



***COMMUNITY DEVELOPMENT AND
JUSTICE STANDING COMMITTEE***

**INQUIRY INTO WESTERN AUSTRALIA'S
NATURAL DISASTER RELIEF
ARRANGEMENTS**

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Community Development and Justice Standing Committee

Inquiry into Western Australia's Natural Disaster Relief Arrangements

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ARRANGEMENTS**

Report No. 4

Presented by:

Mr A.P. O'Gorman, MLA

Laid on the Table of the Legislative Assembly
on 10 May 2007

COMMITTEE MEMBERS

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Research Officers	Ms Dawn Dickinson, BSc (Hons), MURP (until 12.02.2007)
	Ms Jovita Hogan, BA (Hons) (from 12.02.2007)

COMMITTEE ADDRESS

Community Development and Justice Standing Committee
Legislative Assembly
Parliament House
Harvest Terrace
PERTH WA 6000

Tel: (08) 9222 7494
Fax: (08) 9222 7804
Email: lacdjsc@parliament.wa.gov.au
Website: www.parliament.wa.gov.au

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COMMITTEE'S FUNCTIONS AND POWERS

The functions of the Committee are to review and report to the Assembly on: -

- (a) the outcomes and administration of the departments within the Committee's portfolio responsibilities;
- (b) annual reports of government departments laid on the Table of the House;
- (c) the adequacy of legislation and regulations within its jurisdiction; and
- (d) any matters referred to it by the Assembly including a bill, motion, petition, vote or expenditure, other financial matter, report or paper.

At the commencement of each Parliament and as often thereafter as the Speaker considers necessary, the Speaker will determine and table a schedule showing the portfolio responsibilities for each committee. Annual reports of government departments and authorities tabled in the Assembly will stand referred to the relevant committee for any inquiry the committee may make.

Whenever a committee receives or determines for itself fresh or amended terms of reference, the committee will forward them to each standing and select committee of the Assembly and Joint Committee of the Assembly and Council. The Speaker will announce them to the Assembly at the next opportunity and arrange for them to be placed on the notice boards of the Assembly.

INQUIRY TERMS OF REFERENCE

Pursuant to a resolution of the Legislative Assembly on 3 May 2006, the Committee will examine, report and make recommendations on Western Australia's Natural Disaster Relief Arrangements, with particular reference to the adequacy of State Government assistance under the program for persons affected by a natural disaster.

CHAIRMAN'S FOREWORD

I am pleased to present to the Legislative Assembly the fourth report of the Community Development and Justice Standing Committee of the Thirty-Seventh Parliament. This Report finalises the Committee's *Inquiry into Western Australia's Natural Disaster Relief Arrangements (WANDRA)* commenced on 3 May 2006.

I believe it is important to acknowledge at the outset the quality of work and accessibility of the key government departments involved in recovery in Western Australia, notably the Fire and Emergency Services Authority of Western Australia, the Department of Agriculture and Food Western Australia, the Department for Community Development and the Main Roads Western Australia. In addition I want to acknowledge the many staff in local authorities and volunteers in the broader community who put in countless unpaid hours in a demonstration of pro-social behaviour, of altruism and of selflessness.

As described in this report, the Committee observed and recorded many instances of the strength of community spirit and perseverance in the aftermath of natural disasters. This was a notable feature of many witnesses' reports, supporting the view that the resilience of Australians is most apparent in times of crisis. This strength of social capital in regional areas was apparent throughout the inquiry, both in submissions and hearings; that is to say the capacity of the people to work together, share common values and support each other at a community level.

However, some regional areas report deficiencies in their resource capacity. This deficiency anecdotally exists both with respect to the financial capacity of some local authorities and the available pool of skills which is needed to provide an adequate response whilst still maintaining existing services. Whilst the report also contains some criticism of bureaucratic processes, this is not an attack on any individual or group but rather a reflection of the problems that exist in those requisite bureaucratic processes when dealing with events that will often require a more immediate and flexible approach on the ground.¹

The Committee believes that this Report represents the opinion of the broad array of stakeholders relevant to the Inquiry many of whom made written submissions or testified at the metropolitan and regional hearings conducted during the course of the Inquiry.

In reviewing the adequacy of current relief arrangements the Committee noted that funding arrangements under WANDRA are constrained by the stipulation that "*Assistance is not provided as compensation for damage/losses sustained or as a disincentive to self help by way of commercial insurance and/or other appropriate strategies.*"² It has become clear to the Committee that these limitations may not be understood by the general public when considered in

¹ Submission No 19 from Mid West Gascoyne Area, Consultative Committee 1/9/2006, p5.

² Western Australian Natural Disaster Relief Arrangements, Available at: <http://www.parliament.wa.gov.au/council/WANDRA%20Overview%20May%2006.pdf> Accessed on 23/1/2007.

the context of media announcements of planned relief measures. Consequently, there are higher public expectations of those relief arrangements than the guidelines will allow.

Given the State/Federal/Local government context of WANDRA, the philosophical focus on assisting the affected community towards the management of its own recovery, and the aforementioned constraints in the guidelines, the Committee came to the view that WANDRA largely achieved its objectives as described in this report. However of concern to the Committee is the lack of flexibility in the funding arrangements, as alluded to earlier, not least that relating to the reimbursement of costs incurred in the reconstruction of roads and public assets, resulting in varying degrees of financial dislocation to some shire councils and the resultant deferment of planned public works.

I would like to thank my fellow Committee members for their individual and collective contributions over the course of the inquiry. I also recognise the contribution of the Committee's Principal Research Officer, Mr Brian Gordon, Research Officer Ms Dawn Dickinson, for her coordination of investigative travel, overall analysis of pertinent issues and written contribution to the Inquiry and Ms Jovita Hogan for her contributory support.

Mr A.P. O'Gorman, MLA
CHAIRMAN

ABBREVIATIONS AND ACRONYMS

“COAG”	Council of Australian Governments
“DAFWA”	Department of Agriculture and Food Western Australia
“DCD”	Department for Community Development
“DOTARS”	Department of Transport and Regional Services
“FESA”	Fire and Emergency Services Authority of Western Australia
“FBDU”	Farm Business Development Unit
“LMDRF”	Lord Mayor’s Distress Relief Fund
“MRWA”	Main Roads Western Australia
“NDRA”	Natural Disaster Relief Arrangements
“NGO”	Non-Governmental Organisation
“PHD”	Personal Hardship and Distress Grant
“SBC”	Small Business Centre
“SEMC”	State Emergency Management Committee
“WA Farmers”	Western Australian Farmers Federation
“WANDRA”	Western Australian Natural Disaster Relief Arrangements

GLOSSARY

Emergency Management Act 2005

The Act establishes a planning infrastructure based upon the existing arrangements outlined in Policy Statement No. 7, including:

- i. The State Emergency Management Committee (SEMC) - responsible for planning and preparing for an efficient emergency management capability for the State. The Act requires SEMC to establish policies and plans.
- ii. District Emergency Management Committees – established for each emergency management district to assist in the establishment and maintenance of effective emergency management arrangements for its district.
- iii. Local Emergency Management Committees - established by the respective local government to advise and assist the local government in ensuring that local emergency management arrangements are established for its district.
- iv. Hazard management agencies – responsible for developing and maintaining State emergency management plans for designated hazards.
- v. Combat agencies and support organisations, and the activity or function for which they are responsible.
- vi. Local governments' responsibilities in relation to local, community-centred emergency management.³

The Emergency Management Strategic Framework (2006-2011)

The Western Australian Emergency Management Strategic Framework is the strategic plan approved by the State Emergency Management Committee under the provisions of the *Emergency Management Act 2005*.⁴

³ FESA, Available at:
http://www.fesa.wa.gov.au/internet/upload/shared/docs/EM_Act_briefing_note_for_web_9Nov05.pdf Accessed on 16/3/007.

⁴ FESA, Available at:
http://www.fesa.wa.gov.au/internet/upload/shared/docs/SEMC_Emergency_Management_Strategic_Framework_2006-2011.pdf Accessed on 7/2/2007.

“NDRA Determination”	A determination of the terms and conditions under which the Commonwealth will reimburse State and local governments for costs incurred in natural emergency/disaster relief and restoration. ⁵
“WESTPLAN Recovery”	Westplan Recovery is the abbreviated title of the State Recovery Emergency Management Plan. The aim of the plan is to detail the State level policies and arrangements established for the management of community recovery following emergencies, and supplement the recovery plans put in place by Hazard Management Agencies in respect to specific hazards. ⁶

⁵ Tasmanian Emergency Management Plan, Available at:
<http://www.ses.tas.gov.au/Library/Tasmanian%20Emergency%20Management%20Plan%20Issue%205%20-%20September%202005.pdf> Accessed on 5/2/2007.

⁶ Westplan Recovery, Available at:
[http://www.fesa.wa.gov.au/internet/upload/576456185/docs/WESTPLAN_RECOVERY+\(AL1+July+03\).pdf](http://www.fesa.wa.gov.au/internet/upload/576456185/docs/WESTPLAN_RECOVERY+(AL1+July+03).pdf) Accessed on 5/2/2007.

EXECUTIVE SUMMARY

This is the report of the Community Development and Justice Standing Committee on the *Inquiry into Western Australia's Natural Disaster Relief Arrangements* (WANDRA). The Inquiry set out to explore the efficiency and effectiveness of WANDRA in the context of the recent natural disasters in Western Australia.

WANDRA's mandate is relatively narrow, with the response to natural disasters largely undertaken through an extension of a local authority/agency's normal day-to-day activities. The efficiency and effectiveness of WANDRA are therefore considered to be reflective of the interrelationship and processes of those agencies/authorities that form the building blocks in the recovery process, as much as they might reflect the adequacy of available funding.

Chapter One outlines the Committee resolution for the conduct of the Inquiry, the scope of the review and the process pursued in the gathering of evidence. It also outlines the basis on which the determination of the efficiency and effectiveness of WANDRA was assessed.

Chapter Two reviews the legislative and policy framework for natural disaster relief. It outlines the Western Australian Natural Disaster Relief framework and existing related measures and how these articulate with the Commonwealth Natural Disaster Relief Arrangements (NDRA).

Chapter Three assesses the efficiency of WANDRA having particular regard to the timeliness and adequacy of the assistance provided.

Section 3.1 considers the magnitude of assistance available under WANDRA. In particular it looks at issues relating to the size of local government contributions, the relatively low amount of assistance accessed by primary producers, and community perceptions of available funding. The financial impost on local authorities is the subject of a broadly based expressed concern across the state of Western Australia. This is attributable both to the impact of a 25% levy on smaller councils, and the timeliness of reimbursement on all councils.

Section 3.2 reviews the issues surrounding ease of accessibility of WANDRA by local government and affected members of the community. In particular it reviews bureaucratic impediments, and community awareness of the provisions of WANDRA. Accessibility is impeded by a general lack of awareness of the provisions and guidelines of WANDRA which also compounds the high expectations of the community alluded to section 3.1. This lack of awareness extends to both local authorities and some state agencies.

Section 3.3 considers whether the efficiency of WANDRA is compromised by issues around timeliness and the possible need for 'exceptional assistance' to local authorities. It also reviews the working relationships of different agencies.

Chapter Four considers the effectiveness of WANDRA in the context of the Western Australian Government's performance management framework.

Section 4.1 reviews the difficulties associated with measuring the effectiveness of WANDRA given the absence of effectiveness key performance indicators. For the purposes of this Inquiry, effectiveness is therefore determined against the objectives and performance measures of both WANDRA and related agencies in the context of the financial, physical and human costs of those disasters which formed the subject of the Inquiry.

Section 4.2 discusses the economic and social impact of the disasters that formed the focus of the Inquiry together with their nature and impact.

Section 4.3 reviews the effectiveness of WANDRA with respect to emergency assistance to individuals and families, financial assistance to farmers and businesses, and the impact of 'opportunity cost' on local government given the strictures surrounding WANDRA's assistance. A number of perceived shortcomings in the current arrangements as they affect these stakeholders are outlined.

This section also explores the issue of insurance which came up in a number of contexts during this inquiry. Whilst recognising WANDRA is predicated on the premise that it will not act as a disincentive to members of the community taking out their own insurance, the Committee noted with some concern the anecdotal evidence of widespread underinsurance or lack of insurance in Western Australia, not least in regional areas. Compounding this, the Committee found that there is a lack of comprehensive 'all hazard' insurance available in Australia.

As is emphasised at several points in this report and highlighted in this section, recovery is more than an economic process and the Committee was struck by the positive social outcomes achieved through social networks and the empowerment of local communities and organisations. Their contribution is integral to the philosophical underpinnings of WANDRA and, in the Committee's view, the latter's empowering approach to recovery is one that is seen to facilitate strong outcomes.

Whilst it is the Committee's view that in broad terms WANDRA provides an adequate response to natural disasters in the broader community context within which it operates, the Committee believes that nonetheless there are areas which could be further improved and therefore encourages the Government to consider this report's findings and implement its recommendations.

FINDINGS

Page 25

Finding 1

The requirement for local governments to fund 25% of restoration costs for essential public assets and roads under WANDRA poses a significant financial impost on some local authorities following major natural disaster events. This is in large part attributable to the lack of timeliness of reimbursement. In addition, the current allocation of costs impacts unfairly on councils with a limited rate base and/or an inability to source funds without compromising other council programs.

Page 29

Finding 2

The dissemination of incomplete information at the time a natural disaster is proclaimed can contribute towards public misperceptions of the quantity of financial assistance available. The discovered reality of the limitations indicatively leads to a sense of its inadequacy.

Page 31

Finding 3

The focus of primary producers after a disaster is primarily to secure property and livestock; therefore accessibility to WANDRA, in particular for financial assistance, is adversely affected by a sense of general frustration due to perceived or anecdotal hassles associated with the bureaucratic process.

Page 35

Finding 4

There is a general lack of awareness of WANDRA by local and even some State government agencies. This has ramifications for the efficiency of WANDRA as it can impede accessibility in instances where local/state government is tasked with administering WANDRA and liaising with the community. Awareness deficiencies can result in members of the broader community receiving insufficient information and/or becoming confused about assistance measures thereby delaying access to assistance and in turn impeding recovery.

Page 39

Finding 5

The inadequate dissemination of information appears to be a significant contributing factor to a poor general awareness of WANDRA by the broader community. This is influenced by the content of information available (which lacks clarity), the time it is conveyed (which in some cases is not available when it is most needed), and/or the location of information (information is scattered).

Page 41

Finding 6

Timeliness appears to be an issue in those instances where the time lag until funding is received requires local governments to shoulder an unrealistic cost burden. While the process for assessing and paying claims appears to be efficient, it would seem that unexpected and/or unavoidable delays in works leading to a late submission of claims risks placing undue financial pressure on local governments, especially those with a limited rates base and/or where damage is extensive requiring a significant cost outlay by those local authorities.

Page 44

Finding 7

In general there appears to be a good working relationship between the agencies responsible for administering WANDRA. There is still potential however, to further reinforce communication/debriefing between agencies to improve intra and inter-agency awareness and further improve future performance.

Page 45

Finding 8

FESA's current funding arrangements with the Department of Treasury and Finance are administratively burdensome. The difficulties of the existing mechanism have been obscured in recent times by the ability of FESA to retain a past Commonwealth reimbursement as a reserve from which it can affect payments. However in the event of a large claim FESA would be required to "promptly lodge a supplementary funding request through the formal process, which can take a bit of time."

Page 57

Finding 9

The Department for Community Development discharges its responsibilities under WANDRA to the satisfaction of the affected community. However the provisions under Personal Hardship and Distress Measures are dated and require revision.

Page 58

Finding 10

The repair of boundary fencing, currently excluded under WANDRA, is a significant impost on farmers in the recovery process. The opportunity to manage the risk of losses to fencing is limited due to restrictions and exclusions under prevailing insurance policies.

Page 61

Finding 11

The current Professional Assistance Grant fails to meet the identified needs of the rural community. Additionally it is not available to that sector of the community that would take advantage of it, notably the business community.

Page 61

Finding 12

The financial assistance to farmers and their families (by way of an interest rate subsidy), who are experiencing financial hardship and who cannot borrow further against their assets, is perceived as being of only marginal value due to its limited applicability and the cumbersome application process involved.

Page 63

Finding 13

There is a real ‘opportunity cost’ for Local Authorities in meeting the 25% contribution to the restoration of eligible public assets damaged by a natural disaster event.

Page 64

Finding 14

There is an inferred and expressed need for staff from a central government agency to be placed in the affected local authority to achieve optimal recovery outcomes.

Page 66

Finding 15

There is a broad based consensus that the nature of assistance to local government, which is currently limited to repairing infrastructure, including roads, be broadened to improving infrastructure to withstand future events of a similar nature.

Page 68

Finding 16

There is a gap between available cost effective insurance cover and the recovery arrangements available under WANDRA.

Page 69

Finding 17

The issue of underinsurance is both a widespread national issue and a state based issue resulting in non recoverable losses in the event of a natural disaster.

Page 72

Finding 18

Individuals and communities are supported by WANDRA, through the medium of a number of government agencies, in the management of their own recovery as they are seen to know best what their needs are. This approach builds community capacity and sustainability.

Page 73

Finding 19

Privately owned heritage buildings are at long term risk of disrepair where hazard insurance is not available.

RECOMMENDATIONS

Page 25

Recommendation 1

That Fire and Emergency Services Authority of Western Australia and Main Roads Western Australia, in consultation with the Western Australian Local Government Association, investigate a more equitable means of calculating the local government contribution to road and infrastructure restoration costs. In particular consideration should be given to regulations applying in the eastern states i.e. Queensland.

Page 29

Recommendation 2

That following the declaration of a natural disaster, complete and accurate information on Western Australian Natural Disaster Relief Arrangements assistance measures and application processes is disseminated through public communications channels, including the media.

Page 36

Recommendation 3

That FESA, in consultation with local governments, develop and make broadly available WANDRA guidelines with a view to improving pre-disaster awareness of assistance measures and application processes.

Page 39

Recommendation 4

That FESA develop comprehensive internet-based information including but not limited to detail of WANDRA objectives, assistance measures, administering agencies, eligibility criteria (where applicable) and application forms.

Page 39

Recommendation 5

That FESA investigate the use of new technologies such as Voice over Internet Protocol (VoIP) for supplementing the dissemination of WANDRA information in cases where landlines have been disrupted.

Page 42

Recommendation 6

That, in tandem with their consideration of local government cost sharing arrangements under WANDRA (refer Recommendation 1), the Fire and Emergency Services Authority and Main Roads Western Australia also establish 'exceptional circumstances' criteria to provide for additional assistance to local government where it may be warranted in order to avoid undue financial pressure caused by delays to secure reimbursement.

Page 46

Recommendation 7

That the Department of Treasury and Finance, in consultation with FESA, consider alternative funding arrangements to alleviate the need for FESA to 'underwrite' NDRA costs during the year.

Page 57

Recommendation 8

That the newly proposed index linked limits for Personal Hardship and Distress Relief Payments as outlined in the paper "National Disaster Relief Arrangements - An Analysis and Recommendations for Personal Hardship Distress Measures" be accepted by government.

Page 58

Recommendation 9

That the guidelines of WANDRA be revised to provide for the inclusion of the cost of materials expended in the repair of boundary fences.

Page 61

Recommendation 10

That the Professional Assistance Grant is formally extended by WANDRA to include non rural businesses and that it be made available to assist with the clean up of disaster related damage to farms and businesses. *(The Committee recognises that the amendments to WANDRA as of March 2007 address this recommendation).*

Page 63

Recommendation 11

That the 'opportunity cost' for Local Authorities in meeting the 25% contribution to the restoration of eligible public assets damaged by a natural disaster event be considered when FESA and MRWA, in consultation with WALGA, investigate a more equitable means of calculating the local government contribution to road and infrastructure restoration costs as recommended in Recommendation 1.

Page 64

Recommendation 12

The secondment of a resource person(s) to an affected local authority to support the work of that authority in its response to a natural disaster be effected.

Page 66

Recommendation 13

That, in line with recommendations contained in the 2004 Report to the Council of Australian Governments, greater flexibility should be introduced to WANDRA to enable damaged infrastructure to be upgraded to a more resilient standard where that is both feasible and cost-effective.

Page 73

Recommendation 14

That consideration be given to the establishment of a 'Heritage Reserve Fund' that might underwrite urgent initial repairs to private heritage listed properties.

MINISTERIAL RESPONSE

In accordance with Standing Order 277(1) of the Standing Orders of the Legislative Assembly, the Community Development and Justice Standing Committee directs that the Premier, the Treasurer, the Minister for Police and Emergency Services, the Minister for Local Government and Regional Development, and the Minister for Heritage report to the Assembly as to the action, if any, proposed to be taken by the Government with respect to the recommendations of the Committee.

CHAPTER 1 INTRODUCTION

1.1 Background

On 3 May 2006 the Legislative Assembly resolved to refer the issue of natural disaster relief arrangements to the Community Development and Justice Standing Committee for review. By way of background to the Inquiry, the impacts of severe flooding associated with ex-Tropical Cyclone Clare in January 2006 prompted a motion by the Member for Roe, Dr Graham Jacobs, MLA, that contributions to flood-stricken farmers be included in any Western Australian natural disaster assistance program.⁷ The motion was amended on debate for the Community Development and Justice Standing Committee to review Western Australian Natural Disaster Relief Arrangements (WANDRA) more broadly.⁸

The Committee was originally directed to report to the Legislative Assembly by December 2006, however the Legislative Assembly subsequently resolved on 26 October 2006 to extend the reporting date until 10 May 2007.

1.2 Conduct of the Inquiry

Advertisements inviting submissions to the Inquiry were placed in *The West Australian* newspaper on 27 May 2006 and regional newspapers between 23 and 25 May 2006. Submissions were also invited from State Government Departments, local governments, a range of peak representative bodies for local government, primary producers and businesses and other relevant stakeholders.

Submissions received by the Committee were primarily from the stakeholder groups identified above. In total, the Committee received 28 submissions. These are listed in Appendix Three.

A total of 7 public hearings were conducted in Perth, Albany, Lake Grace, Mullewa, and Bunbury between 5 September 2006 and 21 March 2007, taking evidence from 53 witnesses. Witnesses who gave evidence at the public hearings are detailed in Appendix Two.

In addition to public hearings the committee was briefed by the Main Roads Western Australia and the Fire and Emergency Services Authority of WA.

