

# **COMMUNITY DEVELOPMENT AND JUSTICE STANDING COMMITTEE**

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

**TRANSCRIPT OF EVIDENCE TAKEN  
AT BUNBURY  
TUESDAY, 14 NOVEMBER 2006**

### **SESSION SIX**

#### **Members**

**Mr A.P. O’Gorman (Chairman)**

**Mr S.R. Hill**

**Ms K. Hodson-Thomas**

**Mrs J. Hughes**

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**Hearing commenced at 2.21 pm**

**CROSSMAN, MR RODGER JOHN,**  
**Senior Policy Officer, Department of Agriculture and Food, examined:**

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

**Mr Crossman:** Yes.

**Ms K. HODSON-THOMAS:** Do you understand the notes attached to it?

**Mr Crossman:** Yes.

**Ms K. HODSON-THOMAS:** Have you received and read an information for witnesses briefing sheet regarding giving evidence before parliamentary committees.

**Mr Crossman:** Yes.

**Ms K. HODSON-THOMAS:** I will start off with some questions. Were primary producers in the areas around Bunbury greatly affected by the severe storms of 2005, or was damage localised to the Bunbury central business district? If the former was the case, are you aware in general how extensive the uptake by primary producers in this region of WANDRA assistance has been as a result of that natural disaster?

**Mr Crossman:** There was nothing in the way of extensive damage to primary production properties in those most recent disasters. There has been virtually no interest from primary producers.

**Ms K. HODSON-THOMAS:** So there has been no uptake of WANDRA assistance at all?

**Mr Crossman:** None at all.

**Mrs J. HUGHES:** Although it did not affect the primary producers as in stock, land and so forth, were any businesses that primary producers relied on to continue their business on the land affected in any way?

**Mr Crossman:** There may have been some, but it was not generally evident.

**Mrs J. HUGHES:** Did it seem to create any real difficulties?

**Mr Crossman:** No.

**Ms K. HODSON-THOMAS:** Did local Department of Agriculture and Food staff play a role in the provision of natural disaster relief arrangements in this area?

**Mr Crossman:** Initially, there was a check with local department staff about whether there was anything in the country areas. I think, after the initial investigation, it was found that the two major storms down here were confined to the towns and the city area. There was not much weather follow-up. The department has a seat on the local committee in each place.

**Ms K. HODSON-THOMAS:** Do you think there is an opportunity for the local department staff to liaise with local government and other state government agency staff following proclamation of a natural disaster in order to coordinate the WANDRA measures?

**Mr Crossman:** I think that is pretty well established now in most areas. The Department of Agriculture and Food is one of the main bodies that are usually contacted by FESA initially when

there is some disaster. The Department of Agriculture and Food provides the advice to FESA on the damage to primary producers, which is usually pretty up front prior to and during the declaration process. That seems to have been pretty well established now.

**Mrs J. HUGHES:** Have there been any natural disasters around this region that primary producers have been involved with?

**Mr Crossman:** That was one of the things that I wanted to bring out today. Back in December 2003, the Tenterden fires occurred, and there were also some very bad fires through Bridgetown, which is just in the hinterland here. We had involvement then, and some of the deficiencies have now been rectified following that, but at that time the Tenterden fire was not actually declared a natural disaster. It was not able to be declared a natural disaster, because at that stage, if there was any suspicion that there might have been human intervention or human cause for the fire, that ruled out declaring it a natural disaster. That was rectified in the middle of 2005. It was an anomaly because people were badly affected and then it came out that there was the possibility that the fire was started somewhere by human intervention, so then it was not able to be declared a natural disaster. That was a commonwealth directive at that time, and it was not until the middle of last year that we got all of that changed to the extent that now, whether it is caused by human intervention or not, a fire event can be declared a natural disaster and then afterwards it gets sorted out. It is important in the wash-up of things, with the sort-out for insurance purposes. That is when it becomes quite important.

**Mrs J. HUGHES:** So, if the fire is claimed as a disaster, whether there is human intervention or not, are there repercussions for it not then coming under WANDRA, if it is deemed that there has been human intervention?

