs J. HUGHES: Are the communities in those areas, where the events seem to be ongoing, aware of the assistance measures?

Mr Lane: It is a community problem. I do not think that that information is widespread in the community. The information goes out to a community when a disaster happens. A community probably does not know about it beforehand.

The CHAIRMAN: Is the information disseminated throughout the communities reasonably well once a disaster occurs? I received a number of phone calls at home regarding natural disaster relief arrangements from the residents of Toodyay and I was informed that FESA had conducted a town meeting. The committee saw FESA do that in Bunbury, Dwellingup and other places that had suffered from fires. Is FESA good at making sure that the communities are aware of the assistance that is available to them?

[10.30 am]

Mr Lane: I think they are but, as I say, it is when the disaster has actually happened. Then FESA comes in and works particularly well with the committees to get the recovery plans up and running. If FESA does not have recovery plans - and sometimes it does not - it works particularly hard to get those things up and running. So, apart from probably the wider community, which is not involved in disaster management or has not faced any sort of disaster, we have no real complaint about what FESA does. I think if you did a survey of the whole of the City of Joondalup and asked residents whether they knew what WANDRA was, they would say no. I have spoken to a number of shire rangers in the past week and asked them if I could discuss WANDRA with them, and they needed to have their memories refreshed. These are people who are working in local government, and if they do not know what WANDRA, or the Western Australian natural disaster relief arrangements, are and I have to then explain it to them, that would suggest that the information is not getting through.

Mrs J. HUGHES: Is there a suggestion that metropolitan local governments, Perth being relatively free from disasters as such -

Mr Lane: I do not know. Last week there was a big bushfire at Joondalup.

Ms MacKenzie: Natural disasters?

Mrs J. HUGHES: Yes. You know what I mean, they are not necessarily -

Mr Lane: A number of years ago tornadoes went through Perth and down to South Perth.

Mrs J. HUGHES: In lieu of the changing weather patterns and so forth, there is a need obviously to rebrief all the metropolitan local governments. Would that be WALGA's view?

Ms MacKenzie: Certainly in the country where local governments have more of a profile you hear of them and the local presidents very much being a focus in relation to natural disasters. I believe it would be quite different in the metropolitan area. Also with the constitution of the LEMCs, because the shires are not as distinct, their joining up in the metro area is a bit more amorphous. However, it is certainly something we could look at.

The CHAIRMAN: DCD is mentioned in your last recommendation, but there are a few other points in your submission to address. You highlight on page 5 the need for a freight subsidy to be instigated in WANDRA. Can you expand on that for us a little bit?

Mr Lane: The freight subsidy, I suppose, goes to importing equipment and materials into the community to actually do the upgrades. It may be asphalt gravel, drainage equipment and those sorts of things. To my knowledge and from the feedback from our members WANDRA does not actually cover freight. It is for specific repairs, but not freight.

Mrs J. HUGHES: So it is for councils that do not have enough heavy machinery and those sorts of things to progress the works?

Mr Lane: That may be the case, yes. I have not been able to drill down into specifics, but I suggest that it relates to importing materials.

The CHAIRMAN: In Esperance the supermarkets and things like that had to get supplies from Perth via Kalgoorlie and Coolgardie rather than via the more direct route, which added a significant amount to freight costs.

Mr Lane: Most definitely.

The CHAIRMAN: Who bears the brunt of that? It is not the end users, because the supermarkets would be unlikely to increase their prices; it is the freight operators or councils and such like. Is that something you have come across?

Mr Lane: Not specifically, but I suggest that the supermarket would bear the brunt of it. Some of our members have commented on loans to businesses and that we should follow a model perhaps like the Victorian model, which involves holding funds in reserve and allowing a business to receive a \$150 000 low-interest loan straight up; whereas under WANDRA the business can apply to a financial institution for a low-interest subsidised loan - the interest is subsidised. However, in many instances our feedback is that financial institutions will not lend money to a damaged business that will take some time to recover. A case in point is a primary producer in the orchard business. If the orchard is fire damaged a huge part of his capital expenditure has gone. His infrastructure has been totally destroyed and he needs capital to be able to replant his trees. It then takes probably another six or seven years for those trees to produce a crop. At the other extreme, if a farmer's wheat crop has been destroyed, the following year he need only plough in the fallow and replant and produce a crop. Those two different cases have been put to us.