1.3 Inquiry Parameters

The State Government has in place a range of relief measures designed to help those within disaster affected communities. These relief measures are encapsulated under the banner of

⁷ Dr. G. G. Jacobs, MLA, Member for Roe, Western Australia, Legislative Assembly, *Parliamentary Debates (Hansard)*, 12/04/2006, p1641.

⁸ Mr D.T. Redman, MLA, Member for Stirling, Western Australia, Legislative Assembly, *Parliamentary Debates (Hansard)*, 03/05/2006, p2112.

WANDRA and address those needs that may exist within a stricken community as well as providing a 'safety net' for disaster victims.

As defined by the Inquiry's Terms of Reference, the Inquiry focuses on the adequacy of State Government assistance available under WANDRA for persons affected by a natural disaster. This assistance is based on an understanding that "whilst primary responsibility for safeguarding and restoring public and private assets affected by natural disasters rests with the owner, who should always plan for the vagaries of nature, the State Government recognises that disaster affected communities do not always have the resources to provide for their own recovery."⁹

The assessment of 'adequacy' in this context has been made firstly in terms of WANDRA's efficiency of service delivery, that is to say the quality, quantity and timeliness of its services and secondly, its effectiveness of outcome achievement; that is the result in terms of its services impact on community recovery. This form of performance assessment is in line with the Department of Treasury and Finance guidelines on Outcome Based Management for the Western Australian Public Sector.¹⁰ This inquiry therefore assesses both the 'means' and the 'ends' of the adequacy of relief arrangements.

Formal evidence hearings targeted a number of locations impacted by recent natural disaster proclamations. As the Inquiry was instigated largely in response to a flood event, locations were chosen to reflect this emphasis. This sought to capture as much as possible the experience of affected persons around Lake Grace, and the Greenough and Murchison River catchments (all affected by severe floods in January 2006), Albany and surrounding districts (affected by severe flooding in April 2005), and Bunbury and Australind (affected by severe storms/tornados in 2005 and 2006 respectively). It also included a visit to Esperance and the immediate hinterland following the January 2007 floods.

More broadly, the Inquiry considers WANDRA in the context of the natural disaster relief framework, including its relationship to Commonwealth Natural Disaster Relief Arrangements (NDRA) with which there is a cost sharing arrangement subject to qualifying criteria.

⁹ Parliament of WA, Available at: <http://www.parliament.wa.gov.au/council/WANDRA%20Overview%20May%202006.pdf> Accessed on 16/3/2007.

¹⁰ WA Department of Treasury and Finance, *Outcome Based Management: Guidelines for use in the Western Australian Public Sector*, November 2004, p.2.

The Inquiry recognised that recovery in Australia is a “coordinated process of supporting disaster affected communities in the reconstruction of the physical infrastructure and restoration of economic, physical, and emotional well being.”¹¹

In recovery WANDRA works with and acts as the pivotal funding source for local authorities, state agencies, and affected communities in restoring facilities and services to Western Australian communities. It therefore forms part of a weave of responses, albeit a crucial one. The adequacy of WANDRA is therefore considered in this Inquiry in the context of WANDRA’s broader relationships, on which it is critically dependent for successful outcomes.

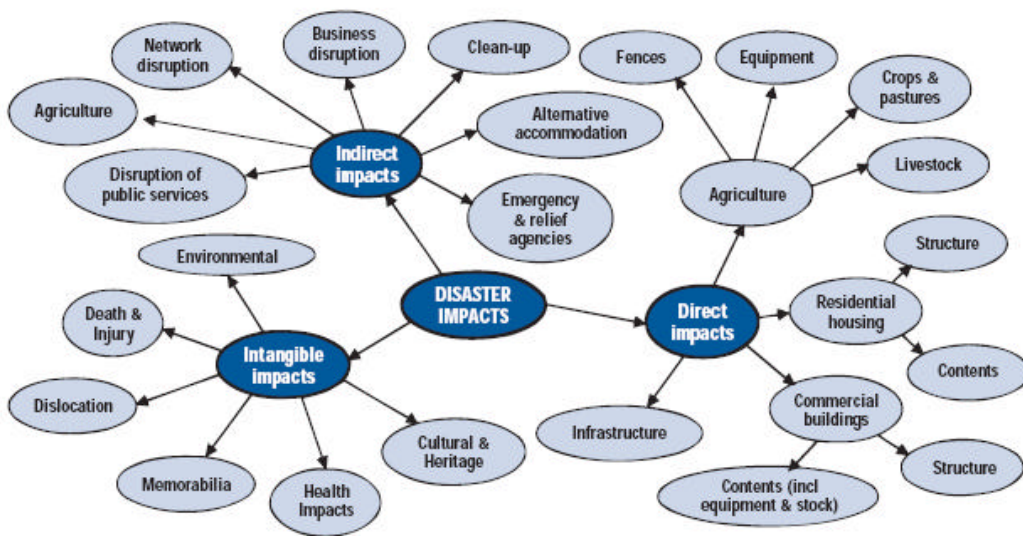
This Inquiry also examines the outcomes of recent reviews into NDRA at the State and Commonwealth level, and the recommendations/changes that have been made as a consequence of these reviews.

¹¹ Australian Government Department of Transport, *Natural Disasters in Australia, Reforming mitigation, relief and recovery arrangements*, Commonwealth of Australia, Canberra, 2004, p36.

CHAPTER 2 NATURAL DISASTER RELIEF ARRANGEMENTS

The economic and social consequences of a natural disaster are manifold and interlocking. Livelihoods and communities are disrupted, health affected, lives sometimes lost, and infrastructure damaged. However, physical damage together with the consequent loss of services is the most visible impact as indicated in the following figure.

The economic impact of a disaster¹²



Recovery is complex, dynamic and generally protracted and recovery plans seek to address not only the social and psychological effects of disaster but also the economic effects. Consequently declared natural disasters may draw on the resources of all three tiers of government. It is within this context that the Commonwealth Government established the Natural Disaster Relief Arrangements (NDRA). The NDRA was designed to both alleviate the financial burden associated with the provision of natural disaster relief and infrastructure restoration and address some of the attendant psycho-social problems arising from a declared disaster. The NDRA operates with a proviso: namely that “all levels of government have adopted the view that generally they cannot assist with replacing insurable assets because then they become the unpaid insurer at the expense of the taxpayer.”¹³

¹² Emergency Management Australia: Economic and Financial Aspects of Disaster Recovery - Manual 28, Available at: [http://www.ema.gov.au/agd/EMA/rwpattach.nsf/VAP/\(A80860EC13A61F5BA8C1121176F6CC3C\)~Manual28.pdf/\\$file/Manual28.pdf](http://www.ema.gov.au/agd/EMA/rwpattach.nsf/VAP/(A80860EC13A61F5BA8C1121176F6CC3C)~Manual28.pdf/$file/Manual28.pdf) Accessed on 02/01/2007.

¹³ State Emergency Management Committee, *Westplan Recovery*, Government of Western Australia, 2003, p32.

2.1 Western Australian Natural Disaster Relief Framework

(a) Legislative framework

Prior to the proclamation of the *Emergency Management Act 2005* Western Australia had no emergency management legislation. The proclamation of the Act in December 2005 formalised pre-existing emergency management arrangements and led to the regulations covering membership, the constitution and procedures of the State Emergency Management Committee (SEMC). The SEMC is tasked with developing State emergency management plans¹⁴ such as Westplan Recovery, which in turn details relief arrangements and responsibilities. The Act also establishes the central role of local government both in developing local emergency management arrangements for all the component communities in their districts and in managing recovery following an emergency.¹⁵

(b) Policy framework

In responding to natural disasters caused by earthquake, bushfire, storm, cyclone, storm surge, landslide, tsunami, meteorite strike or tornado, the policy governing the State Government's response is dictated by the provisions of the Western Australian Natural Disaster Relief Arrangements (WANDRA). WANDRA exists outside of legislative domain and is governed by the provisions of the Commonwealth/State Natural Disaster Relief Arrangements (NDRA). NDRA is administered by the Federal Department of Transport and Regional Services (DOTARS). It should be noted that the Commonwealth NDRA is only designed to alleviate a proportion of the financial burden on the States and Territories once prescribed thresholds have been reached.

(c) WANDRA overview

The Western Australian Natural Disaster Relief Arrangements are based on the Commonwealth NDRA Determination and are only applicable to disasters resulting from earthquake, bushfire, storm, cyclone, storm surge, landslide, tsunami, meteorite strike or tornado. The arrangements are designed to assist the recovery of communities whose social, financial and economic well-being have been severely affected by a natural disaster event, notably those communities that do not have the resources to provide for their own recovery.¹⁶

The Fire and Emergency Services Authority of Western Australia (FESA) carries responsibility for the overall administration of the arrangements in Western Australia.

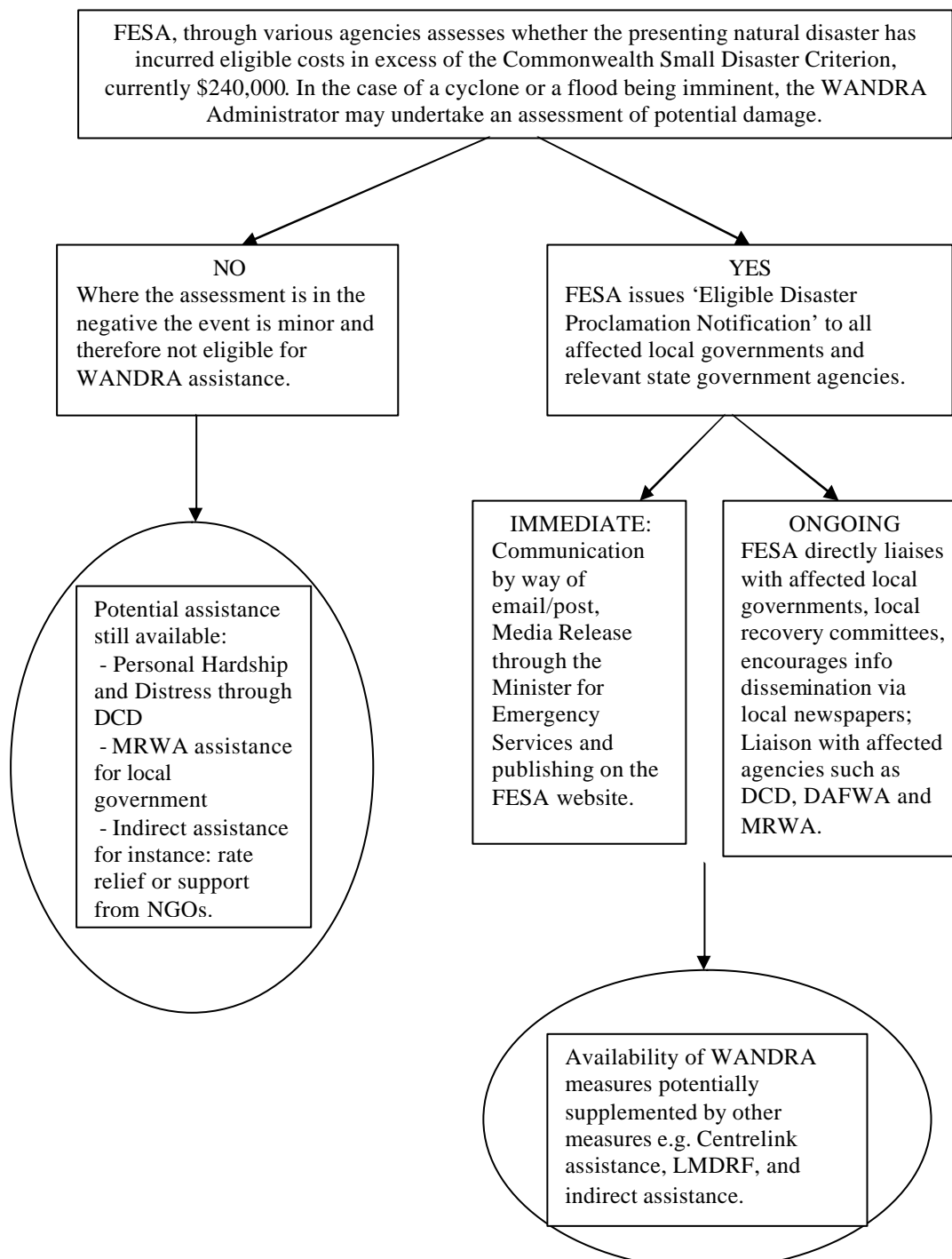
¹⁴ Section 18 *Emergency Management Act 2005*.

¹⁵ Ibid, Section 36.

¹⁶ Parliament of WA, Available at: <http://www.parliament.wa.gov.au/council/WANDRA%20Overview%20May%202006.pdf> Accessed on 16/3/2007.

Under existing guidelines where a natural disaster is proclaimed, WANDRA is triggered in the following manner.

HOW A NATURAL DISASTER IS PROCLAIMED¹⁷



There are four stages associated with the WANDRA process as follows:

¹⁷ Information sourced from Submission No 12 from Main Roads Western Australia, July 2006, p2-3; Submission No 16 from Fire and Emergency Services Authority of Western Australia, July 2006, p8; State Emergency Management Committee, *Westplan Recovery*, Government of Western Australia, 2003, p27.

- 1) Eligible Disaster Event Proclamation Notification – An event is proclaimed as an “eligible disaster” for WANDRA purposes. This information is circulated to the Commonwealth, State Government agencies and local governments via e-mail and mail;
- 2) Eligible Disaster Event Preliminary Expenditure Assessment – Requests seeking preliminary damage assessments and estimates of expenditure;
- 3) Eligible Disaster Event Claims Certification and Submission – A circular invitation to those that have reported costs to substantiate expenditure and seek financial assistance from the State Government for eligible expenditure based on the scope of expenditure covered under WANDRA; and
- 4) Eligible Disaster Event Finalisation and Closure – A circular finalising all outstanding matters and closure of information requirements.¹⁸

(i) ***WANDRA Measures***

The proclamation of a natural disaster enables the application of the following measures under WANDRA:

1. Personal Hardship and Distress Grants

Immediate Personal Hardship and Distress (PHD) grants administered by the Department for Community Development (DCD) may be available to individuals and families. The Committee notes that the Department has concerns about the current adequacy of the levels of assistance and that it is working with FESA to prepare a joint submission to Cabinet recommending a revised assistance package. These concerns are addressed later in this report. The existing measures are advised as follows:

Category 1. – Emergency Assistance

To help- people affected meet their immediate and basic needs following (and where applicable during) an event.

Includes emergency accommodation, food, essential clothing, other personal items including medical and pharmaceutical items, access to communications, essential transport, safety audits (to ensure homes are safe for return) and document replacement costs (e.g. Birth Certificate).

An amount of \$100 per person is payable up to a maximum of \$700 per

¹⁸ Fire and Emergency Services Authority of Western Australia, Available at: <http://www.fesa.wa.gov.au/internet/upload/-355137738/docs/StateGovtAgenciesWANDRANotification.pdf> Accessed on 15/3/2007.

family.

Category 2. – Temporary Living Expenses

No income/ assets testing.

Temporary accommodation (up to 3 weeks) of an essential/reasonable standard through to the medium term while the recipients’ own accommodation is uninhabitable. This assistance picks up after the immediate emergency assistance ends.

Assistance is limited to 2-3 weeks.

Category 3. – Essential Household Contents

No income/assets testing

Provide immediate assistance to those people unable to return to a functioning capacity within their own resources by providing assistance to repair or replace essential household items which sustain people in need either in their own or alternative accommodation.

Assistance is limited to \$3,300 per couple or family or \$1,100 for an individual, reduced by any amount payable under Emergency Assistance

Subject to income and/or assets testing.

Category 4. – Housing Repairs

To assist people without the capacity to repair or replace owner occupied/principle residences to enable them to return housing to a habitable, safe and secure condition.

Assistance is limited to \$8,800 per couple/family or \$6,500 per individual reduced by any amount granted for Essential Household Contents.

Subject to income and/or means testing.

Exclusions to PHD grants include:

- garden sheds, lawnmowers, fences, tools or non-essential items such as jewellery, golf clubs, etc;
- loss of business assets or income, or losses sustained by owners of rented houses and other rented assets;
- damage to vehicles, boats, caravans (except caravans owner-occupied as residences); and
- assets which are subject to policies of insurance.

2. Grants to public authorities (Local) for the restoration/protection of essential public assets

This measure provides for grants for the restoration of public assets and emergency protection and repair works by Local and Semi-Government Authorities. The assistance provided will be restricted to the restoration or replacement of an essential public asset damaged by a declared natural disaster, to the extent necessary to restore the asset to the equivalent of its pre-disaster standard. Any betterment factor is at cost to the particular authority.

Expenditure needs to be submitted within a reasonable period after the natural disaster. The Commonwealth NDRA Determination states that a reasonable period is a period usually less than two years after the end of the financial year in which the relevant disaster occurred.

Recent changes to WANDRA affecting grants to public authorities flowed from changes to NDRA announced by the Commonwealth in December 2006, and subsequently incorporated into WANDRA on 9 March 2007. The nature and extent of these changes are canvassed in Chapter four.

In the context of local government the grants may be summarised as follows:

<p><u>Local government Rural Road Project Grant</u> Road restoration to local roads where by Main Roads provides 75% towards cost of restoration whilst Local governments meet 25% of costs.</p>	<p>Responsible agency MAIN ROADS WESTERN AUSTRALIA</p>
<p><u>Other Road Measures</u> Subject to the nature of the disaster, may include costs of engagement for regional network contracts in relation to green waste/hazard response where fire is involved or at the discretion of the Director General or Minister.</p>	
<p><u>Restoration of public assets and emergency protection and repair works by Local government</u> Grants of up to 75% of the cost of approved restoration or replacement works.</p>	<p>FIRE and EMERGENCY SERVICES AUTHORITY of Western Australia</p>

Regional local governments may also be able to access funds from a ‘supplementary’ fund managed by the State Road Funds to Local Government Advisory Committee. These funds are made available as a contribution toward the cost of repairs to any part of the local road network that has sustained damage as a result of an abnormal flood event. The amount of funding provided is dependent on whether the abnormal event is declared a natural disaster. Where no natural disaster is declared, local governments can obtain assistance on the basis of 100% for opening up costs and \$2 supplementary funds to \$1 local government funds for reinstatement works. Providing funding through this mechanism reduces the level of funding available to local government for Road Project Grants which in turn impacts both improvement and expansion works undertaken and therefore the condition of their network. If a natural disaster is declared, the method whereby the State Government provides 75% of the total damage to affected roads takes effect on the proviso that the return to local government is greater. If this is not the situation then the method of reimbursement outlined above is applied and the additional amount is paid from the supplementary fund.”¹⁹

3. Primary Producer Package

All primary producer applications for WANDRA support are made to the Department of Agriculture and Food Western Australia (DAFWA). Since FESA does not have the relevant farm assessment expertise,²⁰ DAFWA, through its Food Business Development Unit (FBDU),

¹⁹ Submission No 12 from Main Roads Western Australia, 10/7/2006, p3.

²⁰ Submission No 18 from Department of Agriculture and Food, 8/8/2006, p3.

undertakes assessments and makes its recommendations to FESA on those applicants they believe meet the eligibility criteria for support. Assessment criteria include the requirement on applicants that they:

- operate a commercial scale farming or pastoral business and be affected by the declared event;
- have operated the business for at least one year;
- either own the farm land or hold a minimum five year agreement to share farm or lease the property;
- devote at least 75% of their labour to the farm business;
- obtain more than 50% of their income from the farm in normal circumstances;
- apply within six months of the declaration date of the disaster;
- demonstrate that there has been physical impact on the business arising out of the declare event, and
- show that their own resources are not available to the business to recover from the disaster.²¹

The WANDRA primary producer's package provides for:

- Grants to obtain professional advice

This provides for the reimbursement of fees up to \$1,500 from an appropriate professional directly relating to issues that have arisen from the declared event. Such advice may not form part of the costs of normally employing such a consultant, but may relate to business or other matters, hydrological or soil conservation issues, feed analysis, or other stock health issues.

- Interest subsidy on loans to assist recovery

The scheme provides for an interest rate subsidy on loans made by Authorised Deposit Taking Institutions to assist the borrower to recover from the declared natural disaster. The subsidy is currently 4% pa on loans to a maximum of \$150,000 with a term of no more than 10 years.

To be eligible, applicants must demonstrate to DAFWA that funds are not available from their own sources. It is DAFWA's expectation that the applicant will have exhausted all liquid sources and need to access the additional funding to affect a recovery from the declared natural disaster.

²¹ Submission No 15 from Fire and Emergency Services Authority of Western Australia, July 2006, p10.

- Freight on stock transfer from fire affected property

A grant of 100% of the cost of freighting livestock to agistment during a period of two months from the date of the declared event may be made. Normally the grant is available where more than 30% of the property is burnt. The grant is restricted to a fire event.

- Other Measures

Additional support measures may be determined by DAFWA and FESA in the context of the specific declared event. In the past these measures have included fodder drops to flocks isolated by flood, veterinary costs in assessing stock exposed to fire, and crop inspection fees after losses from flooding. For example in 2005 when eighty-five per cent of the seed potato crop was lost as a result of the floods in Albany, those producers received a refund from inspection fees on seed potato crops.

4. Small Business and Non-government Organisations

Assistance to small business and NGOs is managed by FESA drawing on the support of the relevant Regional Development Commissions in the affected area. The primary financial assistance measure is the Loan Interest Subsidy Scheme. The scheme provides for an interest rate subsidy on loans made by Authorised Deposit Taking Institutions to assist the borrower to recover from the declared natural disaster. The subsidy is currently 4% pa on loans to a maximum of \$150,000 with a term of no more than 10 years.

Additionally, as is covered in chapter four, as of December 2006 the Commonwealth Government has agreed to make available enhanced support at the request of a State Premier following a declared disaster qualifying for Commonwealth NDRA. A key measure under these enhanced arrangements is assistance under the small business recovery grants program. This is designed to ensure that a disaster affected community does not lose essential business. Grants of up to \$10,000 to eligible small business can be provided for clean up and immediate restoration costs.