[2.30 pm]

**Mr Crossman:** Now, it is not a problem.

**Mrs J. HUGHES:** Will it just go under WANDRA now, regardless?

**Mr Crossman:** Yes, that is right. With those really bad fires in 2003, that was not the case.

**Ms K. HODSON-THOMAS:** Did anybody fit the criteria?

**Mr Crossman:** No, because it could not be declared a natural disaster. We had another one at that time at Chittering. I had to go there and tell the people that there was fairly strong evidence that this was caused by somebody doing something wrong. It is not a natural disaster so no assistance is available, which is a terrible situation. Again, these people really needed some sort of help and we were hamstrung by that particular ruling.

**Ms K. HODSON-THOMAS:** Were they not able to get any assistance?

**Mr Crossman:** No, at that time they could not, especially those people who were in hardship situations. In 2003 the agriculture department implemented schemes for assisting farmers and that was funded by the department. In the middle of 2005 that was rolled into the natural disaster arrangements. From July 2005 it has been much more workable.

In the Bridgetown fire about 25 properties were affected. Four were severely affected. A scheme was set up under the agriculture department to provide funding for it. It was purely for professional advice and transport of livestock to agistment. There was nothing in the way of a loan fund.

**Ms K. HODSON-THOMAS:** Rodger, you said that the definition "natural disaster" has changed and that human intervention is now deemed a natural disaster. Today we heard that the definition should be broadened to include, for example, a terrorism act or chemical explosion.

**Mr Crossman:** Yes, certainly there is a case for it. It needs to be something that will cover all these eventualities and be implemented by the government. It has been quite embarrassing at times over the past few years that the minister or the Premier says we will do this and that and we are left

wondering how it will be done because we do not have the mechanism by which to do it. When people find out that they cannot qualify for assistance, it really does not do the government any good. Drought was once classified as a natural disaster. In the early 1990s it was no longer classified as a natural disaster and it is now dealt with separately. Things happen today that we probably would not have dreamt of happening 10 or 15 years ago. Perhaps there is a chance for the definition to be expanded to include terrorism and those sorts of things.

**Mrs J. HUGHES:** Therefore, the proclamation of what is a disaster does not allow for any grey areas, so to speak.

**Mr Crossman:** Yes, it is more or less that way. In the normal course of events, such as flood, fire, earthquake and tsunami, it is fairly clear-cut. There are probably grey areas when we come to some of these other things. For example, a chemical spill could have a devastating effect on an individual.

**Mrs J. HUGHES:** What about disease, especially for primary producers?

**Mr Crossman:** Disease is covered by other legislation. There is fairly clear-cut legislation for stock, plant and animal diseases. That is a whole different area for which there are response programs and all that sort of thing in place

**Mrs J. HUGHES:** What areas are included in the Bunbury region?

**Mr Crossman:** I suppose for the south west, it is down to Margaret River in the south west and inland to Pemberton - it is the area from Bunbury to Albany. If we take everything south west of that, it is in this region.

**Mrs J. HUGHES:** Are some of the biggest natural disasters that you come across fire and drought?

**Mr Crossman:** Throughout this area, from the point of view of agriculture, fire is the main problem. I will extrapolate a bit further on the fact that the Tenterden and Bridgetown fires were subject to the same conditions - there were a few days of wind and the conditions were shocking. About 40 properties in the Tenterden area were affected, eight of them severely, and about 25 in Bridgetown, four of them severely. Under the department's scheme, 21 applications for assistance were received. One was a bit of a try-on from somebody outside the area, and another applied and the application was approved but, for some reason, he never claimed. Therefore, 19 applications were approved and 15 of those were for transport of stock to agistment and seven for professional advice - there were four for professional advice only.