Mrs J. HUGHES: So the farmers perhaps can still access the banking system but, of course, these other people are at risk of the banks not taking them on due to risk.

Mr Lane: That is right. Banks want a return on their money. Orchardists cannot produce for a number of years when their orchard has been burnt; they need ongoing funding for that; however, they must provide the money to pay back the bank.

Ms MacKenzie: The grants issue was not posed as the solution; it was posed by members as something to look into and whether it is in the committee's terms of reference to investigate the

financial arrangements in the other states and to look at the pros and cons. That came from members around the Chittering area. Councils are on the ground, so businesses often go to them and ask, "Can you support us?" They are identifiable and accessible.

The CHAIRMAN: On page 5 you have a recommendation for a review of the post-recovery phase of grants provided to affected persons. This is now about individuals rather than councils.

Ms MacKenzie: I suppose that came from some of the members wanting to make sure that the role played by DCD was done in the best way for the community. Certainly the members who put that in did not say that it was a solution. It was to determine whether the DCD process is working well and whether it is within the committee's terms of reference.

Mr Lane: I think it refers to the emotional state of people and especially to the Tenterden fires, and when people have been lost to the community. It probably does not always go to flood or fire; it can be motor vehicle accidents when, say, six members of the community have been killed in a motor vehicle accident, which happened in the past when two vehicles collided involving members of the community. That sort of thing is also traumatic.

Mrs J. HUGHES: WALGA's submission refers to the lag time for receipt of funding under WANDRA, which you were discussing a little earlier. Are you aware of many instances in which councils have experienced financial hardship because of the time taken to receive reimbursement under WANDRA? You have already expressed those issues, but it is certainly something that has been expressed very strongly by a lot of councils, especially the smaller councils and even some of the bigger ones. Bearing in mind that there are sometimes unavoidable delays associated with large-scale natural disasters, are you able to comment on some of the causes and how the problems can be addressed? You have already given us some ideas, but could we get that on *Hansard*?

Mr Lane: I suggest a payment direct from Treasury as a one-off payment. Once an assessment has been made of the damage, the council could be reimbursed for that damage up-front. Obviously some specific auditing processes would need to be put in place for that, but that would be one way of ensuring that councils were not disadvantaged. That would probably relate more to the poorer councils and not as much to the ones that have quite a substantial financial base. The poorer councils that really need the up-front funding would certainly be helped by a scheme similar to that.

[10.40 am]

Ms MacKenzie: The other issue is access to resources. As Mr Lane mentioned about the assessment, qualified engineers are needed to go in and do an assessment. That is a human resource issue. If that were more accessible in a quicker way, that would be useful.

The CHAIRMAN: In relation to additional forms of assistance that the councils might provide, is there anything that you are specifically aware of that councils provide during natural disasters to residents or people in the area that is affected?

Ms MacKenzie: There is certainly the Lord Mayor's appeal through the City of Perth. Feedback from our members is that that is very well received.

The CHAIRMAN: Apart from the Lord Mayor's appeal, do councils defer rates and things like that to assist people who have just been hit with a natural disaster?

Mr Lane: I believe that those provisions are in place, yes. I have actually heard of either rates being set back - not forgone - or relief in that regard for people who are actually struggling. I do not think that there would be many shire councils that would not be unsympathetic to somebody who had lost his home and his possessions in a bushfire and was struggling to start again - they would not be demanding rates from the person.

Ms MacKenzie: We do not have any examples of that so I cannot comment. Is that something you would like information on?

The CHAIRMAN: I think it is just one of those things that we have started to pick up around the state. Some councils will send out their earthmoving equipment if their earthmoving equipment is not going to be tied up with other parts of the disaster. They will send it out to a station owner or a large farm at no cost in some instances.

Mr Lane: I have no direct evidence to give the committee on that.

The CHAIRMAN: There is one last question, although I think we have already covered it. We will push it anyway. Last December the federal government announced that NDRA would be enhanced to provide, among other things, funding to upgrade essential infrastructure to more resilient standards, which is what we were talking about earlier. This addresses an issue raised in WALGA's submission, on page 4, relative to restoration and the improvement not being funded under existing arrangements. This may help plug one of the gaps. In your opinion, are there any other obvious omissions under the existing WA natural disaster relief arrangements that need to be addressed from a local government perspective?