5. Indirect assistance

Additional to the measures described above, there is provision under WANDRA for indirect measures of support. These measures are at the discretion of the providing agency. Some past examples of these include:

- the establishment of 'welfare centres' providing temporary accommodation, food and personal requisites for people relocated when threatened or impacted by a natural disaster event;
- the waiver of fees charged for such items as demolition or building licenses;
- the removal and safe disposal of debris from domestic/ business premises;
- the reinstatement of domestic water supply where the premises are not connected to mains water supply and rain water storage has been lost; and

- the requirement on state agencies to buy locally wherever possible.²²

2.2 Commonwealth National Disaster Relief Arrangements Overview

Central to the objectives of the NDRA is a concern that disaster relief assistance does not act as a disincentive to proper risk planning, the implementation of mitigation strategies, and the taking out of appropriate insurance policies. Rather, the Commonwealth NDRA provides the definition of eligible disaster events, the Commonwealth/State cost sharing mechanism, generic criteria for eligible relief measures and administrative procedures, as well as prescribing the General Intent of the Determination and Conditions of Assistance.²³

WANDRA operates within the context of the Commonwealth NDRA.

The Commonwealth Government, through NDRA, provides financial assistance to Western Australia after a natural disaster has occurred. The level of assistance is calculated as follows:

- With respect to Personal Hardship and Distress payments the Commonwealth meets half the expenditure incurred by a State or Territory where it exceeds the small disaster threshold of \$240,000.
- For other eligible measures, Commonwealth assistance is dollar for dollar for expenditure incurred by a State or Territory in excess of a base amount calculated by reference to each State or Territory's revenue (0.225 percent of State or Territory revenue) where expenditure exceeds that base amount by 1.75 times Commonwealth reimbursement is 75 cents in the dollar of all further expenditure.²⁴

(a) Further Commonwealth recovery initiatives

(i) *The Commonwealth and the recovery of national highways*

- Additional to NDRA the Commonwealth Government is responsible for providing funding for national highways. The Commonwealth approves the State recommended national highway projects. There is no specific fund provided by the Commonwealth for damage to national highways that results from a natural event, such as flood or fire. Where damage is caused to the national highway under these circumstances, a submission is forwarded to the Commonwealth by Main Roads Western Australia (MRWA) requesting assistance.

²² Submission No 15 from Fire and Emergency Services Authority, July 2006, p6.

²³ Financial Banking Information Infrastructure Committee, Available at: http://www.fbiic.gov/reports/Economic_and_Financial_Aspects.pdf Accessed on 23/3/2007.

²⁴ Department of Transport and Regional Services - Natural Disaster Relief Arrangements, Available at: <http://www.dotars.gov.au/disasters/ndra/terms.aspx> Accessed on 2/2/2007.

- Damage which occurs as a result of what is considered a normal event (e.g. heavy isolated rainfall) is funded by the MRWA from its national highway maintenance program or the safety and urgent minor works program.
- The Commonwealth Department of Transport and Road Safety (DOTARS) have a small reserve of unallocated funds to meet the cost of unforeseeable safety and traffic repairs (e.g. flood damage repairs to pavements). Funding is available subject to a detailed submission being prepared and forwarded to DOTARS and formally approved by the Federal Minister.

(ii) Centrelink

When an emergency occurs Centrelink can provide financial assistance to any person whose livelihood has been affected by the emergency (declared or not declared) by providing Special Benefits. Additionally applications can be made for Disaster Relief Payments after the Commonwealth Minister for Social security has declared the emergency to be a major disaster as defined by the *Social Security Act 1991*.

(iii) Enhanced Arrangements

In December the Australian Government decided to provide additional relief assistance to enhance the current Natural Disaster Relief Arrangements to help businesses, people and communities recover from natural disasters.²⁵ The terms of these measures together with their current status is discussed in chapter 4.3.

²⁵ Continuity Central, Available at: <http://continuitycentral.com/news02971.htm> Accessed on 15/3/2007.

2.3 Additional Disaster Relief Arrangements

(a) Public Appeals Funds - Lord Mayor's Distress Relief Fund

The Emergency Management Strategic Framework 1 July 2006 - 30 June 2011 is underpinned by a set of principles. One of the key principles aimed at contributing to a resilient and prepared Western Australian community is the development of effective partnerships between government agencies, non-government organisations and the private sector.

Many non-government agencies play a role in providing support at different levels in a declared disaster, including the Australian Red Cross and the Salvation Army. However one such organisation that is consistently present with cash support is the Lord Mayor's Distress Relief Fund. The fund, which was established in 1961, is a registered charitable body and has distributed in excess of \$2.5 million to WA residents since 1997.

Among the more recent relief appeals are the following:

Event	Amount disbursed
· Cyclone Olivia (1997)	\$89,700
· Ashburton River Floods (1997)	\$55,500
· Brookton/Pingelly Fires (1997/1998)	\$358,500
· Esperance Floods (1999)	\$25,500
· Moora Floods (1999)	\$600,000
· Cyclone Vance (Exmouth and Onslow 1999)	\$706,000
· Cyclone Steve (2000)	\$141,100
· WA Bali Casualties Appeal (2002/2003)	\$825,300
· Tenterden Fires (2003)	\$182,000
· Australia Day Tsunami Collection (2004/5) ^{26 27}	\$64,000

The fund was set up specifically to provide for the alleviation and relief of distress, suffering, hardship and misfortune brought about by any emergency either inside or outside the State of

²⁶ City of South Perth, Available at: http://www.southperth.wa.gov.au/eservice/SouthPerth/media_releases/docs/2006/June/lord_mayors.pdf Accessed on 5/2/2007.

²⁷ Submission No 29 from The Lord Mayors Relief Fund Incorporated, 21/2/2007, pp1-4.

Western Australia, through cash donations. Applications from affected individuals can be made for grants from the fund through the Local Appeals Committee. The Board of the fund then determines payments from the fund to individual claimants.

(b) Rate relief

Where residences and businesses are affected by an emergency, local government authorities may establish options with respect to rate payments and the possibility of their deferral.

CHAPTER 3 THE EFFICIENCY OF WANDRA

The adequacy of WANDRA is assessed in this Inquiry using the performance measurements of efficiency and effectiveness. In this chapter the issue of efficiency is addressed. Efficiency is a measure of the relationship between inputs and outputs²⁸ and can be assessed using a number of output measures. Output measures specifically cover quantity, quality, timeliness and cost and are defined as follows:

- quantity describes outputs in terms of how much, or how many;
- quality encompasses aspects such as accuracy, completeness, accessibility, continuity and customer acceptability;
- timeliness assesses how often, or within what time frame outputs will be produced; and
- cost reflects the full accrual cost to an agency of producing each output.²⁹

In order to assess the efficiency of WANDRA, outputs have been defined in the context of WANDRA objectives. These objectives according to the Fire and Emergency Services Authority of Western Australia (FESA) includes the provision of timely assistance accessible to all affected persons and communities in genuine need, and the ability for WANDRA to be applied flexibly in recognition of the varying impacts of events.³⁰ Timeliness and accessibility are undoubtedly significant and are covered in the following discussion on efficiency.

3.1 Quantity of assistance

A number of specific issues have arisen during the Inquiry which pertain to the quantity of assistance under WANDRA. These relate to the magnitude of local government contributions required to access WANDRA under cost-sharing arrangements, the amount of financial assistance accessed by primary producers, and community perceptions of the quantity of financial assistance available.

(a) Local government contribution

Local government has a significant role to play in disaster recovery. It works closely with both State and Commonwealth agencies to affect recovery. Both the State and Commonwealth arguably are seen as providing a financial 'safety net' through the Natural Disaster Relief Arrangements (NDRA) in return for which local government ensures that relevant disaster

²⁸ Department of Treasury and Finance - Outcome Based Management Guidelines for Use in the Western Australian Public Sector (November 2004), Available at: <http://www.dtf.wa.gov.au/cms/uploadedFiles/obmnov04.pdf> Accessed on 12/01/2007.

²⁹ Department of Treasury and Finance - Output Measures - Guidelines to assist agencies (November 1998), Available at: http://www.dtf.wa.gov.au/cms/uploadedFiles/output_measures_dec_98.pdf Accessed on 12/01/2007.

³⁰ Submission No 16 from Fire and Emergency Services Authority of Western Australia, July 2006, piii.

planning and readiness is in place to cover all communities in their districts, and to manage recovery at a local level.³¹

As outlined in Chapter 2, WANDRA assistance to local government consists of two major components, namely the restoration of local roads and the restoration of public assets. In the first instance, where a natural disaster is declared, WANDRA (through MRWA) will cover 75% of costs associated with the repair or replacement of local government roads to an equivalent pre-disaster standard, with the remaining 25% to be met by local government.³² In the latter instance, through FESA, local government will also be reimbursed 75% of costs associated with the restoration of eligible public assets damaged by a natural disaster event.³³

There is a degree of contention about the adequacy of the 75% portion of assistance to local government, both in absolute terms because of the impact on a local authority's budget of their contribution of 25%, and the 'opportunity cost' that this represents. This latter issue is discussed in the next chapter. How the 25% contribution impacts on local government is perhaps best conveyed by Mr Anthony Middleton, Acting Chief Executive Officer (CEO), Shire of Cranbrook who draws attention to the potential variability in the scale of the contribution based on the size of the disaster and its effect on different local governments:

Twenty-five per cent of \$200 000 is certainly reasonable, but 25 per cent of \$5 million is not... Local government in Western Australia is so diverse that \$500 000 for some councils is acceptable and it would break other councils. A fair bit of work done would need to be done in that area to come up with an appropriate formula or a cut-out level for local government's contribution. It is an issue.³⁴

For local governments with a limited rate base, sourcing funds for the 25% contribution can be particularly problematic, especially following a large-scale disaster. The Shire of Lake Grace estimated its total flood recovery costs to be approximately \$3m of which \$2.4m is for roads.³⁵ The required 25% contribution, which equates to \$600,000, represents a significant proportion of the Shire's funds. For this reason, the Shire of Lake Grace initially hesitated to commence road reinstatement works due to concerns that the 25% balance of costs could not be met.³⁶ In order to assist, the Shire received an advance payment from MRWA (part of the 75%) and has since also secured a one-off State government contribution to cover half of the Shire's 25% share.³⁷ The

³¹ State Emergency Management Committee, *Emergency Management Strategic Framework 1 July 2006 - 30 June 2011*, p4.

³² Submission No 12 from Main Roads Western Australia, 10/07/2006, p2.

³³ Submission No 16 from Fire and Emergency Services Authority of Western Australia, July 2006, p7.

³⁴ Mr Anthony Middleton, Acting Chief Executive Officer, Shire of Cranbrook, *Transcript of Evidence*, 05/09/2006, p5.

³⁵ Submission No 22 from Shire of Lake Grace, 06/11/2006, p5.

³⁶ Mr Chris Jackson, Chief Executive Officer, Shire of Lake Grace, *Transcript of Evidence*, 06/11/2006, p4.

³⁷ Ibid.

Shire is complimentary of both initiatives, however concedes that neither is part of usual WANDRA policy.³⁸

The financial impost on local governments with limited resources has also been raised by a number of councils. Additionally, a number of submissions reflected on alternative strategies for managing the problems faced by the 25% contribution. The Shire of Broome, while generally supportive of local government cost-sharing arrangements under WANDRA for road restoration, is of the opinion that significant disasters could leave smaller local governments in severe financial hardship. The Shire believes that special provisions should apply to smaller local governments or those that can prove financial hardship, for example, an interest free loan to enable such local governments to meet their 25% obligation over several years.³⁹

Mr Jeff Gale, Deputy CEO, Shire of Harvey has also highlighted the impost on local government authorities with limited resources. Although the Shire anticipates reimbursement through WANDRA, until costs are recouped this impost represents a drain on the Council's resources.⁴⁰

This view is reflected in the comments of Mr Bill Perry, CEO, Shire of Greenough:

*They must still fund 25 per cent. It is not as though we have piles of money sitting aside to pay for those sorts of things. Unfortunately, it creates hardships.*⁴¹

Such comments have not been limited to regional councils. The City of Canning states that while many of the City's assets would likely be restored or replaced through insurance in the event of a natural disaster, some assets like roads or bridges are not covered by insurance or are not insured against natural disaster. Given the extensive local road network, the required 25% contribution would place an unacceptable burden on the City even if only a fraction of local roads were damaged, and would also be on top of having to divert resources to deal with many other issues relating to disaster relief. The City has therefore suggested that grants to local government be increased "for the cost of restoring and replacing essential public assets that are not normally covered by insurance and/or are well beyond what a local government could reasonably be expected to finance from its own resources."⁴²

The scale of the contribution required has also been highlighted by the Shire of Plantagenet, which following its experience of severe flooding in 2005, has suggested an alternative means of calculating the local government contribution. Flood events caused approximately \$1.3m damage to that Shire's roads, requiring a contribution of over \$300,000 or 10% of rate revenue.⁴³ According to the Shire:

³⁸ Submission No 22 from Shire of Lake Grace, 06/11/2006, p5.

³⁹ Submission No 1 from Shire of Broome, 12/06/2006, p2.

⁴⁰ Mr Jeff Gale, Deputy Chief Executive Officer, Shire of Harvey, *Transcript of Evidence*, 14/11/2006, p3.

⁴¹ Mr Bill Perry, Chief Executive Officer, Shire of Greenough, *Transcript of Evidence*, 10/11/2006, p3.

⁴² Submission No 13 from City of Canning, 12/07/2006, p1-2.

⁴³ Submission No 14 from Shire of Plantagenet, 13/07/2006, p2.

Notwithstanding the availability of reimbursement funds, a Council is nevertheless required to fund up to 25% of the remedial works.

The magnitude of these events severely impact upon a Council's ability to schedule other maintenance works and requires internal reallocations and, by implication, sufficient financial capability.⁴⁴

The Shire of Plantagenet suggested an alternative mechanism whereby local government expenditure could be capped at 5% of total rate revenue. Under this scenario, the local government is required to fund repair/reinstatement works up to the 5% limit. Any costs in excess of 5% would become the State government's responsibility to fund. According to the Shire, as the cut-off figure is known, there is potential to establish a reserve fund in preparation for future events so that a local government's own programs are not impacted by the reallocation of funds.⁴⁵ While Mr Rob Stewart, CEO of the Shire conceded that the 5% cut-off 'was just a figure plucked out of the air,' it demonstrates the principle of limiting local governments' commitment to a fixed amount with resultant prospects for future planning.⁴⁶

The Western Australian Local Government Association (WALGA) also notes concerns from some councils with respect to the 25% contribution. WALGA has recommended either that WANDRA assistance to local governments be increased to 100% or alternatively, that other mechanisms be investigated for reducing the 25% contribution from local government, based on a Council's rate base, the extent of damage and costs of repairing/restoring infrastructure.⁴⁷

WALGA also noted the additional financial burden placed on local authorities due to the length of time it takes for re-imburement because of the existing processes, such as the accounting process:

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, [2006 floods in the Shire of Wyndham-East Kimberley] 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.⁴⁸

WALGA has proposed that where such delays impose an unfair impost on the resources of the affected authority a one off payment be made by Treasury as an 'up front' contribution.

⁴⁴ Ibid.

⁴⁵ Ibid.

⁴⁶ Mr Robert Stewart, Chief Executive Officer, Shire of Plantagenet, *Transcript of Evidence*, 05/09/2006, p3-5.

⁴⁷ Submission No 17 from Western Australian Local government Association, July 2006, p4-5.

⁴⁸ Mr John Lane, Emergency Management Coordinator, Western Australian Local government Association, *Transcript of Evidence*, 21/2/2007, p3.

The poorer councils that really need the up-front funding would certainly be helped by a scheme similar to that [a Treasury 'one off payment'].⁴⁹

MRWA, in a similar vein, highlights the need for additional assistance for local government, based on an assessment of their financial capacity:

Given that the current levels of damage usually exceed the amount of funding support available, more consideration should be given to exceptional circumstances involving Local government which may be unable or have difficulty in contributing to the normal cost sharing arrangements. In other words, some attempt could be made to determine the financial capacity of a Local government to fund any reimbursement 'gap' and an assessment made as to the additional assistance that could be provided.⁵⁰

In line with WALGA, the MRWA also recognises that some authorities will struggle to manage the delays in securing reimbursement for repairs affected following a natural disaster. It does however have in place a largely unheralded strategy to assist local authorities in such instances. Generally, formal claims (up to 75% of total cost) are not received until the repair work has been undertaken, on occasions. However, where the damage is significant and a local government does not have the financial capacity to pay for the repairs from its own resources (i.e. Shire of Lake Grace and Shire of Plantagenet), and, as soon as the claim is approved by the 'State Road Funds to local government Advisory Committee,' the MRWA will pay out 40% (of the estimated 75%) up front, to allow for the repairs to be commence. It will then provide a further 40% when the original 40% is expended followed by the final 20% when work is completed. It is noted that this is not an automatic process but one that can be implemented where a local government approaches MRWA. In these instances the MRWA effectively carries the financial impost pending reimbursement as it can be some considerable period of time before MRWA makes a submission to FESA to recoup payments made. This delay occurs because the MRWA has to wait until the detailed claim is received from the local authority which would not take place until the reinstatement works have been fully completed:

What also happens is that we tend to realise the constraints that local governments have and we have an arrangement whereby we will pay 40 per cent up-front as soon as the event occurs. Once the first 40 per cent is spent, they can put in a form and we will reimburse them a second 40 per cent. When the project is finished, we will reimburse them the final 20 per cent..... As soon as it has been identified that that has been approved, we are happy to reimburse them through this flood damage arrangement that we have under the State Road Funds to local government Agreement. We will fund them 40 per cent.⁵¹

One solution advocated by the Mid West Gascoyne Area Consultative Committee (MWGACC) is that of "a discretionary scale of contributions towards infrastructure replacement" in instances where the local government may face significant financial pressure as a result of the natural

⁴⁹ Ibid, p8.

⁵⁰ Submission No 12 from Main Roads Western Australia, 10/07/2006, p4.

⁵¹ Mr Robert Kenneth Phillips, Manager Budget and Program Management, Main Roads Western Australia, *Transcript of Evidence*, 21/3/2007, p4.

disaster and where there may be significant other costs such as those relating to the loss of heritage items (bridges/historic buildings).⁵²

In some other states, local government contributions are capped at a certain threshold above which the State government fully funds restoration. From a cursory examination of NDRA in other states, this would appear to be the case in New South Wales, Queensland, and Victoria. Under the New South Wales NDRA, grants are available to assist Councils to permanently restore roads and bridges to pre-disaster standards. Administered by the Roads and Traffic Authority, grants cover 75% of the first \$100,000 expenditure and 100% above this amount. Similarly, grants are available from the NSW Department of Commerce for 75% of the cost of restoring other essential Council assets to a cost of \$100,000 with full cost recovery above this amount.⁵³

In Victoria, natural disaster financial assistance for local councils is available for the restoration of municipal and other public assets, including the repair of roads, bridges, and destroyed public buildings. Under these arrangements, the Victorian government will meet 75% if restoration costs are between \$10,000 and \$110,000 and 100% of costs exceeding this limit. Local government must contribute the first \$10,000 and costs are only accepted for the restoration of assets to the equivalent pre-disaster condition.⁵⁴

In Queensland, the Department of Local Government, Sport and Recreation is responsible for administering financial assistance to local governments for expenditure in excess of set 'trigger points'.⁵⁵ In contrast to other states, grant funding is conditional on the local government upgrading (at its own cost) the damaged section of road to a standard that will withstand future damage. Local government is required to contribute 25% of eligible NDRA expenditure up to a maximum value specific to each council and equivalent to its trigger point amount. Expenditure exceeding this trigger point value is met by the State government.⁵⁶ The trigger point is formulated on the basis of a council's rate receipts for the preceding two financial years, or 0.25% of Queensland's base expenditure for the current financial year (\$142,000 for 2005/06), whichever is greater. Local governments with a rate base of \$3m or less (in the preceding two financial years) are eligible for a reduction in the local government contribution from \$142,000 to \$50,000.⁵⁷

⁵² Submission No 19 from Mid West Gascoyne Area Consultative Committee, 01/09/2006, p5.

⁵³ Emergency NSW - Natural Disaster Relief Arrangements, Available at: <http://www.emergency.nsw.gov.au/content.php/400.html> Accessed on 16/01/2007.

⁵⁴ Department of Treasury and Finance (Victoria) - Natural Disaster Financial Assistance for Local Councils, Available at: [http://www.dtf.vic.gov.au/CA25713E0002EF43/WebObj/NDFAGuidelinesforCouncilClaims/\\$File/NDFA%20Guidelines%20for%20Council%20Claims.pdf](http://www.dtf.vic.gov.au/CA25713E0002EF43/WebObj/NDFAGuidelinesforCouncilClaims/$File/NDFA%20Guidelines%20for%20Council%20Claims.pdf) Accessed on 16/01/2007.

⁵⁵ Queensland Disaster Management Services, Available at: <http://www.disaster.qld.gov.au/support/> Accessed on 16/01/2007.

⁵⁶ Queensland Department of Emergency Services - Natural Disaster Financial Assistance Arrangements within Queensland 2005/06, Available at: http://www.disaster.qld.gov.au/publications/pdf/NDRA_QLD.pdf Accessed on 16/01/2007.

⁵⁷ Ibid.

Finding 1

The requirement for local governments to fund 25% of restoration costs for essential public assets and roads under WANDRA poses a significant financial impost on some local authorities following major natural disaster events. This is in large part attributable to the lack of timeliness of reimbursement. In addition, the current allocation of costs impacts unfairly on councils with a limited rate base and/or an inability to source funds without compromising other council programs.

Recommendation 1

That Fire and Emergency Services Authority of Western Australia and Main Roads Western Australia, in consultation with the Western Australian Local Government Association, investigate a more equitable means of calculating the local government contribution to road and infrastructure restoration costs. In particular consideration should be given to regulations applying in the eastern states i.e. Queensland.

(b) WANDRA assistance measures

According to FESA, the State government's expenditure through WANDRA over the last 7 years has totalled approximately \$121m.⁵⁸ Reimbursement to the State from the Commonwealth NDRA over the same period has been in the order of \$42m.⁵⁹ In a breakdown of WANDRA expenditure between 2001 and 2006 (summarised in the table below), it is apparent that the largest proportion of assistance has generally been for the restoration of essential public assets and roads. With few exceptions, financial assistance in the form of loan interest subsidy payments has typically constituted only a minor component of WANDRA over the years.

Table 1 WANDRA assistance measures as a proportion of total WANDRA expenditure by financial year.⁶⁰

Financial Year	PHD*	Restoration of essential public assets*	Restoration of road base saturation damage*	Loan Interest Subsidy Payments* (inclusive of all existing and new)

⁵⁸ Submission No 16 from Fire and Emergency Services Authority of WA, July 2006, p8.