It is rather interesting that with professional advice - although you have heard around the place that people are saying it is a waste of time - it is either black or white. People who go for it say it has been a great benefit to them. Those who do not want to take it on say it is a waste of time and they know what needs to be done and no-one needs to tell them what to do. They just have not got any idea of what it is all about. The story of a farmer who was badly affected by one of the fires is fairly symptomatic of the professional advice that is given. This guy took just professional advice. He had a relatively small property and virtually 90 per cent of his property was burnt. He did not have a lot of stock, but he lost a high percentage of his stock - 80 to 90 per cent. All of that was covered by insurance - pasture, fencing and stock - and that was not a problem. He took up the professional advice. At that stage it was only at a cost of \$1 000. I spoke to him afterwards and he said that was the best thing that could have done. He said that he was in a time warp and could not see what to do and where to go from here. He got somebody in from outside. The guy who came in probably gave him significantly more than \$1 000 worth of his time and the farmer probably would have paid for a little bit more. He said it was absolutely the thing that got him back thinking straight. This was within a week or two of the event. That one instance sticks in my mind as being an example of how this professional advice can really operate. It was the ultimate situation. At the other end of the scale, the majority of farmers would say it is a waste of time. Those people who have taken it up appreciate it and are grateful to have that opportunity. Many of them are already

being provided with advice from their accountant, farm adviser or somebody else anyway. This additional amount of money provides for additional time. Virtually anybody who applies for assistance gets approval. We do not look too hard at debt. If they apply only for professional advice, we do not look too hard at their financial situation, even if they have the ability to do it. We say that it is not worth arguing about; we just provide it. That has been the small positive thing about the NDRA. The farmers who know and understand say that that is a good thing that is provided.

[2.40 pm]

**Mrs J. HUGHES:** Do you think the opinion of farmers is starting to change through word of mouth?

**Mr Crossman:** A little, but that takes a long time.

**Ms K. HODSON-THOMAS:** They are getting objective advice. When a situation like that occurs, quite clearly, they are emotional and subjective and they cannot see clearly. You said earlier that the assistance given amounted to \$1 000 at the time and it has since gone up to \$1 500. When did that increase occur?

**Mr Crossman:** That occurred in July 2005, when the Department of Agriculture and Food took over the assessment of the NDRA for FESA. That was the main part that I really wanted to bring out, relative to the hinterland of this region. In the future it will relate to fires and that sort of thing. People also say that it would be good to have something in place for the disposal of stock that have been burnt or destroyed. At present nothing is provided. They also need something for the clean-up of trees. After a fire goes through, quite often trees fall over fences. A lot of time and effort goes into cleaning up trees that have fallen on fence lines and that sort of thing. From a fire point of view, people say that it would be good to have a small grant that would assist in those two areas. At present the community spirit comes together when the clean-up of dead stock and the like is required. Everybody helps each other. Whether or not funding is provided, the clean-up happens in some way. At the moment there is nothing available to assist. It is not really something that WANDRA is involved with. People ask why they cannot have assistance.

**Ms K. HODSON-THOMAS:** Do you have a figure?

**Mr Crossman:** At the moment we do not have a figure. We may be putting something forward later.

**Mrs J. HUGHES:** On that subject of clean-ups and so forth and assistance, we received evidence from a farmer who spoke about regrading roads after floods and the large amount of routing out of the earth and so forth. Do you think that component should be included in those same clean-up measures?

**Mr Crossman:** In a flood situation in which fences have been knocked down and there is scouring and that sort of thing, a small grant to assist would add to the farming community's view of what is available under the NDRA.

**Mrs J. HUGHES:** Some farms stay under water for an incredibly long period. Quite often they may need to reroute roads as well so that they can get in and out or get stock moving or whatever they need to do. Do you think that the accessibility issue should also be part of a clean-up?

**Mr Crossman:** If a small grant is provided, that can assist in the general clean-up.

**Mrs J. HUGHES:** It could be a nice broad open structure, as long as it fell within that clean-up.

**Mr Crossman:** I understand that the principle has been considered nationally. They have been considering it for about two years. It does not seem to be getting very far. Hopefully it is getting closer.

**Ms K. HODSON-THOMAS:** You may not be able to answer this question, but what level of preparedness do primary producers in this region generally have for natural disasters; for example, insurance arrangements?