Ms MacKenzie: I think we have answered things - time lag.

The CHAIRMAN: You have done pretty well.

Mrs J. HUGHES: In your submission, on page 4 you talk about few incidents reaching the threshold of \$240 000 before they were acknowledged as being open for assistance. You say that of 185 incidents, only 13 qualified for assistance. What sort of threshold were you thinking of when you were creating this? Do you believe that just a small pocket could be accessed under WANDRA? Can you expand on that?

Mr Lane: I go back to the East Pilbara shire again. The remote indigenous communities that it services are several hundred kilometres away from its base. In most years they go under water. The shire is required to evacuate the sick and elderly. It is also required to resupply them with food quite often because, in most instances, the communities are not prepared. To a large extent that is what FESA is trying to address through a project with local indigenous communities so that they are prepared for that. Having said that, the shire then has to charter helicopters to get to and from those communities because they cannot be accessed by road. That falls well underneath the \$240 000 threshold so that cannot be recouped. That is a bugbear for the shire.

Ms MacKenzie: Our solution would be a flexible -

The CHAIRMAN: Declaration.

Ms MacKenzie: Yes, so that the fund would meet the needs of the council.

The CHAIRMAN: You mentioned earlier in your submission and your comments that it also needed to look at a council's propensity to pay, especially if it had a relatively small rate base.

Mr Lane: Maybe there should be some sort of a sliding scale depending on the gravity of the situation and the council's rate base. Those sorts of things should be taken into consideration. There should be some sort of auditing process that could be gone through so that, even though it has not reached the \$240 000 threshold, assistance can be given because obviously the council may need assistance to get through the situation.

Mrs J. HUGHES: In your recommendations you talk about additional funding for improvements of standards. We have talked about that after an event and so forth. I am not sure whether I understood that to say that a disaster has to happen before engineers can be brought in to mitigate the damage or whether you are talking about a fund that can be accessed in order that, should an incident occur, you can say that nothing has happened for six months and that, because it is nice and dry, an engineer can be brought in and we can have a look because we know what the history is and we need to re-engineer the area and get it done before the next event actually occurs. Can you expand on that?

Ms MacKenzie: Councils, in an ideal world, would have a risk-management plan, and they would identify the risks and prioritise them. I suppose they would invest in mitigating against those risks so that when a disaster occurred, it would be less than perhaps it could have been. We need appropriate funding to support councils when they have prioritised the risks so that they can actually address the solution. When the disaster does happen, funding should be adequate to redo the infrastructure to a standard that will mitigate against it occurring again. They are both required.

Mrs J. HUGHES: There is some indication that emergency funding should precede an event.

Ms MacKenzie: As I said earlier, there are mitigation funds available but they are oversubscribed - it is very competitive.

Mrs J. HUGHES: So there needs to be a very close look.

Ms MacKenzie: If you are looking at two quite appropriate grants to fund, they are in competition. When there is not enough money it is quite a difficult choice.

The CHAIRMAN: The toss of a coin.

Ms MacKenzie: Yes.

Mr Lane: Just on that, a lot of the grant submissions require a lot of work on behalf of the council, and a lot of the smaller ones are not able to do that because they do not have the resources to be able to do it. It is extremely difficult to put together a competitive funding application. Maybe that can be simplified.

The CHAIRMAN: We do not have any more questions for you. I give you this opportunity to make a closing statement in case there is something that we should have covered that we have not.

Ms MacKenzie: Just to emphasise once again that local government is critical. The Emergency Management Act prescribes a role for local government. Our members have said that they are finding it difficult in some cases to comply. I hope that, in framing recommendations, you will consider the needs of local government and its communities.

The CHAIRMAN: Thank you. I will just read the closing statement. John, do you have anything further to say?

Mr Lane: No, Michelle pretty much covered what I was going to say anyway.

The CHAIRMAN: Thank you for your contributions to the committee's inquiry. A transcript of the hearing will be forwarded 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 to us within 10 days of receipt, we will deem it to be correct. As such, you have 10 days to look over it and send it back to us. Thank you very much for coming in today.

Hearing concluded at 10.49 am