⁵⁹ Ibid, Attachment H.

⁶⁰ Adapted from Submission No 16 from Fire and Emergency Services Authority of WA, July 2006, Attachment H.

				loans)
2001-02	0.5	2.7	95.5	1.3
2002-03	65.4	0.0	0.0	34.6
2003-04	0.5	94.0	5.1	0.4
2004-05	5.7	72.8	20.9	0.5
2005-06	0.0	26.1	73.5	0.4

*Figures shown are a % of total WANDRA expenditure for that financial year

Loan interest subsidy payments are available to primary producers and small businesses. That this should constitute only a small component of total WANDRA expenditure is indicative of the low uptake. The data would also appear to suggest a continuing trend. From a primary producer perspective, Mr Rodger Crossman, DAFWA, commented that there is usually a small uptake of WANDRA by farmers in affected areas, an issue also reflected in recent figures:

A response from Treasury the other day - this might sum it up - indicates that since April 2005, there have been between 1 300 and 1 400 farm businesses in areas declared under NDRA. That is lumping the ones from the south and the north together. In that time, there have been 29 applications for assistance... Overall that is an application rate of only about two per cent of farmers.⁶¹

Reasons for the low uptake of WANDRA among primary producers are partially explored later in this chapter in the context of accessibility impediments. Chapter 4 however, provides a more in-depth examination of the adequacy of primary producer assistance measures.

(c) Public perception of the quantity of assistance available

People's behaviour and judgement is predicated on their perception. The Inquiry revealed that distorted perceptions of WANDRA affected both attitudes and behavioural outcomes. As outlined in Chapter 2, WANDRA is formulated into a number of financial assistance measures. The Committee has observed a general lack of community awareness of WANDRA. Consequently community expectations tend to be for more extensive financial assistance than is actually available. These instances have underlined the importance of conveying complete information on WANDRA at the time a natural disaster is proclaimed through the media. The consequences of not doing so appear to range from negative impacts on community morale to personal frustration at the reality of financial assistance not meeting expectations, especially if financial loss occurs because assistance cannot be secured as anticipated. A potential longer-term consequence is for a delayed (and therefore inefficient) recovery effort as more appropriate forms of financial

⁶¹ Mr Rodger Crossman, Senior Policy Officer, Department of Agriculture and Food WA, *Transcript of Evidence*, 06/11/2006, p3-4.

assistance (e.g. insurance) are not initially pursued due to a belief that damages/losses will be covered by WANDRA.

Mr Chris Jackson, CEO, Shire of Lake Grace described how a misperception of WANDRA arose after the floods of January 2006 were declared a natural disaster. There was relief among the community due to a perception of extensive financial assistance. This was not the case however, as according to Mr Jackson, there was ‘no real assistance available for particularly farmers’ as WANDRA assistance is limited to the professional advice grant and low-interest loan and accessing assistance is not easy.⁶² Mr Jackson added,

*I think it needs to be made clear to the community, in clearer terms, what the funding package really means. The government took great delight in making the announcement that this assistance would be forthcoming, but, as I indicated, most people would not qualify for it.*⁶³

Following the proclamation of a storm/tornado as a natural disaster in 2005, the City of Bunbury similarly noted a perception among the community that WANDRA would cover everything. The City then had to clarify the situation in its response to enquiries.⁶⁴ Similarly, the Shire of Harvey described community misconceptions generated by the declaration of a natural disaster:

*The Premier came down and declared the event a natural disaster. In doing so, he created some frustration with individual people because in declaring a natural disaster people assumed that they would not lose anything out of it. Experience now tells us that they have lost financially, because the funding does not cover everything and they assumed that it would.*⁶⁵

There have been similar misconceptions about the quantity of WANDRA assistance available for primary producers. Mr Bruce Duckworth, a farmer from Lake Grace explains:

*We hear an announcement on the radio that \$30 million will be released for this, that and the other, and I always say that they release money for the press and build bridges in front of it to stop people getting it. I think you will find that is pretty common as far as what every farmer would reckon.*⁶⁶

The impediments to which Mr Duckworth refers are the eligibility criteria for accessing financial assistance under WANDRA. This was also alluded to by Mr Rodger Crossman, DAFWA, who explained that the media often portrays extensive financial assistance being available to farmers

⁶² Mr Chris Jackson, CEO, Shire of Lake Grace, *Transcript of Evidence*, 06/11/2006, p6.

⁶³ Ibid, p7.

⁶⁴ Mr Lewis Winter, Emergency Management Officer, City of Bunbury, *Transcript of Evidence*, 14/11/2006, p3.

⁶⁵ Mr Jeff Gale, Deputy Chief Executive Officer, Shire of Harvey, *Transcript of Evidence*, 14/11/2006, p2.

⁶⁶ Mr Bruce Duckworth, Farmer, Lake Grace, *Transcript of Evidence*, 06/11/2006, p5-6.

but in reality it is not as much as everyone thinks. Assistance is usually dependent on eligibility criteria so not everyone who applies will be successful.⁶⁷

Mr Bruce Altham, Shire President, Shire of Kent also highlights misconceptions generated by media announcements and the lack of critical information on eligibility requirements early on:

*We hear schemes on the wireless about the government doing this or that, but it does not seem to follow them through with information on how, why or when all this will be done and how people can apply. It seems to like big headlines, but when it comes to communication and availability, it does not seem to flow through as I feel it should. It makes no difference whether people cannot get the money; it is just knowing that money is available and these are the hoops that they have to hop through to get it.*⁶⁸

Mr Altham also emphasised the importance of communication and how the Shire in particular needs to be well informed so that this can be relayed to the community.⁶⁹

The consequences of misunderstanding the assistance available is expressed in the following comments from Mrs Leanne Grant-Williams:

*There was a huge amount of mis-information about the help that was available. Hopes that were raised came crashing down at a time when there was little hope in sight.*⁷⁰

These comments coupled with the feedback received from local government and other primary producers illustrate how disappointment occurs when community expectations of WANDRA are not met. It is this disparity between expectations and the reality of assistance that initially prompted questions of the adequacy of WANDRA, culminating in the present Inquiry. Dr Graham Jacobs, MLA noted concern about “real assistance” and the need to “talk about some of the things that were offered and what was actually delivered” by WANDRA.⁷¹

One of the key messages from feedback received by the Committee regarding the divergence of public perceptions and the reality of WANDRA is the importance of conveying complete information at the time a natural disaster is proclaimed.

⁶⁷ Mr Rodger Crossman, Senior Policy Officer, Department of Agriculture and Food WA, *Transcript of Evidence*, 10/11/2006, p8.

⁶⁸ Mr Bruce Altham, Shire President, Shire of Kent, *Transcript of Evidence*, 06/11/2006, p10.

⁶⁹ Ibid.

⁷⁰ Submission No 3 from Great Southern Area Consultative Committee, 16/06/2006, p8.

⁷¹ Dr Graham Jacobs, MLA, Member for Roe, Western Australia, Legislative Assembly, *Parliamentary Debates (Hansard)*, 03/05/2006, p2106.

Finding 2

The dissemination of incomplete information at the time a natural disaster is proclaimed can contribute towards public misperceptions of the quantity of financial assistance available. The discovered reality of the limitations indicatively leads to a sense of its inadequacy.

Recommendation 2

That following the declaration of a natural disaster, complete and accurate information on Western Australian Natural Disaster Relief Arrangements assistance measures and application processes is disseminated through public communications channels, including the media.

3.2 Accessibility of WANDRA

Accessibility to assistance measures, if compromised, can impact on the efficiency of WANDRA as funds may either be stalled or inaccessible leading to a delayed or incomplete recovery effort. Issues impacting on accessibility evidenced by the Committee include application and/or eligibility requirements for financial assistance, and general awareness of WANDRA measures and application processes.

(a) Bureaucratic impediments

In the first instance, evidence received by the Committee suggests that bureaucratic impediments, whether real or perceived, compromises accessibility to WANDRA. Where perceived, those perceptions influence the decision making process. This is particularly the case for primary producers who have indicated that the application procedure for loan interest subsidies is unnecessarily cumbersome.

The view that the application procedure for financial assistance is too time consuming and complicated was shared by a number of primary producers who were witnesses to the Inquiry. Mr Bruce Duckworth, a farmer in Lake Grace, alluded to excessive application requirements.⁷² Mr Peter Jeffries believed that the limited financial assistance on offer did not justify the quantity of paperwork involved in accessing it.⁷³ This view was shared by Mrs Helen Bennett, also a farmer in Lake Grace,⁷⁴ although her concerns pertained to the onerous application requirements for

⁷² Mr Bruce Duckworth, Farmer, Lake Grace, *Transcript of Evidence*, 06/11/2006, p2.

⁷³ Mr Peter Jeffries, Station Owner, Billabalong Station, *Transcript of Evidence*, 10/11/2006, p3.

⁷⁴ Mrs Helen Bennett, Farmer, Lake Grace, *Transcript of Evidence*, 06/11/2006, p3.

(Commonwealth) Centrelink assistance rather than to WANDRA, an issue also raised by farmer, Mrs Leanne Grant-Williams.⁷⁵ Another perspective was that offered by Dr Graham Jacobs MLA:

*What people are saying, however, is that in fact they would perhaps access the four percent loan subsidy more easily ... if they could actually go to someone and say, "I will access this. You assess my situation and if I fulfil the guidelines, I will be able to access the loan subsidy", without having to go through the whole process of shopping around every bank asking whether they will look at them and being told no. They are told that if they do that half a dozen times, they can qualify because they have exhausted all the other commercial channels. I think they are saying that is quite frustrating.*⁷⁶

Mrs Bennett did admit that applying for the \$1,500 professional advice grant was easy,⁷⁷ a view shared by Mr Scott Strevett, whilst noting that the application requirements for the loan interest subsidy was too complicated by comparison:

*The only thing I would say is that I believe the interest rate subsidy is a good thing, but the process is so involved. It needs to be simpler.*⁷⁸

The perception of paperwork is enough to deter some farmers from applying for assistance according to Mr Don Wallace of the Western Australian Farmers Federation (WA Farmers). Heavy work commitments preclude farmers from devoting time to applications and in his own experience, Mr Wallace was unaware of any of his peers having applied for the professional advice grant or loan interest subsidy.⁷⁹

That the perception of the WANDRA bureaucratic process is off putting for applicants is not limited to primary producers. According to Mr Paul Carr, Southwest District Manager, FESA, perceptions may be informed by experiences of other application processes and a consequent desire to simply avoid further hassle:

*The more arduous the process, the less successful it will be. Quite often we find that people who have just been through a traumatic experience try to make an insurance claim through their insurance company and they come to grief when they find that items are not covered. They have this perception that anything that is provided by the government when we put a process in front of them will be just as arduous as the insurance claim. We may find that not many will progress down that path because they do not want to go through the grief again.*⁸⁰

⁷⁵ Submission No 3 from Great Southern Area Consultative Committee, 16/06/2006, p5.

⁷⁶ Dr Graham Jacobs, Member for Roe, *Transcript of Evidence*, 28 /2/2007, p4.

⁷⁷ Mrs Helen Bennett, Farmer, Lake Grace, *Transcript of Evidence*, 06/11/2006, p4.

⁷⁸ Mr Scott Strevett, Farmer, Lake Grace, *Transcript of Evidence*, 06/11/2006, p8.

⁷⁹ Mr Don Wallace, President Lake Grace-Corrigin Zone, Western Australian Farmers Federation, *Transcript of Evidence*, 06/11/2006, p2.

⁸⁰ Mr Paul Carr, District Manager SES Southwest Region, Fire and Emergency Services Authority of Western Australia, *Transcript of Evidence*, 14/11/2006, p3-4.

Business owners are also eligible for the loan interest subsidy under WANDRA. However the City of Bunbury indicated that there should be much less paperwork for small businesses affected by a natural disaster. While acknowledging that it is necessary for claims for assistance to be justified, Mr John Kowal, Manager Community Law and Safety, suggested that this should be done in a less bureaucratic way, for example via a one-on-one verbal interview.⁸¹

Other feedback received by the Committee concerning WANDRA applications suggests that from a business perspective, this process is not particularly onerous. The South West Development Commission stated that the application requirements for the interest loan subsidy appear quite straightforward and the turnaround time from application to funding being received seemed quite quick.⁸² The Bunbury Small Business Centre (SBC) likewise commented that the application forms for the loan interest subsidy did not appear unnecessarily onerous, even though some business owners had complained.⁸³

The Committee has observed that accessibility to WANDRA is adversely affected by a general unwillingness, particularly among primary producers, to apply for financial assistance either through an experienced or perceived hassle associated with the required paperwork. Small businesses, which may also apply for a loan interest subsidy under WANDRA, do not appear as inconvenienced, suggesting it could be more of a perception barrier among primary producers. While the simplification of application forms is one possible approach, according to Mr Rodger Crossman, DAFWA, the application process is already as basic as it can be without compromising Departmental openness and accountability.⁸⁴ A possible contributing factor to the perception barrier may be a lack of awareness and/or confusion about WANDRA and what it entails as outlined earlier. This is addressed in detail in the following section. While increasing general community awareness of WANDRA may in part overcome the perceived barriers to accessing financial assistance, another option may include the provision of direct assistance with the application process.

Finding 3

The focus of primary producers after a disaster is primarily to secure property and livestock; therefore accessibility to WANDRA, in particular for financial assistance, is adversely affected by a sense of general frustration due to perceived or anecdotal hassles associated with the bureaucratic process.

⁸¹ Mr John Kowal, Manager Community Law and Safety, City of Bunbury, *Transcript of Evidence*, 14/11/2006, p10.

⁸² Mr Don Punch, Chief Executive, South West Development Commission, *Transcript of Evidence*, 14/11/2006, p5.

⁸³ Ms Alison Lannin, Manager, Small Business Centre Bunbury-Wellington, *Transcript of Evidence*, 14/11/2006, p4.

⁸⁴ Mr Rodger Crossman, Senior Policy Officer, Department of Agriculture and Food WA, *Transcript of Evidence*, 10/11/2006, p8.

(b) Awareness of WANDRA

A general lack of community awareness of WANDRA has become apparent to the Committee and is a source of concern as it has the potential to significantly impede access to disaster relief assistance and raise expectations as outlined earlier. The efficiency of WANDRA is compromised where a lack of awareness leads to an inadequate response by local/State government agencies and/or where accessibility to assistance by the wider community is constrained (for example, applications for assistance cannot be made if community members are not fully aware of the forms of financial assistance available). Both instances have the potential to contribute towards a delayed or incomplete recovery effort. This section examines the effects of awareness deficiencies in the context of local/State government and in terms of the broader community (primary producers, businesses, and individuals).

(i) Local/ State government

Local government is often the community focal point and the place many turn to for advice following a natural disaster. This role doubtless influenced the significant local emergency management responsibilities for local governments under the Emergency Management Act. Given its pivotal role in recovery, it is critical that local government should be well informed of WANDRA and yet evidence heard by the Committee would suggest this is not always the case.

A key factor responsible for the lack of awareness of WANDRA among local governments is a lack of corporate memory described by Mr Gordon Hall, Project Director, FESA:

...during times of emergency and the recovery phase that follows, local governments appear to have very little understanding of the disaster relief arrangements. They may have gone for five or eight years when they have not had a disaster, and all of a sudden something happens. That may also be the case for some of the station people. They are very busy trying to get themselves out of trouble in relation to the disaster. They probably do not recall exactly what happened five or eight years ago, because staff change and processes change.⁸⁵

Due to the infrequency of events and staff turnover, it is perhaps understandable that local governments lack corporate knowledge of WANDRA. This absence of first-hand experience was also highlighted by Mr Robert Fenn, City of Albany.⁸⁶ In this instance, while awareness of WANDRA was deficient before proclamation of the natural disaster, Mr Stephen Gray, Emergency Management Coordinator, acknowledged that FESA had since become more proactive in recent years and the City of Albany now received more WANDRA information.⁸⁷ Mr Jeff Gale, Shire of Harvey also commented that while the Shire of Harvey had only a vague awareness

⁸⁵ Mr Gordon Hall, Project Director, Fire and Emergency Services Authority of WA, *Transcript of Evidence*, 10/11/2006, p3.

⁸⁶ Mr Robert Fenn, Executive Director Development Services, City of Albany, *Transcript of Evidence*, 05/09/2006, p1.

⁸⁷ Mr Stephen Gray, Emergency Management Coordinator, City of Albany, *Transcript of Evidence*, 05/09/2006, p1.

of the assistance measures prior to the event, WANDRA information was readily available from FESA following proclamation of the natural disaster.⁸⁸

Comments to the effect that WANDRA information is largely available only following a natural disaster proclamation were reinforced by Mr Gordon Hall, FESA, who advised that most of the WANDRA information disseminated by FESA goes out during the emergency and then in letters and via the media.⁸⁹ Mr Paul Carr, FESA, agreed that perhaps not enough information on WANDRA is available to local governments in simplistic form; although he tempered this by commenting that information overload could be a problem.⁹⁰ Mr John Tonkin, FESA, relayed his experience of the Lake Grace flood whereby WANDRA information was provided to the Shire following proclamation of the natural disaster. According to Mr Tonkin, this information is often superfluous until a disaster actually occurs but provided the Shire has this information once a disaster is declared it can then be disseminated to the community, which is what in fact occurred in Lake Grace.⁹¹

Although the local government feedback received indicates that information on WANDRA is readily available following the proclamation of a natural disaster, this does not address the critical time period immediately following a natural disaster when the local government may already be fielding calls and struggling to assemble information.

The City of Bunbury had such an experience when the tornado of May 2005 was proclaimed a natural disaster. The City was not directly notified, instead learning of the proclamation of the natural disaster through the media. According to Mr Lewis Winter, City of Bunbury:

⁸⁸ Mr Jeff Gale, Deputy Chief Executive Officer, Shire of Harvey, *Transcript of Evidence*, 14/11/2006, p2.

⁸⁹ Mr Gordon Hall, Project Director, Fire and Emergency Services Authority of WA, *Transcript of Evidence*, 10/11/2006, p6.

⁹⁰ Mr Paul Carr, District Manager SES Southwest Region, Fire and Emergency Services Authority of WA, *Transcript of Evidence*, 14/11/2006, p2.

⁹¹ Mr John Tonkin, Fire Area Manager, Fire and Emergency Services Authority of WA, *Transcript of Evidence*, 06/11/2006, p4.

From there we had to gather up as much material and forms as we could and find out what the government had to offer in the way of WANDRA. We had to determine what we could offer people and what they were entitled to or not entitled to. We had to hit the ground running. It was awkward at the very start to get that information. The Fire and Emergency Services Authority, which was looking after the recovery at that time, was very good and very helpful. We had a lot of support from FESA. FESA representatives drove down and attended a one-stop shop and a second recovery meeting to answer any questions. However, during that initial time - we are talking about May 2005 - when we were getting the forms so that we could distribute them, there was a real scramble to get things ready, as I think it was for FESA, too, at that time.⁹²

The City of Bunbury briefly alluded to inefficiencies in WANDRA caused by a lack of preparedness by State government agencies. The Shire of Wyndham East Kimberley also raised this point. In March 2006 when extensive flooding was proclaimed a natural disaster, the Shire contacted agencies responsible for coordinating the various WANDRA measures through the advertised contact numbers. It was the Shire's experience that agencies were unprepared for callers seeking assistance and in some instances did not know who in their organisation to refer callers to. This has prompted the Shire to suggest a possible communication problem or training gap, which needs to be addressed as it is vital to have clear and decisive advice in times of crisis.⁹³

The Shire of Lake Grace acknowledged its own difficulties when trying to come to terms with the complexities of funding arrangements under WANDRA and intimated that more education is required. In the Shire's opinion, confusion extended also to State government agencies:

There needs to be more education for not only local government, but also other government agencies such as Main Roads and the Department of Sport and Recreation, with which we have had involvement throughout the process. In some respects it seemed as though some of them were making it up as they were going along. Although that may not have been the case, it appeared to us from time to time that they were saying, "This is significant. Where do we go from here?" Not having been through it ourselves to this extent, we did not know any better. It just felt that way at the time.⁹⁴

While more education of State government staff has been suggested in order to address this particular failing of WANDRA, another suggestion highlighted in various submissions and evidence to the Committee is the value of promulgating WANDRA guidelines. As conveyed by Mrs Leanne Grant-Williams:

⁹² Mr Lewis Winter, Emergency Management Officer, City of Bunbury, *Transcript of Evidence*, 14/11/2006, p2.

⁹³ Submission No 2 from Shire of Wyndham East Kimberley, 16/06/2006, p1.

⁹⁴ Mr Chris Jackson, Chief Executive Officer, Shire of Lake Grace, *Transcript of Evidence*, 06/11/2006, p5.

... National (sic) Disaster declarations need to have firm and clearly advertised guidelines referring to:

- 1. actions that can be undertaken;*
- 2. issues that can be addressed promptly;*
- 3. levels of, and expectations for, inter- agency cooperation;*
- 4. trigger mechanisms in place to activate an agreed strategic plan.⁹⁵*

Significant feedback received relates to the value of guidelines to local governments. The City of Bunbury supports guidelines for local government and believes a pre-disaster package should be sent to every local government containing information on what to do when an event happens, what assistance is available to local government from the State, and how to access assistance.⁹⁶ The Shire of Harvey concurred that guidelines for local government would be an advantage,⁹⁷ as did the City of Albany, which favoured a scenario-based operations manual to work around:

Like all things, it would be good to have an operations manual so everything is clear cut and our accountants know what is happening and so on. In creating an operations manual, you probably create a pile of scenarios that you must work around. Having flexible rules is probably desirable with some broad principles that are clearly understood.⁹⁸

Finding 4

There is a general lack of awareness of WANDRA by local and even some State government agencies. This has ramifications for the efficiency of WANDRA as it can impede accessibility in instances where local/state government is tasked with administering WANDRA and liaising with the community. Awareness deficiencies can result in members of the broader community receiving insufficient information and/or becoming confused about assistance measures thereby delaying access to assistance and in turn impeding recovery.

⁹⁵ Ibid, p8-9.

⁹⁶ Mr John Kowal, Manager Community Law and Safety, City of Bunbury, *Transcript of Evidence*, 14/11/2006, p3-4.

⁹⁷ Mr Jeffrey Gale, Deputy Chief Executive Officer, Shire of Harvey, *Transcript of Evidence*, 14/11/2006, p2.