**Mr Crossman:** In this region, anybody who does not have cover for fire is really not serious. If they do not have insurance cover for fire, they are taking a big risk. Fire is fairly clear cut in that farmers can insure livestock, fencing and feed. In this high rainfall area, which is the grazing areas and the region from here across to Albany, anybody who is not covered and does not have insurance is not seriously managing their business.

**Mrs J. HUGHES:** I hope that is a very low percentage.

**Mr Crossman:** I do not know. I suspect that it is not as low as we might hope. People are prepared to take a risk. If they take a risk and get caught, there is no case for providing anything.

**Mrs J. HUGHES:** They would run their own risk analysis and take it from there?

**Mr Crossman:** Yes.

**Mrs J. HUGHES:** Do you think that farmers are not insuring because of premium costs?

**Mr Crossman:** They will say that. Every individual has to weigh it up for himself.

**Mrs J. HUGHES:** If they run a risk analysis, do you find that they are well equipped for fighting a fire, should one occur on their land?

**Mr Crossman:** Virtually through all parts of the wheatbelt and all parts of the state, farmers are very well set up. They are setting themselves up better and better all the time. In some of the areas where there are a lot of small hobby farms near Bunbury and Bridgetown, they are not quite as well set up. We find that every farm will have its own firefighting pump and tank. There is quite a range of things available, such as a dedicated vehicle that sits there all summer ready to roll. It would probably be checked once a week to see that it starts and is full of water.

[2.50 pm]

**Mrs J. HUGHES:** So they obviously take the fire risk very seriously.

**Mr Crossman:** Yes, they do.

**Mrs J. HUGHES:** They may not put that into dollars and cents but there is certainly preparedness in that view.

**Mr Crossman:** Yes, they are generally pretty well set up. You will find that within these areas too, over the summer period there just needs to be a puff of smoke on the horizon and everybody is aware and there. From that point of view, a lot of equipment is out there. People would say that it maybe could be better coordinated, but within each area you have the local fire chief and the volunteer fire group.

**Mrs J. HUGHES:** There seems to be preparedness in risk mitigation on the land level.

**Mr Crossman:** Yes.

**Mrs J. HUGHES:** They seem to have fuel loads and those sorts of things pretty much in control through the farm management.

**Mr Crossman:** Fuel loads are fair enough but the things that get us caught are these exceptional conditions.

**Mrs J. HUGHES:** The wind and the heat.

**Mr Crossman:** Yes. The day of that fire in Tenterden and Bridgetown, that was just shocking. I wasn't here; I was in Perth, but the heat and the wind - they said, "Hopefully a fire won't get away today," and sure enough something happened.

**Mrs J. HUGHES:** The coordination across local governments and so forth is all -

**Mr Crossman:** Yes, pretty much the awareness is there in local government. Here at the present time, even this last week there has been fire bans. The Kent Shire just the other day had a fire ban on Thursday, I think it was, and to see in that situation what happens that if there is a fire ban in the shire area, there is no vehicle movement on the paddocks. Anybody that breaks that would be in trouble. From an insurance point of view, if anybody did not stop harvesting or was out driving through the paddocks and caused a fire -

**Mrs J. HUGHES:** Fear of sparks.

**Mr Crossman:** Yes. That is something that is ingrained into the farming community virtually statewide. From that point of view there is certainly awareness. There are odd times when you get these extreme conditions, and nothing can stop that.

**Ms K. HODSON-THOMAS:** Rodger, there are no further questions that we have for you today because you have answered them at the previous hearings that we have held. Are there any other matters that you would like to raise specific to this particular region?