⁹⁸ Mr Robert Fenn, Executive Director, Development Services, City of Albany, *Transcript of Evidence*, 05/09/2006, p8.

Recommendation 3

That FESA, in consultation with local governments, develop and make broadly available WANDRA guidelines with a view to improving pre-disaster awareness of assistance measures and application processes.

(ii) Awareness of WANDRA by the broader community

The inefficiencies of WANDRA arising from a lack of awareness are not limited to local governments or State government agencies but also impacts to varying degrees on primary producers, business and individuals.

Businesses

From a business perspective, the need for WANDRA information before an event occurs does not appear as critical. Ms Alison Lannin, Manager, Bunbury Small Business Centre described how the Small Business Centre (SBC) assumed a similar (albeit less extensive) role to that of local government following the Bunbury tornado in 2005 insomuch as it became a point of contact/assistance for the local business community.⁹⁹ While small businesses were largely unaware of the assistance measures available to them when the disaster struck, it was Ms Lannin's view that far from being a disadvantage, it is more practical if WANDRA information is provided after an event. While acknowledging there may be a role for the SBC in disseminating WANDRA information to local businesses, given recovery is not the core business of SBCs and the relative infrequency of natural disasters, Ms Lannin thought it unlikely that SBCs would keep this information current. It would be more appropriate therefore for 'fresh and accurate information' to be given to the appropriate people when a disaster occurs.¹⁰⁰

Primary producers

For primary producers, numerous rural assistance programmes available at both a State and Commonwealth level, each with different eligibility requirements could be a source of confusion.¹⁰¹ While information on WANDRA is out there it does not seem to be getting through. Besides the confusion factor, Mr Rodger Crossman, DAFWA, commented that people do not take any notice of information until it applies to them and acknowledged that perhaps clearer information on the website was one possible approach.¹⁰²

⁹⁹ Ms Alison Lannin, Manager, Bunbury Small Business Centre, *Transcript of Evidence*, 14/11/2006, p1-3.

¹⁰⁰ *Ibid*, p6-7.

¹⁰¹ Mr Rodger Crossman, Senior Policy Officer, Department of Agriculture and Food WA, *Transcript of Evidence*, 10/11/2006, p7-8.

¹⁰² *Ibid*, p8.

Individuals

The Shire of Kent remarked that there was insufficient information available to the public on how to access financial assistance:

Like most government money, there does not seem to be enough information put out to the public that is clear enough to say this is what you have to do. It seems to be “You apply and we will tell you what the next step is, but you have to apply first.” There does not seem to be a person who can say, “These are the exact steps” or “These are the criteria to go for this money.”¹⁰³

The need for clearer internet-based information was again raised by the Great Southern Development Commission. Mr Maynard Rye, Acting CEO, commented on the paucity of WANDRA information available on the internet:

I did a search for the types of information that are available for episodic events and disasters, and I could find virtually nothing on either the Western Australian government or FESA’s web site... It is concerning that as a fairly senior public servant I had some difficulty trying to understand what information the state government had provided. There was nothing on the web site.¹⁰⁴

Mr Rye drew comparison with web-based NDRA information provided by the Queensland government, which is clear about what the Queensland State government does and provides online application forms for business, farmers and residents.¹⁰⁵ Indeed, a brief review of the available web-based information on WANDRA confirms this observation. While there is some online information available on financial assistance measures available to primary producers and individuals through the DAFWA¹⁰⁶ and DCD¹⁰⁷ websites respectively, there does not appear to be any comprehensive information available on WANDRA in terms of the assistance measures available, responsible agencies or application procedures. As highlighted by Mr Rye, the website of the Queensland State Disaster Management Group is by comparison, much more comprehensive. The Queensland website compiles NDRA information in one location, detailing Commonwealth/State arrangements, NDRA objectives and Natural Disaster Relief Measures. Here assistance measures are detailed and the responsible administering authorities identified. The site also acts as a portal by providing links to administering agency sites where more

¹⁰³ Mr Bruce Altham, Shire President, Shire of Kent, *Transcript of Evidence*, 06/11/2006, p7.

¹⁰⁴ Mr Maynard Rye, Acting Chief Executive Officer, Great Southern Development Commission, *Transcript of Evidence*, 05/09/2006, p1-2.

¹⁰⁵ Ibid.

¹⁰⁶ Department of Agriculture and Food WA - State Natural Disaster Relief Arrangements, Available at: http://www.agric.wa.gov.au/servlet/page?_pageid=449&_dad=portal30&_schema=PORTAL30 Accessed on 29/01/2007.

¹⁰⁷ Department for Community Development - Department’s Role in Emergency Management, Available at: http://www.community.wa.gov.au/Resources/Emergency+Services/The_Departments_role_in_emergency_management.htm Accessed on 29/01/2007.

comprehensive information on particular assistance packages (e.g. for primary producers) and application forms/ guidelines are available.¹⁰⁸

The Committee is aware that internet-based information on WANDRA could be inaccessible if power and/or internet connections are lost in the course of a natural disaster. While this argument may hold true in the immediate aftermath of some disasters, it does not diminish the value of an easily-accessible pool of information on WANDRA should internet access be available or quickly restored following an event. Provided information is kept up to date, it could potentially serve as a useful source of reference for individuals/ small business owners/ farmers/ local governments uncertain of the next step.

When the issue of paucity of web based information was raised with FESA by the Committee, they acknowledged the existing difficulty and advised that they were currently working on improving their website.¹⁰⁹

Far from being a stand alone repository of information, the Committee considers that a well-maintained internet site could complement and significantly reinforce existing mechanisms for disseminating WANDRA information, namely the WANDRA proclamation notices sent via post and email, newsletters, and word of mouth by local/State government staff. If the information deficits identified by the Committee are remedied in parallel (that is, gaps in local/ State government awareness for example are also remedied through the provision of guidelines/ pre-disaster information), such a webpage has the potential to further address current inefficiencies in accessing information on WANDRA.

There may also be potential to investigate new technologies for the dissemination of information. A recent example came to light subsequent to the Esperance storm, which was declared a natural disaster on 8 January 2007. The associated flooding disrupted both landlines and mobile phone communications while leaving satellite based broadband capability intact. It was brought to the Committee's attention during a visit to Esperance on 16 January, to view storm damage and the recovery processes, that satellite based Voice over Internet Protocol (VoIP) communication, which does not rely on telephone networks, remained operational and was a useful means of communication in this instance where land lines had failed.¹¹⁰

¹⁰⁸ Queensland Government State Disaster Management Group, Available at: <http://www.disaster.qld.gov.au/support/> Accessed on 29/01/2007.

¹⁰⁹ Ms Jo Harrison-Ward, CEO, Fire and Emergency Services Authority of Western Australia, *Transcript of Evidence*, 21/3/2007, p5.

¹¹⁰ Mr Brendon Nicholas (Department of Agriculture and Food WA), 2007, pers.comm., 16 /1/2007.

Finding 5

The inadequate dissemination of information appears to be a significant contributing factor to a poor general awareness of WANDRA by the broader community. This is influenced by the content of information available (which lacks clarity), the time it is conveyed (which in some cases is not available when it is most needed), and/or the location of information (information is scattered).

Recommendation 4

That FESA develop comprehensive internet-based information including but not limited to detail of WANDRA objectives, assistance measures, administering agencies, eligibility criteria (where applicable) and application forms.

Recommendation 5

That FESA investigate the use of new technologies such as Voice over Internet Protocol (VoIP) for supplementing the dissemination of WANDRA information in cases where landlines have been disrupted.

3.3 Timeliness of reimbursement

In a similar vein to accessibility, timeliness issues chiefly concern how timeliness (and therefore efficiency) has been compromised. Examples where delay occurs include the application process, and the time taken for reimbursement of expenditure to local governments and individuals. Conversely, strong inter-agency cooperation appears to contribute positively to the timely delivery of assistance.

Bureaucratic impediments, including potential implications for timeliness have already been discussed in the previous section and as such, are omitted from the following discussion.

As previously detailed, WANDRA assistance to local governments includes 75% of the cost of restoring essential public assets, including local roads. WANDRA assistance is in the form of reimbursement of expenditure incurred by the local government to restore assets to an equivalent pre-disaster standard. This requires local governments to make the full initial outlay and carry the cost burden until reimbursement can be secured. If this process is delayed, it can place significant financial pressure on local governments. The effect on smaller Councils in particular is highlighted by WALGA:

The lag time for the receipt of funding under the NDRA arrangements are too long and lead to financial hardship, particularly for smaller Councils with a low rate base.¹¹¹

The Shire of Kent has provided an example of this scenario. Following severe flooding associated with ex-Tropical Cyclone Clare in January 2006, the Shire incurred damage to a number of local roads. According to Mr Bruce Altham, Shire President, a claim was made to MRWA in April but as at November 2006, the Shire had heard only that the claim was still being assessed. While Mr Altham conceded that the Shire of Kent had not been as severely impacted as some other local government areas, the Shire had nonetheless had to fund the cost of road repairs from its rates and will need to 'put other works on hold for a while' until the 75% reimbursement is received.¹¹²

The Shire of Plantagenet highlighted the time taken for MRWA to assess damage to local roads as being a reason for delay:

It has taken a long, long time for Main Roads to get around to doing the assessment, because so many local governments have been affected. That is why it has taken up to 12 months to get some of the money paid out. That is also a big impediment for local government.¹¹³

The City of Albany similarly commented on delays following the Great Southern Region floods of 2005. According to Mr Stephen Gray, Emergency Management Coordinator:

When it comes to Main Roads, and when you look at the impact of the whole of the great southern from Narrogin to Denmark and out east, I suppose to pull in the whole region would not have been an easy feat. There was a bit of a delay there.¹¹⁴

While in both instances, it was acknowledged the delay may have been somewhat unavoidable, it is evident that delay is nonetheless an issue with consequential effects.

In order to appreciate the WANDRA reimbursement process, FESA advises that the usual process involves claiming payment from the State via FESA once work has been completed. FESA aims to pay claims from affected State government agencies and local government authorities for eligible costs under WANDRA within 7 working days.¹¹⁵ FESA has highlighted that delays may occur due to circumstances beyond the claimant's control, and quotes the example of a claim submitted by MRWA for repair work undertaken following Cyclone Clare. The 10 month delay between the natural disaster and FESA's receipt of the claim was due to the extent of the damage and the need to wait for works to be *completed* due to subsequent tropical cyclones.¹¹⁶

¹¹¹ Submission No 17 from Western Australian Local Government Association, July 2006, p4.

¹¹² Mr Bruce Altham, Shire President, Shire of Kent, *Transcript of Evidence*, 06/11/2006, p3.

¹¹³ Mr Kevin Forbes, President, Shire of Plantagenet, *Transcript of Evidence*, 05/09/2006, p3.

¹¹⁴ Mr Stephen Gray, Emergency management Coordinator, City of Albany, *Transcript of Evidence*, 05/09/2006, p6.

¹¹⁵ Email from Mr Graham Capper, WANDRA Administrator, Fire and Emergency Services Authority of Western Australia, 15/11/2006, p1.

¹¹⁶ Ibid.

Unavoidable delays, including those resulting from the large magnitude disasters that affected the Shire of Plantagenet and the City of Albany, can therefore clearly impact on timelines.

FESA advised that under WANDRA, claims may be made for a period of two years after the end of the financial year in which the event occurred.¹¹⁷ That FESA aims for a turnaround of 7 working days from receipt of a claim to reimbursement, suggests that procedures are in place to minimise delays once claims are received. It also appears that WANDRA has sufficient flexibility to accommodate unavoidable delays in the completion of damage repair works, hence the two year claim period. The fact that delays to reimbursement are unavoidable is little consolation for local governments struggling to carry cost burdens resulting from repairs to local assets.

Through its implementing agencies WANDRA has on occasion been able to accommodate instances where timeliness is an issue and the lag time between local government expenditure and reimbursement is certain to cause financial difficulty. In the earlier cited case of the Shire of Lake Grace, an advance part payment of the 75% WANDRA contribution was provided to assist the Shire to offset repair costs due to the extensive damage and the Shire's inability to otherwise meet costs. This was accepted to be a departure from usual WANDRA policy. As discussed in the previous section, MRWA has however identified that more consideration is needed for "exceptional circumstances involving a Local government which may be unable or have difficulty in contributing to the normal cost sharing arrangements,"¹¹⁸ keeping in mind that these 'normal' cost sharing arrangements involve sometimes lengthy time delays.

The suggestion that a more formal arrangement is necessary was also made by WALGA, which identified a need for a "quicker assessment period and immediate access to some fund to commence opening up and restoration works."¹¹⁹

Finding 6

Timeliness appears to be an issue in those instances where the time lag until funding is received requires local governments to shoulder an unrealistic cost burden. While the process for assessing and paying claims appears to be efficient, it would seem that unexpected and/or unavoidable delays in works leading to a late submission of claims risks placing undue financial pressure on local governments, especially those with a limited rates base and/or where damage is extensive requiring a significant cost outlay by those local authorities.

¹¹⁷ Email from Mr Graham Capper, WANDRA Administrator, Fire and Emergency Services Authority of Western Australia, 15/11/2006 p1.

¹¹⁸ Submission No 12 from Main Roads Western Australia, 10/07/2006, p4.

¹¹⁹ Submission No 17 from Western Australian Local government Association, July 2006, p5.

Recommendation 6

That, in tandem with their consideration of local government cost sharing arrangements under WANDRA (refer Recommendation 1), the Fire and Emergency Services Authority and Main Roads Western Australia also establish 'exceptional circumstances' criteria to provide for additional assistance to local government where it may be warranted in order to avoid undue financial pressure caused by delays to secure reimbursement.

Further reinforcing the notion that departmental processes are in place to minimise the time taken for assessment of applications for WANDRA assistance, DAFWA has advised that the application turnaround time for primary producer assistance is usually three working days from the receipt of completed information.¹²⁰ However, according to Mr Rodger Crossman, Senior Policy Officer, DAFWA, delays occur when incomplete information has been submitted and applications need to be followed up. Mr Crossman also reinforced earlier observations about low uptake of WANDRA by primary producers by commenting that not many applications are generally received.¹²¹ The issue of low uptake by primary producers and possible contributing factors is discussed in the following chapter but from a timeliness perspective, once again departmental procedures for assessing applications would appear sound. Delays that do occur are the result of incomplete applications suggesting possible bureaucratic impediments (as outlined earlier).

(a) Inter-agency relationships

As outlined in Chapter 2, while FESA is responsible for the overall administration of WANDRA, it is assisted in this role by various other State Government agencies tasked with managing certain components of the WANDRA package including DCD, DAFWA, and MRWA. Inter-agency cooperation is significant as agencies with a strong working relationship contribute towards greater efficiency in the administration of WANDRA. This is driven and recognised by FESA:

*In any event, particularly one that is of a large-scale, it is not just one agency that responds to either the event or the aftermath. In all my years of experience with emergency management, there is always a close working relationship between all the agencies and local governments at the time in responding to the disaster and recovering from the disaster.*¹²²

Evidence received by the Committee suggests an overall satisfaction between agencies in the way they work together to administer WANDRA. FESA regional staff referred to District Emergency Management Committees as being significant in reinforcing inter-agency working relationships at

¹²⁰ Mr Rodger Crossman, Senior Policy Officer, Department of Agriculture and Food WA, *Transcript of Evidence*, 10/11/2006, p9.

¹²¹ Ibid.

¹²² Ms Jo Harrison-Ward, CEO, Fire and Emergency Services Authority of Western Australia, *Transcript of Evidence*, 21/3/2007, p11.

the district/ regional level.^{123 124} Mr Rodger Crossman, Senior Policy Officer, DAFWA indicated that state agency coordination following natural disasters has been progressively improving as inter-agency working relationships have been established and consolidated over time.¹²⁵ The operation of a cross-agency committee tasked with reviewing performance following natural disasters is also considered to contribute towards improved inter-agency coordination. There is in place an extensive post event interagency review process supporting continuous improvement. This review process occurs through a cascaded series of debriefs as outlined by the CEO of FESA:

At the end of the event, there is a series of debriefs. With the cyclone, we have asked all agencies to first of all conduct their own debriefs of what happened. We will then conduct a state debrief to link things in.....[information] comes from the local level. They do their debriefs, which feed into the regional level and it feeds into the state level. Then there is an operational debrief and the recovery debrief and we look at the actions that come from that and how we can improve the system.¹²⁶

Other favourable comments regarding the operation of agencies include that of the Bunbury SBC, which stated that everybody cooperated and fulfilled their respective responsibilities.¹²⁷ The Shire of Plantagenet commented that State government agencies did ‘what was asked of them and responded fairly well’, although did so purely on an administrative level, leaving the more practical aspects of recovery to the local community, which rose to the task.¹²⁸ Mr Don Wallace, WA Farmers, likewise made a differentiation between recovery at a bureaucratic level (local/ State government) and community level but noted that regardless, in a small community everybody worked together to do what they could.¹²⁹

DAFWA commented that a good agency working relationship is:

...very dependent on the people on the ground knowing exactly what needs to be done. One of the problems is that there is a turnover of staff in country areas, so it is not until it happens that a new person can really come to grips with what it is all about.¹³⁰

This observation perhaps highlights the importance of ongoing refresher training ‘within and between’ agencies to maintain corporate knowledge of WANDRA and strengthen inter-agency

¹²³ Ms Lynda Elms, District Manager Great Southern, Fire and Emergency Services Authority of Western Australia, *Transcript of Evidence*, 06/11/2006, p2.

¹²⁴ Mr Paul Carr, District Manager South West, Fire and Emergency Services Authority of Western Australia, *Transcript of Evidence*, 14/11/2006, p1.

¹²⁵ Mr Rodger Crossman, Senior Policy Officer, Department of Agriculture and Food WA, *Transcript of Evidence*, 06/11/2006, p8.

¹²⁶ Ms Jo Harrison-Ward, CEO, Fire and Emergency Services Authority of Western Australia, *Transcript of Evidence*, 21/3/2007, p5.

¹²⁷ Ms Alison Lannin, Manager, Bunbury Small Business Centre, *Transcript of Evidence*, 14/11/2006, p5.

¹²⁸ Mr Kevin Forbes, President, Shire of Plantagenet, *Transcript of Evidence*, 05/09/2006, p6.

¹²⁹ Mr Don Wallace, President Lake Grace-Corrigin Zone, WA Farmers Federation, *Transcript of Evidence*, 06/11/2006, p3.

¹³⁰ Mr Rodger Crossman, Senior Policy Officer, Department of Agriculture and Food WA, *Transcript of Evidence*, 06/11/2006, p2.

working relationships; a point made by the Mid West Gascoyne Area Consultative Committee (MWGACC):

*Cross government departments and agencies must work together - and must practice working together.*¹³¹

The MWGACC also makes the point that a debrief mechanism should be established to maximise learning outcomes from each disaster and employ best practice in future crises.¹³²

Finding 7

In general there appears to be a good working relationship between the agencies responsible for administering WANDRA. There is still potential however, to further reinforce communication/debriefing between agencies to improve intra and inter-agency awareness and further improve future performance.

3.4 Cost

One issue relating to cost inefficiency was brought to the Committee's attention, specifically a matter raised by FESA pertaining to the 'underwriting' of WANDRA costs each year. Where once the role of administering NDRA fell to the Department of Treasury and Finance (DTF) that role has been assumed by FESA. As outlined by FESA¹³³ this is not a funded function. It is one that FESA has been able to fund internally in recent years only by virtue of funds received from the Commonwealth resultant of a prior claim lodged under NDRA some years ago. The State Government does not provide an annual allocation of funds for WANDRA through the normal budget process, instead requiring FESA to make an application to DTF at the end of each financial year for supplementary funding to recoup WANDRA payments made during the year. FESA submits claims to Department of Transport and Regional Services (DOTARS) seeking reimbursement for payments eligible for Commonwealth NDRA funding, with any NDRA funds recouped from the Commonwealth remitted to DTF.¹³⁴

The current funding process has prompted FESA to recommend that the Committee consider alternative funding arrangements to alleviate the need for FESA to 'underwrite' WANDRA costs for the following reasons:

¹³¹ Submission No 19 from Mid West Gascoyne Area Consultative Committee, 01/09/2006, p5.

¹³² Ibid.

¹³³ Mr Frank Pasquale, A/Executive Director Corporate Services, Fire and Emergency Services Authority of Western Australia, *Transcript of Evidence*, 21/3/2007, p4.

¹³⁴ Submission No 16 from Fire and Emergency Services Authority of Western Australia, July 2006, p10.

Management of funding through supplementary funding arrangements is not considered satisfactory by FESA as it basically requires FESA to ‘underwrite’ the costs of natural disaster until such time as supplementary funding is approved (which in some instances is up to 12 months or more). FESA’s capacity to underwrite significant NDRA costs arising from a catastrophic or multiple events would seriously challenge the adequacy of these funding arrangements.¹³⁵

Whilst retained funds alluded to above has obviated the necessity of seeking supplementary funding from DTF, which requires an extensive process, there is an expressed need for a more satisfactory solution, as expressed by the A/Executive Director Corporate Services, FESA.

Although Treasury has been able to do that in the past, I am sure that it would agree that it is not the ideal situation. We have looked at alternatives and we have discussed that with Treasury. As a matter of fact, as recently as the last budget process, there was consideration for potentially giving FESA a standing appropriation for supplementary funding arrangements for WANDRA. We would draw that down only should it be required. The beauty of that is that Treasury would have this budgeted amount available and if we did draw upon it, it would not appear to be a supplementary funding request on behalf of the state.¹³⁶

Finding 8

FESA’s current funding arrangements with the Department of Treasury and Finance are administratively burdensome. The difficulties of the existing mechanism have been obscured in recent times by the ability of FESA to retain a past Commonwealth reimbursement as a reserve from which it can affect payments. However in the event of a large claim FESA would be required to “promptly lodge a supplementary funding request through the formal process, which can take a bit of time.”¹³⁷

¹³⁵ Submission No 16 from Fire and Emergency Services Authority of Western Australia, July 2006, p10-11.

¹³⁶ Mr Frank Pasquale, A/Executive Director Corporate Services, Fire and Emergency Services Authority of Western Australia, *Transcript of Evidence*, 21/3/2007, p4.

¹³⁷ Ibid.

Recommendation 7

That the Department of Treasury and Finance, in consultation with FESA, consider alternative funding arrangements to alleviate the need for FESA to 'underwrite' NDRA costs during the year.

CHAPTER 4 THE ADEQUACY OF WANDRA - EFFECTIVENESS

Western Australian government agencies operate under a performance management framework known as Outcome Based Management (OBM), which facilitates the monitoring of progress towards the achievement of outcomes through the delivery of services. Outcomes are generally defined as the effects, impacts, results on or consequences for the community of services delivered by agencies.¹³⁸ Key Performance Indicators (KPIs) provide “an overview of the critical or material aspects of outcome achievement (in terms of effectiveness) and service delivery (in terms of efficiency).”¹³⁹ Effectiveness indicators assist in evaluating the extent to which government desired outcomes have been achieved through the provision of services to the community.

4.1 Background

The determination of effectiveness with respect to recovery is difficult. Emergency Management Australia explained the complexity of recovery in the following terms:

*The physical and social aspects are critical to effective recovery. Recovery is more than the replacement of what was destroyed and the rehabilitation of individuals. It is a complex social process and is best achieved when the affected community exercises a high degree of self-determination. Recovery is a developmental, rather than a remedial process, so the manner in which the physical and social aspects of the process are undertaken will have a critical impact. Activities which are conducted without consultation and recognition of needs and priorities will disrupt and hinder the process.*¹⁴⁰

The effectiveness of WANDRA would best be understood in the context of its stated objectives and outcomes. WANDRA’s objective is stated as being:

the provision of relief measures to assist those within a disaster affected community

- *Whose social, financial and economic well-being has been severely affected; and*
- *that do not have the resources to provide for their own recovery.*¹⁴¹

However, the outcomes of WANDRA on the community are not stated and no effectiveness indicators are available. In the absence of any articulated outcome, WANDRA’s sought for outcome is best seen in the context of the State Emergency Management Committee’s objective, given the linkages between the two initiatives. The State Emergency Management Committee

¹³⁸ WA Department of Treasury and Finance, *Outcome Based Management: Guidelines for use in the Western Australian Public Sector*, November 2004, p.1

¹³⁹ Ibid.

¹⁴⁰ *Australian Emergency Manual*, Emergency Management Australia, Australia, 1996, pxi.

¹⁴¹ Submission No 16 from Fire and Emergency Services Authority of Western Australia, July 2006, p1.

(SEMC) objective for recovery “is to return a community to at least the same level of functioning as before an emergency event.”¹⁴²

SEMC’s proposed effectiveness indicators are:

Relief and recovery agencies are effectively integrated into emergency management arrangements;

Community recovery is effectively managed by the appointed local recovery coordinator;

However these indicators when taken in the context of its objective (“to return a community to at least the same level of functioning as before an emergency event”) fail with respect to measuring the economic and social recovery of that community.

In part this lack of clarity as to what constitutes the effectiveness of WANDRA may arise because of a number of internal tensions in the administration of the scheme, namely:

- FESA, in administering WANDRA, needs to ensure that “WANDRA does not discourage the Western Australian public from taking appropriate precautions to minimise the impact of disasters to themselves and maximise their own ability to recover from such events (e.g. private insurance).”¹⁴³ In other words disaster relief cannot act as a disincentive to self help, whether that is by way of insurance, business continuity planning, or other preparedness measures.
- Payments are currently made to restore or replace essential public assets damaged in a disaster. However there is an inability of WANDRA to provide funds for the improvement of the standard and location of infrastructure assets damaged in the disaster to mitigate future damage. “The recoup of expenditure relates to repairing damage to, or the replacement of Local government roads to the extent necessary to restore that asset to its equivalent pre-disaster condition.”¹⁴⁴
- FESA and SEMC both highlight their dependency on the efficacy of third party agencies and the community in achieving their objectives, hence the requirement for those parties to be effectively integrated into the emergency management arrangements.

This chapter will therefore review the effectiveness of WANDRA in terms of its role as one of a number of players in achieving the reconstruction of the community, both in terms of its infrastructure and the restoration of emotional, social, economic and physical well being, rather than from one agency’s singular perspective. The starting point of this determination of

¹⁴² State Emergency Management Committee Emergency Management Strategic Framework, Available at: http://www.fesa.wa.gov.au/internet/upload/shared/docs/SEMC_Emergency_Management_Strategic_Framework_2006-2011_1.pdf Accessed on 8 January 2007.

¹⁴³ Submission No 16 from Fire and Emergency Services Authority of Western Australia, July 2006, piii.

¹⁴⁴ Submission No 12 from Main Roads Western Australia, 10 July 2006, p2.

effectiveness is the extrapolation of the financial, physical and human costs of the disasters which formed the subject of the Inquiry.

4.2 Relief measure costs and the economic and social impact of recent disasters

The historic cost of natural hazard events in WA has been approximately \$62 million per year, according to the Bureau of Transport Economics (BTE). BTE's estimates of cost are based on an analysis of historical data largely in the period 1967–1999, with prices in 1999 dollars.¹⁴⁵

Average annual costs 1967-1999

	Average Annual Cost (\$ million)						
	Flood	Severe Storms	Cyclones	Earthquakes	Bushfires	Landslide	Total
WA	2.6	11.1	41.6	3.0	4.5	0.0	62.7
Australia	314.0	284.4	266.2	144.5	77.2	1.2	1087.5

In their submission to the Committee, FESA advised that in the seven years subsequent to this table, that is 1999-2006 “the total cost to the State in responding to declared events has been in excess of \$121 million. The cash payments made by the State for eligible events under WANDRA during this time total over \$66 million.”¹⁴⁶ These payments notably included cyclones Elaine and Vance in 1999, and Steve in 2000, which accounted for \$59,586,169 of the figure.

The three principal categories of declared disaster that formed the basis of both the submissions received and the content of witnesses’ testimony were those of fire, flood and tornado in regional Western Australia in the years 2003 to 2006. Therefore the focus of the report is overwhelmingly outside the Perth metropolitan area. That this is so is not surprising as it is FESA’s contention that the “the citizens of Perth and its hinterland would appear to live in a comparatively benign environment.”¹⁴⁷

The accurate determination of costs is problematical. In brief, the estimated economic costs of natural events and disasters depend on the level at which the analysis is undertaken; that is to say does the analysis cover the costs eligible for recoupment under WANDRA? Does it include insurance claims? Does it include damage incurred and income lost not covered by any form of claim? As the following quotation highlights, an analysis of economic costs may also be subjectively determined.

¹⁴⁵ Natural Hazard Risk in Perth, Available at: https://www.ga.gov.au/image_cache/GA6550.pdf Accessed on 10/1/2007.

¹⁴⁶ Submission No 15 from Fire and Emergency Services Authority of Western Australia, July 2006, piii.

¹⁴⁷ Natural Hazard Risk, Available at: https://www.ga.gov.au/image_cache/GA6550.pdf Accessed on 11/1/2007.

*There was substantial damage to our recreation centre. In terms of specific infrastructure owned by council, that was recouped on insurance. That was not directly booked out to the emergency.*¹⁴⁸

All the disasters documented in the submissions, to a greater or lesser degree, affected the local infrastructure, farming and business enterprises, and personal lives of regional communities. Because of the more limited resources available to many of these regional communities, the extent of the costs incurred in each disaster is possibly understated even when an effort was made to track them:

*It was extremely difficult [to track costs] given that we are only a small local authority.*¹⁴⁹

*Our accounting processes were not set up to quantify where the expenditure went.*¹⁵⁰

*The other interesting thing is that where I think a lot of them [Councils] struggle is that they do not have a simple method to identify and capture the costs that could become relevant - this is all linked together - to disaster relief. Local government, and let us say others even some government departments do not do that. In the end, a couple of months down the track when they come to us and we move them to the other people, the feedback is that they really do not know what to claim, because they now cannot find the costs of what they need to claim, because it was not captured.*¹⁵¹

The physical damage done, as recounted in submissions and hearings, was relative to the nature of the event concerned. In the event of flood, physical damage suffered included the inundation of residences, road closures with a consequent impact on freight costs and businesses, stock losses, loss of arable land, damage or loss of infrastructure including roads, bridges, buildings and community facilities, destruction of fences, and the loss of crops. Collateral issues included drainage, stock health and weed control. In the event of fire, the Committee was told of the loss of human life, loss of stock and the destruction of feed, sheds, and machinery. Whilst in the event of a tornado, Mr Donald Punch Chief Executive, South West Development Commission, recounted how residential and business premises were destroyed or extensively damaged and the power supply was disrupted.¹⁵²

Economic losses consequential on the cost of physical losses, e.g. loss of turnover/sales, are far more difficult to quantify as such losses are often under reported, where known at all. Anecdotally, they were significant and were sustained by both agrarian and commercial interests:

¹⁴⁸ Mr Robert Fenn, Executive Director Development Services, City of Albany, *Transcript of Evidence*, 5/9/2006, p5.

¹⁴⁹ Mr Christopher Gerald Jackson, Chief Executive Officer, Shire of Lake Grace, *Transcript of Evidence*, 6/11/2006, p2.

¹⁵⁰ Mr Robert Fenn, Executive Director Development Services, City of Albany, *Transcript of Evidence*, 5/9/2006, p4.

¹⁵¹ Mr Gordon Maxwell Hall, Project Director, Fire and Emergency Services Authority of WA, *Transcript of Evidence*, 10/11/2006, p4.

¹⁵² Mr Donald Punch, Chief Executive Officer, South West Development Commission, *Transcript of Evidence*, 14/11/2006, p1.

I know two businesses had just been taken over by new people, so it was very difficult for them to actually judge how their business was affected by the flooding. The little café, Rosie's, down here suffered a sever impact, but because the lady had just bought it a couple of months before, it would have been very difficult for her to know how badly it was affected.¹⁵³

There were about 75 businesses significantly affected in this area.¹⁵⁴

In a couple of cases, businesses closed down completely.¹⁵⁵

The economic and social impact of the flood has been extreme. A survey of local business taken three weeks after the flood showed that the disruption to freight routes caused major problems and initial estimates indicated losses ranging to \$90,000 per business for that period. Businesses and farmers also incurred additional freighting costs due to road closures and subsequent alternative freighting arrangements. Freight increases reported by those surveyed ranged from 2% (\$10,000) to 66%.¹⁵⁶

One person I know has felt that it was the straw that broke the camel's back almost. Through the floods, he has lost all the fences on his farm, and lost hundreds of sheep. I would be very surprised if he can keep going.¹⁵⁷

Many of the social impacts of a disaster affecting the functioning of individuals, families, businesses and communities are often more readily identified over a period of time. In terms of immediate social consequences those households interviewed suffered a loss of shelter and income and food insecurity, and as a consequence a number of psycho-social effects, which appear to be largely transitory and were sometimes addressed with crisis counselling:

The counselling advisers typically focused on the families who were impacted.¹⁵⁸

As a result of the tornado ... in the first 48 hours counselling advice was critical to developing an individual business response plan.¹⁵⁹

For others the longer term prospect of recovery was uncertain:

You and I have jobs from which money comes in so that, over the next few years, we can recoup our losses from the disaster. Those types of people did not.¹⁶⁰

¹⁵³ Mrs Helen Rose Bennett, Farmer/shop assistant, *Transcript of Evidence*, 6 /11/2006, p7.

¹⁵⁴ Ms Alison Anne Lannin, Manager, Small Business Centre, *Transcript of Evidence*, 14 /11/2006, p3.

¹⁵⁵ Mr Donald Punch, Chief Executive Officer, South West Development Commission,, *Transcript of Evidence*, 14/11/2006, p2.

¹⁵⁶ Mr Christopher Gerald Jackson, Chief Executive Officer, Shire of Lake Grace, *Transcript of Evidence*, 6/11/2006, p3.

¹⁵⁷ Mr Bruce Marshall Altham, President, Shire of Kent, *Transcript of Evidence*, 6/11/ 2006, p6.

¹⁵⁸ Mr Donald Punch, Chief Executive, South West Development Commission, *Transcript of Evidence*, 14/11/2006, p2.

¹⁵⁹ Ibid.

Whilst each story is individual, the emotional impact of loss and uncertainty is a common thread running through the experience of those who suffered such loss. The following extract of 'Leanne's story', as submitted by the Great Southern Area Consultative Committee Western Australia, encapsulates the immediate emotional experience of disaster (in this instance a flood) as the impact of its extent is realised by her:

Well it rained and it rained and once the rain water tanks were full I now rejoiced that I could perhaps have a long hot bath and use up a whole lot of water.

I did bathe in a deep bath but rather than rejoicing, it was in despair as most of our farm was underwater. There was evidence that we had lost most of our fencing, lost untold numbers of lambs and our entire, still to be harvested, wheat crop was either underwater or washed away. I wondered just how much of an impact this huge loss would affect our income as we had one of the best wheat crops we had grown in the past ten years.

We found wheat plants some 6 foot up trees that marked the height of the water. The trail of dead lambs all along the fence lines was just amazing. Once we overcame the initial shock of the flooding, and as the sheer volume of water started to subside, we could assess just what damages we had incurred.

Thirty kilometres of fencing were lost which meant we had no control of where our remaining sheep and lambs went. Our farm was no longer secure for our livestock.¹⁶¹

On the other side of the social impact coin are consistent stories, of pro-social behaviour, of altruism and selflessness, of problem coping behaviour:

Sometimes that [sense of community support] is lost in a more urban environment where, if people need help, they ring 000. If we need help we look for a neighbour.¹⁶²

There is always a scramble from the number of people who want to make donations.¹⁶³

If someone wanted a hand, he'd let everyone know and people went in and helped him. It was not done as a shire thing; it was done as a mate helping out a mate type of thing.¹⁶⁴

Arguably the resilience of Australians is most apparent in times of crisis:

The nature of pastoralists is that they will dig in and dig in, and they will recover using their resources, however meagre. They will just stick it out.¹⁶⁵

¹⁶⁰ Mr Lewis Ronald Winter, Acting Regional Manager, Department of Agriculture and Food, *Transcript of Evidence*, 14/11/2006, p2.

¹⁶¹ Submission No 3 from Great Southern Area Consultative Committee Western Australia Inc., 16/6/2006, p4.

¹⁶² Ms Vicki Louise Brown, Small Business Field Officer, Great Southern Area Consultative Committee, *Transcript of Evidence*, 5/9/2006, p11.

¹⁶³ Mr Lewis Ronald Winter, Community Emergency Management Officer, Fire and Emergency Services Authority of WA, *Transcript of Evidence*, 14/11/2006, p2.

¹⁶⁴ Mr Bruce Marshall Altham, President, Shire of Kent, *Transcript of Evidence*, 6/11/2006, p9.

4.3 The effectiveness of WANDRA's recovery measures

The context of this report is the Inquiry into Western Australia's Natural Disaster Relief Arrangements with particular reference to the adequacy of State Government assistance under the program for persons affected by a natural disaster. WANDRA's role or jurisdiction, as outlined earlier, is one of assistance and support. As such it is but one part, albeit a critical part, of a number of complementary endeavours that achieve the reconstruction of physical infrastructure and the restoration of emotional, social, economical and physical well being in an affected community. Another key player in recovery is local government. Both the Australian and the State Governments have embraced the importance of working in partnership with local government who are seen as providing the key building block to staging recovery, because of their close community links and provision of many essential services. Arguably, the effectiveness of WANDRA is determined by the degree of interaction between the three tiers of government.

The Emergency Management Strategic Framework (2006 - 2011) is underpinned by such a whole-of-government and whole-of-community approach. This strategy seeks to develop a coordinated process of supporting affected communities. The success of this participative strategy was explicitly and indirectly acknowledged by the witnesses who recounted numerous examples of agencies and local governments working together to achieve recovery.

In relation to its core functions, both the submissions and the witness hearings highlighted that the current arrangements under WANDRA were intrinsically valuable in aiding recovery:

*The State Government through its directly responsible agencies ... were invaluable in their assistance in aiding recovery.*¹⁶⁶

Indeed, one submission noted that the continuation of existing measures is vital in restoring communities,¹⁶⁷ whilst another expressed appreciation of their structure and their package of measures.¹⁶⁸

However, with all submissions and witnesses there were a number of issues canvassed where it was considered that there were deficiencies and where improvements could be made to the recovery package and/or the process to achieve a stronger outcome.

In a couple of instances these issues have been overtaken by recent amendments to the Commonwealth NDRA scheme. On 13 December 2006 the Australian Government announced significant enhancements to the current Natural Disaster Relief Arrangements to help businesses, people and communities recover from natural disasters, viz:

¹⁶⁵ Mr Paul Alistair Findlater, Acting Regional Manager, Department of Agriculture and Food, *Transcript of Evidence*, 10/11/2006, p4.

¹⁶⁶ Submission No 9 from City of Bunbury, 29/6/2006, p1.

¹⁶⁷ Submission No 17 from Western Australian Local Government Association, July 2006, p1.

¹⁶⁸ Submission No 2 from Shire of Wyndham East Kimberley, 16/6/2006, p1.

Enhanced assistance will be provided through:

- 1. Three special community recovery programs: - a community recovery fund; - recovery grants for small business; and- recovery grants for primary producers.*
- 2. Financial counselling for affected individuals;*
- 3. Funding to upgrade essential infrastructure to more resilient standards; and*
- 4. Small grants for disaster-affected voluntary non-profit bodies and needy persons.*

(Assistance under the small business recovery grants program is designed to ensure that a disaster affected community does not lose essential business. Grants of up to \$10,000 to eligible small business can be provided for clean up and immediate restoration costs).¹⁶⁹

These amendments touch a number of areas of concern expressed below. They have been incorporated into WANDRA as at 9 March 2007 and accordingly temper the Committees recommendations:

The new NDRRA determination - it has added "recovery" - came into effect on 21 February but we did not receive it until 9 March. We actually received it on the afternoon that we declared tropical cyclone George a natural disaster. The new measures are incorporated into WANDRA immediately.¹⁷⁰

4.4 Issues and Findings

Identified issues may be summarised as follows:

- The adequacy of the provision of recovery assistance including emergency assistance to individuals and families
- The adequacy of the provision of financial assistance to farmers, and businesses
- Outcome issues for local government
- Insurance
- WANDRA and the social aspects of recovery
- Heritage

¹⁶⁹ Prime Minister of Australia, Available at: http://www.pm.gov.au/news/media_releases/media_Release2301.html Accessed on 17/1/2006.

¹⁷⁰ Mr Graham Capper, WANDRA Administrator, Fire and Emergency Services Authority of Western Australia, *Transcript of Evidence*, 21/3/2007, p9.

(a) The adequacy of the provision of recovery assistance including emergency assistance to individuals and families

As outlined in Chapter two, immediate Personal Hardship and Distress (PHD) grants administered by the Department for Community Development (DCD) may be available to individuals and families. This includes an emergency payment, or payments in kind, to individuals for accommodation and food, as well as disaster relief assistance for the replacement of essential household contents and the repair of dwellings. The emergency assistance and temporary living expenses component of the package are not means tested although the replacement of essential housing contents and repairs to owner occupied houses are.

In addition when an emergency occurs Centrelink can provide financial assistance to any person whose livelihood has been affected by the emergency (declared or not declared) by providing Special Benefits.

It is notable that there is considerable support for the manner in which DCD discharged its responsibilities to the community:

*I am aware that DCD has been doing some good work with its local management plans regarding the immediate impact of a crisis. It has put officers in the region to coordinate those types of processes.*¹⁷¹

*Representatives of the DCD attended all our meetings until they felt as though their job was finished..... The DCD officers visited people individually in the surrounding districts.*¹⁷²

*From recent experience it appears that WANDRA has achieved most of its objectives through established arrangements that are in place with the aid of agency policy and procedures (e.g. DCD).*¹⁷³

However, DCD in its submission to the Inquiry¹⁷⁴ advised that following the Ministerial Taskforce report (2001), they considered the financial limits under PHD to be outdated. DCD has therefore developed its own paper, which forms part of its submission to this Inquiry, to firstly, update the allowance levels and limits under the package, validating these against interstate and other benchmarks, and secondly to revise these limits where benchmarking suggested this was necessary. Currently the Minister for Community Development and Minister for Emergency Services have accepted the revised recommendations in DCD's paper "NDRA - An Analysis and Recommendations for Personal Hardship Distress Measures" (February 2005)¹⁷⁵ - appended to the submission. The Minister for Emergency Services has committed FESA to developing a joint

¹⁷¹ Mr Maynard Rye, Acting Chief Executive Officer, Great Southern Development Commission, *Transcript of Evidence*, 5/9/2006, p5.

¹⁷² Ms Christine Sandra Lehmann, Farmer, *Transcript of Evidence*, 5/9/2006, p4-5.

¹⁷³ Submission No 9 from City of Bunbury, 29/6/2006, p2.

¹⁷⁴ Submission No 6 from Department of Community Development, 26/6/2006, p1-22.

¹⁷⁵ Submission No 6 from Department for Community Development, 26/6/06, p3.

submission to Cabinet recommending the revised assistance package. Both DCD and FESA have been working on the Cabinet submission.

On 21 March 2007 the Committee is advised that the status of the submission was that:

*The cabinet submission has been prepared. Feedback has been sought from the Department for Community Development and the Department of Treasury and Finance. Both are supportive of the proposal.*¹⁷⁶

The DCD/FESA paper makes the following recommendations:

1. *2004 Emergency Assistance allowances established at a maximum of between \$341 or \$388 per individual per day, indexed from 2005 onwards. The rate for children is half this amount. This allowance is paid for the first 24hrs following a disaster and will be reduced by a factor on subsequent days.*
2. *Temporary living expenses established at a maximum of 3 weeks accommodation at a maximum of \$110 per day per adult/family in the metropolitan area and up to \$150 per day per adult/family in country areas, indexed from 2005 onwards. This allowance is payable in the medium term up to the maximum to be determined on a case by case basis.*
3. *Essential Household Contents allowance established at a maximum of \$10,500 per household, indexed from 2005 onwards. This allowance is to be means tested (see below). Based on an itemised listing (applicant applies only for items requiring repair or replacement).*
4. *Repairs to houses allowance established at a maximum of \$10,000 per household, indexed from 2005 onwards. This allowance is to be means tested (see below). Payable directly to householder on presentation of quotes.*
5. *Means testing to be based on a simplified combined household income and assets test (Option 4) with automatic eligibility for up to the maximum allowance for households on specified Centrelink payments. Other households may apply with eligibility on a sliding scale related directly to Family Tax Benefit Assessable Taxable Income (ATI) plus assets.*
6. *For consistency and simplicity, the same means testing framework should apply to both Essential Household Contents and Repairs to Houses.*¹⁷⁷

¹⁷⁶ Mr Ian Robert Bowman, A/Manager, State Emergency Management Services, Fire and Emergency Services Authority of Western Australia, *Transcript of Evidence*, 21/3/2007, p10.