**Mr Crossman:** Not so much for this particular region but there was just one area that I would like to perhaps highlight in looking at this. It is part of our submission from the department in item 3.1 of the attachment to our submission. It was the comparison of measures in Western Australia compared to other states. It is on page 3 of the addition that was attached to the submission. We have gone through and itemised what happens in other states, but with 3.1 - the comparison and measures in Western Australia - I should say that Western Australia provides professional advice up to \$1 500. No other state offers that. We provide the reimbursement of transport to agistment after fire events; that is not provided by any other state. The loans facility to assist in the recover is the main support measure in all states. It is up to \$130 000 in New South Wales with \$150 000 in all the other states. Loans are made directly by the government in Queensland, New South Wales and Victoria, because those states actually have dedicated rural lending bodies, but in Western Australia, we do not have that. Well, we have the legislation to do that, but we do not do it. The mechanism for doing that was dismantled with the Rural Business Development Corporation. Concerning the loan interest rates in Western Australia, we provide the four per cent interest subsidy on a commercial rate. Queensland provides a concessional rate of four per cent. That is different; it provides a four per cent loan for seven years. New South Wales provides concessional interest rates - this is not stated in their publicity on it - for the term of the loan, and with the first two years interest free, but full repayment within 10 years. Once again, because the state itself does the lending, they can organise that. But in the case of us using commercial lenders, it is not so easy. In Victoria there is a concessional interest rate of 2.6 per cent for up to five years and then they go to a full commercial rate for beyond five years. There is a range of interest rates there. As in all states, the loan support is the main measure of assistance. In Western Australia we are the only ones who provide these other things. We have also provided additional bits, like with the floods at Albany where the seed potato producers were badly affected and had their crops washed out. We provided the reimbursement of the inspection fees.

**Ms K. HODSON-THOMAS:** The Department of Agriculture and Food could be up to 16 per cent interest and only give a subsidy of four.

**Mr Crossman:** Yes.

**Mrs J. HUGHES:** From the Department of Agriculture and Food's point of view, or from the farmer's perspective, it would prefer to see perhaps a rate that could be applied if they could be set up under some sort of state scheme.

**Mr Crossman:** Once again, all farmers will always go for a low interest rate. They will do that anyway; they will want that anyway. I think that we have proved that that is not really a major factor these days.

**Mrs J. HUGHES:** It is not really an issue.

**Mr Crossman:** No.

**Mrs J. HUGHES:** I notice that there is quite a difference.

**Mr Crossman:** Yes, there is a big range there. It reflects the different states' attitudes. In New South Wales and Queensland certainly they have quite a different attitude to concessional finance than we have in Western Australia.

**Ms K. HODSON-THOMAS:** Any other comments, Rodger?

**Mr Crossman:** The other part of it - I will just add to that bit - is that there have been questions about the inclusion of transport to agistment. The rationale in this when we first put this in place was to provide for immediate assistance so that farms could say, "Right, well, I'll get the transport truck in and shift my stock away." They now know that that can be done even before the declaration. If they know that there has been a declaration, they can then recoup that transport cost. It is to provide for where the feed has been destroyed. The adjunct to that is that it alleviates the risk of land degradation from stock trampling over the burnt area. It provides a tangible support to affected farmers to make the decision and move on. Our past experience is that that special government financial assistance can be justified on the grounds of animal welfare issues, and or the alleviation of land degradation. For drought purposes, way back there used to be subsidies in transport of feed into drought areas, but it was found that farmers perhaps were not making decisions early enough to do what they really needed to do. Following on from that government support for livestock welfare measures and alleviation of land damage is really the main underlying area for any of this sort of assistance.

The final point is that, for fires, we have found that the application rate has been up to about one-third for affected producers, but for floods, it is really only up to 10 to 15 per cent that apply.

**Ms K. HODSON-THOMAS:** Have we covered everything?

**Mr Crossman:** They were main points that we are still hanging out over, and what I could see needed to be raised.

**Ms K. HODSON-THOMAS:** Thank you for your contribution to the committee's inquiry. A transcript of this hearing will be forwarded to you for correction of typographical errors or errors of transcription or fact. New material cannot be introduced in the sense that the evidence cannot be altered. Should you wish to provide additional information or elaborate on particular points, you should submit a supplementary submission for the committee's consideration. If the transcript is not returned within 10 days of receipt, it will be deemed to be correct. Thank you very much, Rodger. We are very appreciative of your time.

**Hearing concluded at 3.01 pm**

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