¹⁷⁷ Submission No 6 from Department of Community Development, 26/6/2006, p1-22

Finding 9

The Department for Community Development discharges its responsibilities under WANDRA to the satisfaction of the affected community. However the provisions under Personal Hardship and Distress Measures are dated and require revision.

Recommendation 8

That the newly proposed index linked limits for Personal Hardship and Distress Relief Payments as outlined in the paper “National Disaster Relief Arrangements - An Analysis and Recommendations for Personal Hardship Distress Measures” be accepted by government.

(b) The adequacy of the provision of financial assistance to farmers, and businesses

The repair of fencing, especially boundary fencing, was felt to be a notable omission under WANDRA by many farmers and pastoralists. Damage to fencing, both in fire and flood is generally extensive, (in a flood the erosion undermining fencing, and/or debris forcing it down). As one witness put it when describing the extent of damage after the Tenterden fire, “The equivalent amount of fencing from Albany to Perth and back had to be replaced.”¹⁷⁸ The Tenterden Fire Recovery Committee estimated the loss of boundary fencing alone to be the equivalent of 750 kilometres.¹⁷⁹ As is discussed later in this chapter, flood insurance for the destruction of fencing is not an option and the cost for the repair of fencing is seen as significant. The cost was estimated at “about \$1 000 to \$1 200 a kilometre just for the material. There is also the time and effort of having to do that without doing all the other work as well.”¹⁸⁰ As another witness more generally advised “I definitely think the fencing is a huge cost.”¹⁸¹

In recognising the broad based nature of this issue, the Pastoralists and Graziers Association of WA Inc recommended that WANDRA cover the cost of materials to repair boundary fences, notably those that adjoin roads and crown lands, whilst the landowners provide the requisite labour.¹⁸²

¹⁷⁸ Mrs Christina Sandra Lehman, Farmer, *Transcript of Evidence*, 5/9/2006, p2.

¹⁷⁹ Submission No 27 from Tenterden Bush Fire Recovery Committee, nd, p5.

¹⁸⁰ Mr Bruce Marshall Altham, Chief Executive Officer, Shire of Kent, *Transcript of Evidence*, 6/11/2006, p6.

¹⁸¹ Mrs Helen Rose Bennett, Farmer, *Transcript of Evidence*, 6/11/2006, p8.

¹⁸² Submission No 20 from Pastoralists and Graziers Association of WA (Inc), 29/9/2006, p2.

Finding 10

The repair of boundary fencing, currently excluded under WANDRA, is a significant impost on farmers in the recovery process. The opportunity to manage the risk of losses to fencing is limited due to restrictions and exclusions under prevailing insurance policies.

Recommendation 9

That the guidelines of WANDRA be revised to provide for the inclusion of the cost of materials expended in the repair of boundary fences.

Another common theme in many written and oral submissions was the inadequacy of aspects of the financial relief package for farmers/businesses, that is to say (i) the grants to obtain professional advice of \$1,500, and (ii) a 4% interest rate subsidy on loans made by Authorised Deposit Taking Institutions as highlighted by Mr Chris Jackson, CEO, Shire of Lake Grace:

One of the things that I would like to mention is in relation to the funding assistance that is actually available to farmers. There is the \$1,500 allowance to get a consultant in to have a look at planning, and then there are low-interest loans. It is quite ironic that the event has been declared a natural disaster, and there is almost a sense a relief that that had happened; that, yes, there will be some funding that comes through, particularly for local people. But that is not the case. You really need to be running a not very good farm if you are going to be able to access any of this money. One statement to me was that you needed to be on the bones of your bum if you were going to access any of this money. Therefore, there is no real assistance available for particularly farmers once the event has been declared.¹⁸³

There is also anecdotally a general misconception by most members of the affected communities that the \$1,500 Professional Advice Grant is restricted to financial advice. Not unrelated to this is the perspective that it is both too little and, in the context of the exigency, it is largely irrelevant:

People regard the \$1,500 as a spit in the desert.¹⁸⁴

The Professional Advice Grant of \$1,000 is an insult to today's farming community as most producers have their own direction and plan..... a clean up grant could be

¹⁸³ Mr Christopher Gerald Jackson, Chief Executive Officer, Shire of Lake Grace, *Transcript of Evidence*, 6/11/2006, p6.

¹⁸⁴ Mr Terry Redman MLA, Western Australia, Legislative Assembly, *Parliamentary Debates (Hansard)*, 16 /6/2006, p10.

*considered to reduce the mental, physical, and financial pressures that occurs following such a bush fire event.*¹⁸⁵

*\$1,500 for a consultant is no use. Most farmers these days are tertiary educated or have good management expertise supported by banks and the Department of Agriculture.*¹⁸⁶

*\$1,500 to engage a consultant is a joke in assisting people affected by the event. It would be better directed to actual works – burying sheep, treating scours, repairing creek crossings and so on.*¹⁸⁷

*A couple tried,[to access funding] but they did not think there was anything worth going for, or they decided in their own mind that there was no money out there for them that would be of any actual assistance, apart from getting the farm adviser to advise them how bad it is. Everybody knows how bad it is by looking at it, so they did not think there was much point in claiming that sort of money.*¹⁸⁸

In respect to the 4% interest rate subsidy on a loan of up to \$150,000, the assets test which requires applicants to have committed all liquid assets and credit sources for normal operation of the business before being eligible to apply,¹⁸⁹ is seen, as evidenced in an earlier quote, as an inequitable gate keeper precluding access to all but the most marginal farmers. Another farmer put it this way:

*I think the assets test is a problem. I do not think it really matters whether you have a heap of assets or none, because in that sort of situation, if you can make a profit in a business and save some for a rainy day, if there is help available because of a natural disaster, that is what the help is for. We are penalising the people who are successful at business and putting money away, and then making them take it out, if you know what I mean.*¹⁹⁰

It was noted by the Committee that monies ‘put away’ were in actual fact earmarked for the acquisition of plant and machinery, and/or property improvements and generally not lying idle.¹⁹¹

Another major hurdle to the successful application for the interest rate subsidy is the perceived bureaucratic paper work involved, as covered in the previous chapter. Both this and the assets test acted as ‘gate-keepers’ and seemingly limited the effectiveness of the interest rate subsidy as a facet of recovery in the minds of the affected community.

¹⁸⁵ Submission No 14 from Shire of Plantagenet, 13/7/2006, p1.

¹⁸⁶ Briefing by Neridup Soil Conservation Group (Esperance), 16/1/2006 p3.

¹⁸⁷ Briefing by Shire of Esperance, 16/1/2006, p3.

¹⁸⁸ Mr Bruce Marshall Altham, President, Shire of Kent, *Transcript of Evidence*, 6/11/2006, p2.

¹⁸⁹ Department of Agriculture and Food, Available at: <http://www.agric.wa.gov.au/pls/portal30/docs/FOLDER/IKMP/FM/NDRAInformation.pdf> Accessed on 17/1/2007.

¹⁹⁰ Mr Scott Paul Strevett, Farmer, *Transcript of Evidence*, 6/11/2006, p9.

¹⁹¹ Mr Rodger John Crossman, Senior Policy Officer, Department of Agriculture and Food, *Transcript of Evidence*, 6 November 2006, p5.

Businesses are categorised separately from agricultural enterprises under WANDRA although the package is largely similar. With respect to small business the Small Business Development Corporation notes the lack of the extension of the Professional Advice Grants of \$1,500 to small businesses and recommends such an extension.¹⁹² This recommendation was further underscored by other witnesses. Whilst not all natural disasters affect businesses directly, the stated impact is generally seen as significant. In the recent January floods in Esperance although businesses were not physically damaged, the media's reporting of the disaster, which occurred at the height of the tourist season, anecdotally resulted in an estimated 75% loss of turnover for related businesses with two contemplating closing as a consequence.¹⁹³ In other instances, loss of income was consequential to storm damage:

Businesses were severely impacted to the extent that premises were destroyed and/or businesses were severely disrupted. The impacts on business were the inability to continue to trade in the short to medium term, the inability to service debt due to the loss of cash flow, underinsurance due to rapidly rising costs in the construction market, limited access to personal and business-related counselling advice, and no access to short-term financial support.¹⁹⁴

It is in this context that the requirements of business were underscored and the assistance available questioned. As an example, the aforementioned issue of lack of access to financial counselling was again emphasised in the event of the Bunbury tornado. In that instance the South West Development Commission stepped up to the plate in organising assistance:

Something that was really brought home as a result of the tornado was that, in the first 48 hours, counselling advice was critical to developing an individual business response plan - that is, how to get the business back up and running; what are the first steps ... in dealing with the personal impact of the disaster. People were really anxious about how they would service their debt and about their future income and the impacts of the disaster on their personal life. They were shocked at seeing their businesses destroyed overnight. In a couple of cases, businesses closed down completely. Counselling advice was not readily available in that scenario. The counselling advisers typically focused on the families who were impacted on, but the unique issues experienced by small business operators did not seem to be readily addressed. We constructed an immediate response service in conjunction with the small business enterprise centre. We contracted a well-known business mentor and adviser on business development, who individually visited each of the businesses on the first day they were affected. That had an immediate impact in that people were able to find a sense of balance again and started thinking about what the next steps were. I cannot recall the exact length of time that we ran the program for, but it was certainly until the need had largely been addressed and each of the businesses had a clear plan of action.¹⁹⁵

¹⁹² Submission No 11 from Small Business Development Corporation, 30/6/2006, p2.

¹⁹³ Briefing by representatives of the tourism industry Esperance, 16/1/2006, p5.

¹⁹⁴ Mr Donald Punch, Chief Executive Officer, South West Development Commission, *Transcript of Evidence*, 14/11/2006, p1.

¹⁹⁵ *Ibid*, p2.

Similarly, the Great Southern Area Consultative Committee also drew attention for the need for government funded rural councillors to act as commercial advocates for both on and off-farm small business operators.¹⁹⁶

Finding 11

The current Professional Assistance Grant fails to meet the identified needs of the rural community. Additionally it is not available to that sector of the community that would take advantage of it, notably the business community.

Finding 12

The financial assistance to farmers and their families (by way of an interest rate subsidy), who are experiencing financial hardship and who cannot borrow further against their assets, is perceived as being of only marginal value due to its limited applicability and the cumbersome application process involved.

Recommendation 10

That the Professional Assistance Grant is formally extended by WANDRA to include non rural businesses and that it be made available to assist with the clean up of disaster related damage to farms and businesses. *(The Committee recognises that the amendments to WANDRA as of March 2007 address this recommendation).*

(c) Outcome issues for local government

In the previous chapter the output/efficiency of WANDRA was addressed. In addition, from a local government perspective there are several outcome issues that formed a part of many submissions and transcripts taken at hearings. Most notably these included:

¹⁹⁶ Submission No 3 from Great Southern Area Consultative Committee, 16/6/2006, p11.

1. Opportunity cost:

Many local authorities operate from a small income base and consequently have to borrow from Peter to pay Paul to meet their 25% contribution towards the repair of infrastructure. In most cases this meant a deferment of planned public works. For example, the Esperance Shire Council commented that they will need to rationalise their future road construction program and transfer resources, including key staff, to the repair of flood damaged roads at an estimated overall cost of \$3 million.¹⁹⁷ The same approach to financing the Local Authority's contribution was reflected in a submission by the Shire of Plantagenet which noted that:

*The magnitude of these events severely impact upon a Council's ability to schedule other maintenance works and requires internal reallocations.*¹⁹⁸

The City of Albany with an annual budget in excess of \$40 million is one of the larger local authorities in Western Australia, yet it too was significantly impacted by the 25% contribution:

*Yes, it [the 25% contribution] is a burden because inevitably it must be taken off something. You do not simply manufacture \$400 000; you must decide not to do something else. The other thing is that that expenditure basically cancelled our whole road program and because our road program is basically a program that starts on 1 July and finishes on 30 June, a large section of our road program for that year could not be completed.*¹⁹⁹

For smaller shires even small amounts have a short term impact on works:

*It was \$58,000, and we get two-thirds of that [back]..... It will put other works on hold for a while.*²⁰⁰

*It is not as though we have piles of money sitting aside to pay for those sorts of things. Unfortunately, it creates hardships..... Work on the flooding damage itself did slow down because of the amount of time we had to take a number of our staff off the construction programs, particularly in relation to road construction, to repair the damage done by the flooding; therefore, those jobs have not been done. The money that would have been spent on them was used to reinstate those roads.*²⁰¹

Main Roads Western Australia supported these statements in their submission:

¹⁹⁷ Briefing by Shire of Esperance, 16/1/2006.

¹⁹⁸ Submission No 14 from Shire of Plantagenet, 13/7/2006, p2.

¹⁹⁹ Mr Robert Fenn, Executive Director, Development Services, City of Albany, *Transcript of Evidence*, 5/9/2006, p5.

²⁰⁰ Mr Bruce Marshall Altham, President, Shire of Kent, *Transcript of Evidence*, 6/11/2006, p3.

²⁰¹ Mr Bill Perry, Chief Executive Officer, Shire of Greenough, *Transcript of Evidence*, 10/11/2006, p3.

Often the level of reimbursement leaves Local government with the need to find significant funds to pay for any 'gap' between the costs of repairs and the reimbursement received. This gap can represent up to 25% of the cost of repairs. Councils do not necessarily have the financial capacity to meet this gap without impacting funds provided for other essential infrastructure programs in their area.²⁰²

Finding 13

There is a real 'opportunity cost' for Local Authorities in meeting the 25% contribution to the restoration of eligible public assets damaged by a natural disaster event.

Recommendation 11

That the 'opportunity cost' for Local Authorities in meeting the 25% contribution to the restoration of eligible public assets damaged by a natural disaster event be considered when FESA and MRWA, in consultation with WALGA, investigate a more equitable means of calculating the local government contribution to road and infrastructure restoration costs as recommended in Recommendation 1.

2 Staffing:

A critical issue for many local authorities was the perceived lack of expertise and staff resources to manage the short term recovery. For example, the Shire of Cue commented that in times of a natural disaster the community generally sought guidance and assistance from their local authority because, in remote and isolated locations, that was where their relationship existed. Accordingly they suggest suitable officers be made available to provide support to local authorities, thereby freeing management to focus on the task at hand.²⁰³ That this is not simply an issue for 'remote' authorities is borne out by comments from the Shire of Harvey and City of Bunbury:

Our recovery phase is ongoing. The drain on the administration staff has been phenomenal. For three weeks I could not touch my other work. I did not have a chance because I had to field phone calls and coordinate this and arrange that. As I said, it is ongoing. [A] person [who has experience in this field could come in and coordinate the whole effort] could quite easily work with our staff. We approached FESA and we managed to get Lewis Winter for a week. FESA was kind enough to cover Lewis's costs. His help was exceptionally good because he

²⁰² Submission No 12 from Main Roads Western Australia, 10/7/2006, p3.

²⁰³ Submission No 8 from Shire of Cue, 27/6/2006, p1.

*had been through a similar experience. A week is not enough. I believe we would need such a person for two, three or four weeks. It would depend on the size and type of disaster.*²⁰⁴

*The City of Bunbury took it upon itself to employ me as a full-time recovery coordinator for eight weeks. It was a monster job. It tried to give me some administrative assistance. Again, it is very hard for someone to leave their job and their normal duties, which become neglected. I answered phones, liaised with the Department for Community Development and set up meetings. It was a very busy and stressful time. However, my point is that there is nothing in the arrangements about the support offered by the government.....and other bodies. We had a reasonable handle on the situation. A lot of local governments do not have that depth of experience. Some local government may need someone with expertise, which is what happened after the event in Australind. It helps to have someone not to come in and take on the job as recovery coordinator, but to come in and mentor the local government's appointed recovery coordinator.*²⁰⁵

Finding 14

There is an inferred and expressed need for staff from a central government agency to be placed in the affected local authority to achieve optimal recovery outcomes.

In light of this Finding, and in line with the Western Australian Government Business Continuity Guidelines,²⁰⁶ objective to ensure the timely resumption and delivery of essential business activities in the event of a major disruption by maintaining the key business resources required to support delivery of those services, the following recommendation is made:

Recommendation 12

The secondment of a resource person(s) to an affected local authority to support the work of that authority in its response to a natural disaster be effected.

²⁰⁴ Mr Jeffery Gale, Deputy Chief Executive Officer, Shire of Harvey, *Transcript of Evidence*, 14/11/2006, p4.

²⁰⁵ Mr Lewis Ronald Winter, Emergency Management Projects, City of Bunbury, *Transcript of Evidence*, 14/11/2006, p4.

²⁰⁶ Insurance Commission of Western Australia, Available at: https://icwa.wa.gov.au/riskcover/rc_risk_management.shtml Accessed on 17/1/2007.

3 Restoration versus mitigation:

The essential public assets components of WANDRA currently reimburses 75% of the cost of restoring eligible public assets damaged by the natural disaster event “to the extent necessary to restore that asset to its equivalent pre-disaster condition.”²⁰⁷ A report to the Council of Australian Governments²⁰⁸ stated that “this approach can be quite short-sighted, resulting in infrastructure being repeatedly damaged and rebuilt after successive disasters” and suggesting that consideration be given to introducing more flexible guidelines to provide for upgrades to a more resilient standard. As highlighted previously in this chapter, this recommendation was adopted by the Australian Government on 13 December 2006 as an enhanced arrangement additional to those under NDRA and subject to a Federal/State/Local government agreement on a case by case basis.

However it would appear that the application of the recent amendments to NDRA would be welcomed as a more normalised part of recovery rather than on a case by case basis. It is the contention of a number of Shires and other witnesses that restoration is only part of an effective recovery strategy and in fact prevention and mitigation are more cost effective longer term strategies when incorporated into the restoration plans of affected infrastructure. The Shire of Lake Grace, for example, highlighted the desire to make improvements but being held back by the need to self-fund any significant enhancements:

*It is my understanding that while Main Roads has assessed our claim, it is very clear that it is for reinstatement. If we wanted to do improvement works to fix the problem, that would be at our cost. I do not want to be dishonest in saying that when we do get the money there are not opportunities to do some slight improvements. It would be silly to think that that would not occur, but if it is significant as you have indicated - culverts and those sorts of things - there is no opportunity for that.*²⁰⁹

In another example, the Shire of Esperance argued strongly that assistance should be made available not only to repair infrastructure to its previous state but to upgrade it and so reduce future vulnerability. The Shire instanced Bandy Creek, a fishing harbour, where good redesign was seen as essential if the problems caused by the now damaged current weir were not corrected:

Bandy Creek is a good example where redesign is essential. The current weir has caused the level in adjacent RAMSAR listed wetlands to rise to the point of destroying the bird habitat. Water also sits over roads for weeks in the catchment to the Boat Harbour. Once the weir broke the water and wetlands were able to drain quickly and road was passable again in 24 hours instead of 3 weeks.

²⁰⁷ Submission No 12 from Main Roads Western Australia, 10/7/ 2006, p1.

²⁰⁸ Australian Government Department of Transport, *Natural Disasters in Australia, Reforming mitigation, relief and recovery arrangements*, Commonwealth of Australia, Canberra, 2004, p40.

²⁰⁹ Mr Chris Jackson, Chief Executive Officer, Shire of Lake Grace, *Transcript of Evidence*, 06/11/2006, p9.

This is the view shared by MRWA, which argues that funding to reinstate roads to their previous condition is not necessarily the optimal use of resources and that consideration also needs to be given to funding improvements that would mitigate future damage.²¹⁰

Finding 15

There is a broad based consensus that the nature of assistance to local government, which is currently limited to repairing infrastructure, including roads, be broadened to improving infrastructure to withstand future events of a similar nature.

Recommendation 13

That, in line with recommendations contained in the 2004 Report to the Council of Australian Governments,²¹¹ greater flexibility should be introduced to WANDRA to enable damaged infrastructure to be upgraded to a more resilient standard where that is both feasible and cost-effective.

(d) Insurance

As identified earlier in this chapter, natural disasters in Western Australia such as floods, bushfires and cyclones occur regularly and the cost to government over the past seven years has been in excess of \$121 million. Additionally there are significant, though unquantified costs to ‘on and off-farm’ businesses, householders and their insurers, and the community at large, the latter generally being severely disrupted. These costs are only expected to increase in the future:

*Scientific research indicates that more extreme weather events, and large-scale single events with more severe cyclones, storms and floods, are expected in the future.*²¹²

Insurance against loss in these events is a cornerstone of recovery. It enables the costs of a natural disaster to be spread on a wide basis across the community, insurers and re-insurers. It reduces the ‘call’ on government for publicly funded assistance in recovery.²¹³ This conforms to

²¹⁰ Submission No 12 from Main Roads Western Australia, 10/7/2006, p3.

²¹¹ Australian Government Department of Transport, *Natural Disasters in Australia, Reforming mitigation, relief and recovery arrangements*, Commonwealth of Australia, Canberra, 2004, p40.

²¹² Department of Transport and Regional Services, Available at: http://www.dotars.gov.au/disasters/research/coag_report/exec_summary.aspx Accessed on 22 /1/2007.

²¹³ Australian Government Department of Transport, *Natural Disasters in Australia, Reforming mitigation, relief and recovery arrangements*, Commonwealth of Australia, Canberra, 2004, p76.

government policy since it is WANDRA's declared objective to avoid being the effective insurer of last resort:

*Assistance is not provided as compensation for damage/losses sustained or as a disincentive to self help by way of commercial insurance and/or other appropriate strategies.*²¹⁴

The role definitions of the insurer and WANDRA provide a level of tension between what the community will at times see as the role of government in effective recovery versus what the government sees as the role of the community. In addition insurers, because they have exposure to catastrophic losses, also have a number of concerns which are reflected in both premium levels ("Stud stock can be covered but it is a very high premium rate"²¹⁵) and exclusions, (e.g. flood "We cannot insure for flood damage."²¹⁶). In fact there is currently a lack of comprehensive all hazard insurance available in Australia.²¹⁷

The limitations of insurance cover are further exemplified in witness statements:

*You cannot insure a sheep. If they die or are lost on the farm, there is no insurance.*²¹⁸

*There are many points of difference between a fire and a flood..... Most fire damage is covered by insurance. It is fairly clear cut. However, hardly anything that is damaged or lost during a flood is covered by insurance.*²¹⁹

*No, insurance-wise they are not covered for that. [flood] They cannot be. Insurance covers only stock losses from fire.*²²⁰

*Our insurance was in place; however, we cannot claim for anything that we lost.*²²¹

*Insurance does not cover our fencing because it is maintenance and it is an act of God, but the insurance will pay for machinery and practical things.*²²²

²¹⁴ Western Australian Natural Disaster Relief Arrangements, Available at: <http://www.parliament.wa.gov.au/council/WANDRA%20Overview%20May%202006.pdf> Accessed on 23/1/2007.

²¹⁵ Mr Rodger John Crossman, Senior Policy Officer, Department of Agriculture and Food, *Transcript of Evidence*, 6/11/2006, p9.

²¹⁶ Mrs Elizabeth Leanne Grant-Williams, Farmer, Great Southern Area Consultative Committee, *Transcript of Evidence*, 5/9/2006

²¹⁷ Australian Government Department of Transport, *Natural Disasters in Australia, Reforming mitigation, relief and recovery arrangements*, Commonwealth of Australia, Canberra, 2004, p76.

²¹⁸ Mrs Elizabeth Leanne Grant-Williams, Farmer, Great Southern Area Consultative Committee, *Transcript of Evidence*, 5/9/2006, p8.

²¹⁹ Mr Rodger John Crossman, Senior Policy Officer, Department of Agriculture and Food, *Transcript of Evidence*, 6/11/2006, p2.

²²⁰ *Ibid*, p9.

²²¹ Mr Scott Paul Strevett, Farmer, *Transcript of Evidence*, 6/11/2006, p6.

²²² Ms Jano Floyd Foulkes-Taylor, Pastoralist, *Transcript of Evidence*, 10/11/2006, p8-9.

In the context of the terms of reference of this Inquiry the issue of insurance is relevant in two areas:

- Whilst WANDRA's objective is to avoid providing a disincentive to members of the community to their taking out adequate levels of insurance cover, the Inquiry highlights those areas where the insurers decline to provide cover, leaving open to discussion the question of whether WANDRA's scoping should be reviewed.
- The failure of individual members of the community to maintain adequate levels of insurance, as discussed below, fuels community expectations with respect to government announcements of relief. When the limitations of the extent of financial assistance are understood they may give rise to a questioning about the adequacy and effectiveness of WANDRA. The issue of public expectations has been canvassed in the previous chapter.

Finding 16

There is a gap between available cost effective insurance cover and the recovery arrangements available under WANDRA.

Even where there is cost effective insurance available, a significant proportion of the population do not insure their property, hampering recovery. Such non insurance of eligible property is highlighted by the Insurance Council of Australia (ICA). ICA data suggests that "23% of households in WA hold no form of property or contents insurance whatsoever."²²³ ICA has accordingly made this a 'Blue Print' issue for 2007.

Recovery is also hampered by significant levels of inadequate insurance cover:

*Lack of insurance against natural disasters is a common problem throughout Australia. Despite the high risk posed by bushfires in many areas, around one in four Australian households have neither building nor contents insurance and many more are underinsured, according to a survey conducted by the Insurance Council of Australia.*²²⁴

Under insurance occurs when the insurance is less than the risk of loss faced. That risk crystallises in the event of a natural disaster. The reasons for under insurance are multiple but anecdotally, as suggested by a witness below, the primary reason is that the onus for estimating the costs of replacement/re-building lies with the insured. Many owners will 'guess' the cost too conservatively as they have been resident for some years and are unaware of the extent to which prices have moved in that time. In addition they may also fail to factor in related expenses such as demolition.

²²³ Submission No 28 from Insurance Council of Australia, 22/2/2007, p3.

²²⁴ Homesite.com.au, Available at: <http://www.homesite.com.au/home-security/insurance/tips-and-guides/bushfires-insurance-issues> Accessed on 23/1/2007.

As one witness to the Inquiry put it:

*However, the critical issue that came out of the event was that businesses rarely assessed risk from major events in a climate of rising construction costs and property values. Typically, these businesses, which were at a small to medium-term end with, in the main, two or three employees and which were in older premises, had not taken account of the rapidly rising construction market so they were underinsured for the potential loss of their premises. Insurance companies do not appear to alert small to medium businesses to that risk, although there is a general issue about increasing insurance cover. Very few of the businesses seemed to have an awareness of just how rapidly the property market and the construction market had increased and how significantly underinsured they were.*²²⁵

A 2007 report, 'Making Home Insurance Better', was originally commissioned by the Australian Securities and Investments Commission (ASIC) following the 2003 Canberra bush fires. The report also reviewed the effect of Tropical Cyclone Larry on homeowners in Innisfail and Babinda on the Queensland north coast in March 2006. ASIC's report reflected the fact that many properties were under insured. It commented that:

- *An estimated 50 per cent of houses in the cyclone-affected area were underinsured to some degree;*
- *Building costs were estimated to have increased by at least 50 per cent immediately after the disaster; and*
- *Many older homes did not comply with anti-cyclone standards in the current building code. This meant that rebuilding costs were higher as consumers had to rebuild their home to an improved standard.*²²⁶

However the report went on to note that "home building insurers across Australia have improved their policies and are providing consumers with better access to information about the costs of rebuilding."²²⁷

Finding 17

The issue of underinsurance is both a widespread national issue and a state based issue resulting in non recoverable losses in the event of a natural disaster.

²²⁵ Mr Donald Punch, Chief Executive Officer, South West Development Corporation, *Transcript of Evidence*, 14/11/2006, p1.

²²⁶ ASIC, Available at: http://www.asic.gov.au/asic/asic_pub.nsf/byheadline/07-15+Home+insurers+making+improvements+to+reduce+underinsurance?openDocument Accessed on 8/3/2007.

²²⁷ Ibid.

(e) WANDRA and the social aspects of recovery

As remarked on at the start of this chapter, recovery is more than an economic process, a restoration of damaged infrastructure and property, it is also a complex social process best achieved when the community exercises a high degree of self determination. It is broadly recognised that the strength of social networks (social capital) may also influence a community's capacity to recover after a natural hazard event. As one writer put it, "Social capital[is] an important factor in dealing with hazards."²²⁸ In the Western Australian context "The General Social Survey (ABS) indicates that WA has strong informal networks"²²⁹ or social capital. This suggests a strong utilisation of friends, family, neighbours, and informal organisations.

The role of WANDRA in supporting community endeavours through the resourcing of related agencies including local authorities and DCD plays a vital role in the enabling of these networks to respond effectively. It essentially facilitates an appropriate government response in a way that does not inhibit civil society's ability to respond.

The pre-existence of voluntary organisations such as the volunteer bush fire brigades, Rotary, Apex, local football clubs and so on helps mobilise people more effectively. These groups also create greater social cohesion and higher morale. This experience is supported by many of the stories related to the inquiry, of which the following is but one example:

*The Waroona Footballers travelled the 300 kms to Tenterden by bus for a 'Club Bonding' weekend, prisoners from Pardellup Prison Farm spent weeks working through the fire ground, members of the Southern Aboriginal Corporation volunteered their time and groups of farmers continued to help out, including a group of 80 members of the Kojonup Bushfire Brigades who spent a whole day and erected nearly 45kms of new fencing. Service Groups from around the Great Southern offered cash to 'tip with specific and immediate needs and others assisted with the catering to feed the groups of people coming in to work for many weeks.'*²³⁰

Groups such as these in turn depend on the interactions of individual and government agencies for their effectiveness at times of disaster.

Such social capital, leading to cooperation, enables a community to make better use of the available resources in a disaster, not least those resources underwritten by WANDRA. Other resources are generated through community response. In the Tenterden bushfire, for example, the communities rallied to donate stock feed, wire, labour and food hampers²³¹. The value of social capital was further underlined in that the affected farmers were found to be coping better than the

²²⁸ Vulnerability, Analysis and Disasters, Available at: <http://www.radixonline.org/resources/cannon-floods-chapter.doc> Accessed on 9/2/2007.

²²⁹ Geoscience Australia, Available at: http://www.ga.gov.au/urban/projects/nrap/perth_commrecovery.jsp Accessed on 9/2/2006.

²³⁰ Submission No 21 from Murray and Jan Pope, 16/9/2006, p3.

²³¹ Submission No 27 from Tenterden Fire Recovery Committee, n.d., p4.

‘lifestyle residents’ (who were living on two hectare blocks) because “the farmers seem to have a huge network of friends - [whilst] some ‘lifestylers’ didn’t know who their neighbour was.”²³²

The personal emotional impact of a natural disaster is also significant. As one submission put it:

*..... when you are personally experiencing your own loss and disaster, its magnitude is yours alone and the emotion, physical and communal impact is yours to deal with.*²³³

Consequently, a key social issue in community recovery is finding social support. A number of Shires and communities have spontaneously responded to the felt emotional need of the moment by bringing people together in a way that generates a sense of ‘community’ of ‘shared experience’ in the face of devastation and loss. “Hugging suddenly became the most common form of greeting — and tears welled without awkwardness.”²³⁴

Unique assessments of the disaster give way to a shared understanding that in turn can lead to a community sharing strengths with each other and even ‘giving back’ to the larger geographic communities in which they live. This was evidenced in a number of submissions and hearings:

*They [Ravensthorpe Shire] are having a community social event post the floods - if they have not had it already - to bring all the people together that were affected. When I discussed this with a number of other people right across the great southern and south east they felt that there was a lot of value in that..... they thought that there was a lot of emotional support in such an event, where these events have happened - I use the Jerdacuttup example, as it was supported by funding from the shire - I believe that they are having some similar events in some of the other areas. The Dwellingup area might be also holding one to which the shire is giving direct support. That emotional support, again, is quite warranted. It is a chance to bring those people together, particularly in some of the more isolated areas where there might be the feeling that they have been hit fairly hard and no-one cares about them. They can come along to a social occasion and get an appreciation that there is a stack of other people out there who are feeling the pain, and sharing that, if you like. I guess one of the themes that comes through is that there is a strong need for this emotional support and strategies for that, post these events. I think that is quite critical.*²³⁵

Secondly, in a disaster, the empowerment of local communities by government agencies to manage their own recovery was seen as very important.²³⁶ The following quote encapsulated the way in which the government and community best work together:

“Above all, the recovery worked as well as it did because it was based on the idea that local community members are the best ones to take on the responsibility to help and have

²³² Ibid.

²³³ Submission No 21 from Murray and Jan Pope, 16/9/2006, p4.

²³⁴ Ibid.

²³⁵ Mr Donald Terrence Redman, Member for Stirling *Transcript of Evidence*, 28/2/2007, p4.

²³⁶ Submission No 27 from Tenterden Fire Recovery Committee, n.d., p6.

the confidence of the affected community, with the local Recovery Committee being supported by the government and non-government organisations.”²³⁷

In a formalised approach, the Bunbury Emergency Recovery Committee, in their annually reviewed ‘Bunbury Emergency Recovery Arrangements,’ outlined some of the processes whereby the City of Bunbury could best support and empower the local community. These Arrangements also state, inter alia, that “Recovery is best achieved when the affected community is able to exercise a high level of self-determination.”²³⁸

Finding 18

Individuals and communities are supported by WANDRA, through the medium of a number of government agencies, in the management of their own recovery as they are seen to know best what their needs are. This approach builds community capacity and sustainability.

(f) Heritage

Under the *Heritage of Western Australia Act (1990)* (the Heritage Act) every local government authority within Western Australia is required to prepare, and periodically review, a Municipal Inventory. This inventory is a list of places that, for one reason or another, a community and/or the Council sees as valuable in relation to their heritage. However such items or places listed on the Inventories are not afforded legal protection unless by inclusion in the Authority’s Town Planning Scheme.

Anecdotally, such items/places may be confused in the public’s mind with places entered onto the Register of Heritage Places which provides official recognition of a place’s cultural heritage significance to Western Australia. Protection for these latter sites is achieved through the requirement under the Heritage Act that all development proposals regarding a registered place be referred to the Heritage Council for advice. Once registered the owners of such sites are given priority when applying for heritage funding.²³⁹

In the course of the Inquiry, the Committee heard from several witnesses of the damage done by natural disasters to infrastructure (a bridge²⁴⁰), public buildings (a church²⁴¹) and an historic

²³⁷ Submission No 21 from Mrs Jan Pope, 16/9/2006, p4.

²³⁸ Submission No 9 from City of Bunbury, 29/6/2006, p1.

²³⁹ Heritage Council of Western Australia, Available at: <http://register.heritage.wa.gov.au/explanation.html> Accessed on 14/3/2007.

²⁴⁰ Mr William Thomas Perry, Chief Executive Officer, Shire of Greenough, *Transcript of Evidence*, 10/11/2006, p3.

²⁴¹ Mr John Brian Kowal, Manager Community Law and Safety, City of Bunbury, *Transcript of Evidence*, 14/11/2006, p7.

homestead²⁴² that were heritage listed. In the latter instance the homestead was damaged by flood, an uninsurable event as was discussed earlier.

The Committee noted that whilst there is a grant system available, through the Heritage Council, for repairs to privately owned heritage sites, and a (Lottery funded) grant system for community owned sites, the application process takes many months. Additionally the Heritage Council receives c\$4.5 million of applications for \$1 million of available funding, making the grants heavily contested.

The State of Western Australia is, in the Committee's view, at risk of losing some of these privately owned heritage sites where the property owners are unable to adequately insure them. The solution put forward by one witness was the creation of a 'Heritage Reserve Fund' that might underwrite urgent initial repairs to private properties that fall in this category pending consideration of a more comprehensive submission:

*It would be a huge advantage to have some funds available whether it be a heritage reserve fund or whatever to assist with repairing those sorts of buildings. There are a lot of private homes of heritage value around the district.*²⁴³

Finding 19

Privately owned heritage buildings are at long term risk of disrepair where hazard insurance is not available.

Recommendation 14

That consideration be given to the establishment of a 'Heritage Reserve Fund' that might underwrite urgent initial repairs to private heritage listed properties.

²⁴² Mr Peter Jeffries, Station Owner, Billabong Station, *Transcript of Evidence*, 10/11/2006, p2.

²⁴³ Mr William Thomas Perry, Chief Executive Officer, Shire of Greenough, *Transcript of Evidence*, 10/11/2006, p4.

APPENDIX ONE

BRIEFINGS HELD

Date	Name	Position	Organisation
21/02/2007	Mr Maurice Cammack	Incident Management Manager	Main Roads Western Australia
21/03/2007	James Butterworth	A/Director Strategic Management	Fire and Emergency Services Authority of Western Australia

APPENDIX TWO

WITNESSES TO HEARINGS HELD

Date	Name	Position	Organisation
5/09/2006	Mr Robert Fenn	Executive Director, Development Services	City of Albany
	Mr Stephen Gray	Emergency Management Coordinator	City of Albany
	Mr Len Smith	Chairman	Great Southern Area Consultative Committee
	Mr Len van der Waag	Executive Officer	Great Southern Area Consultative Committee
	Mrs Vicki Brown	Small Business Field Officer	Great Southern Area Consultative Committee
	Mrs Leanne Grant- Williams	Community Member	Great Southern Area Consultative Committee
	Mr Maurice House	Community Member	Great Southern Area Consultative Committee
	Mrs Mechelle Kerr	Community Member	Great Southern Area Consultative Committee
	Mrs Christine Lehmann	Community Member	Great Southern Area Consultative Committee
	Mr Klaus Braun	Consultant, Emergency Risk Management, ICS Group	On behalf of Great Southern Area Consultative Committee
	Mr Maynard Rye	Acting Chief Executive Officer	Great Southern Development Commission
	Mr Rob Stewart	Chief Executive Officer	Shire of Plantagenet
	Mr Kevin Forbes	Shire President	Shire of Plantagenet
	Mr Anthony Middleton	Chief Executive Officer	Shire of Cranbrook
6/11/2006	Mr Chris Jackson	Chief Executive Officer	Shire of Lake Grace

COMMUNITY DEVELOPMENT AND JUSTICE STANDING COMMITTEE

	Mr Rodger Crossman	Senior Policy Officer, Farm Business Development	Department of Agriculture and Food
	Mr Alan Wright	Chief Executive Officer	Shire of Kent
	Cr Bruce Altham	Shire President	Shire of Kent
	Ms Linda Elms	District Manager, Great Southern and Central South Region	Fire and Emergency Services Authority of WA
	Mr John Tonkin	Area Manager Narrogin	Fire and Emergency Services Authority of WA
	Mr Don Wallace	Zone President - Corrigin/ Lake Grace	WA Farmers Federation
	Mr Bruce Duckworth	Farmer	Community Member - Lake Grace
	Mrs Helen Bennett	Farmer	Community Member - Lake Grace
	Mr Scott Strevett	Farmer	Community Member - Lake Grace
10/11/2006	Mr Bill Perry	Chief Executive Officer	Shire of Greenough
	Mr Tom Hartman	Chief Executive Officer	Shire of Mullewa
	Mr Paul Findlater	A/Regional Manager, Northern Region	Department of Agriculture and Food
	Mr Rodger Crossman	Senior Policy Officer, Farm Business Development	Department of Agriculture and Food
	Mrs Jano Foulkes- Taylor	Pastoralist - Tardie Station	Pastoralists and Graziers Association of WA
	Mr Peter Jeffries	Station Owner - Billabalong Station	Pastoralists and Graziers Association of WA
	Mr Gordon Hall	Project Director	Fire and Emergency Services Authority of WA
14/11/2006	Mr Jeff Gale	Deputy Chief Executive Officer	Shire of Harvey
	Mr Don Punch	Chief Executive	South West Development Commission

COMMUNITY DEVELOPMENT AND JUSTICE STANDING COMMITTEE

	Ms Alison Lannin	Manager	Small Business Centre Bunbury-Wellington
	Mr Lewis Winter	Community Emergency Management Officer/ Recovery Coordinator	City of Bunbury
	Mr John Kowal	Manager Community Law and Safety	City of Bunbury
	Mr Paul Carr	District Manager, SES Southwest Region	Fire and Emergency Services Authority of WA
	Mr Rodger Crossman	Senior Policy Officer, Farm Business Development	Department of Agriculture and Food
21/02/07	Mr John Lane	Emergency Management Coordinator	Western Australian Local government Association
	Michelle Mackenzie	Policy Manager	Western Australian Local government Association
	Mr Frank Edwards	Chief Executive Officer	City of Perth
	Kimberley John Dean	A/Manager Emergency Services Unit	Department of Community Development
	Mr Maurice Commack	Incident Management Manager	Main Roads Western Australia
	Mr Robert Kenneth Phillips	Manager Budget and Program Management	Main Roads Western Australia
	Mr Stephen Moir	A/Managing Director	Small Business Development Corporation
	Mr Edgar Ronald Richardson	Policy Director	Pastoralists and Graziers Association of WA
28/02/07	Dr Graham Jacobs,	MLA	Member for Roe
	Mr Terry Redman	MLA	Member for Stirling
21/03/07	Ms Jo Harrison-Ward	CEO	Fire and Emergency Services Authority of WA
	Mr Ian Robert Bowden	A/Manager, State Emergency Management Services	Fire and Emergency Services Authority of WA

COMMUNITY DEVELOPMENT AND JUSTICE STANDING COMMITTEE

	Mr James Eamon Butterworth	A/Director Strategic Management	Fire and Emergency Services Authority of WA
	Mr Graham Capper	WANDRA Administrator	Fire and Emergency Services Authority of WA
	Mr Frank Pasquale	A/Executive Director Corporate Services	Fire and Emergency Services Authority of WA

APPENDIX THREE

SUBMISSIONS RECEIVED

Date	Name	Position	Organisation
12/06/2006	Mr Ian Bodill	Chief Executive Officer	Shire of Broome
16/06/2006	Mr Peter Stubbs	Chief Executive Officer	Shire of Wyndham East Kimberley
16/06/2006	Mr Len Smith	Chairman	Great Southern Area Consultative Committee
16/06/2006	Dr Graham Jacobs, MLA	Member for Roe	
16/06/2006	Mr Eric Lumsden	Chief Executive Officer	City of Melville
26/06/2006	Ms Sue Ozich	Director North Division, Community Development and Statewide Services	Department for Community Development
27/06/2006	Mr Laurie Vicary	Chief Executive Officer	Shire of Cue
28/06/2006	Mr Trevor DeLandgraff	President	Western Australian Farmers Federation (Inc)
29/06/2006	Mr Lewis Winter	Emergency Management Officer/ Recovery Coordinator	City of Bunbury
30/06/2006	Mr Bruce Manning	Chief Executive Officer	Great Southern Development Commission
	Mr George Etrelezis	Managing Director	Small Business Development Corporation
10/07/2006	Mr Menno Henneveld	Commissioner of Main Roads	Main Roads Western Australia
12/07/2006	Mr Dominic Carbone	Chief Executive Officer	City of Canning
13/07/2006	Mr Kevin Forbes	Shire President	Shire of Plantagenet

COMMUNITY DEVELOPMENT AND JUSTICE STANDING COMMITTEE

24/07/2006	Mr Bill Hewitt	A/Chief Executive Officer	Fire and Emergency Services Authority of WA
2/08/2006	Mr Wayne Sheggia	Director Policy	Western Australian Local government Association
8/08/2006	Mr Ian Longson	Director General	Department of Agriculture and Food WA
1/09/2006	Mr Charles Jenkinson	Executive Officer	Mid West Gascoyne Area Consultative Committee
16/09/2006	Mrs Jan Pope		
29/09/2006	Mr Sandy McTaggart	President	Pastoralists and Graziers Association
6/11/2006	Mr Chris Jackson	Chief Executive Officer	Shire of Lake Grace
6/11/2006	Ms Lynda Elms	District Manager	Fire and Emergency Services Authority of WA
10/11/2006	Mrs Jano Foulkes-Taylor	Member	Pastoralists and Graziers Association of WA
10/11/2006	Mr Gordon Hall	Project Director	Fire and Emergency Services Authority of WA
14/11/2006	Ms Alison Lannin	Manager	Small Business Centre Bunbury-Wellington
9/02/07	Ms Sandy Lehman	Chairperson	Tenterden Fire Recovery Committee
21/02/07	Mr Frank Edwards	CEO	City of Perth
22/02/07	Mr Karl Sullivan	General Manager Policy, Risk and Disaster Planning Directorate	Insurance Council of Australia

APPENDIX FOUR

LEGISLATION

Legislation	State (or Country)
Emergency Management Act 2005	Western Australia
Emergency Management Regulations 2006	Western Australia
Social Security Act 1991	Commonwealth