

COMMUNITY DEVELOPMENT AND JUSTICE STANDING COMMITTEE

INQUIRY INTO WESTERN AUSTRALIA'S NATURAL DISASTER RELIEF ARRANGEMENTS

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

SESSION FOUR

Members

Mr A.P. O’Gorman (Chairman)
Mr S.R. Hill
Ms K. Hodson-Thomas
Mrs J. Hughes

Hearing commenced at 2.40 pm

PHILLIPS, MR ROBERT KENNETH

Manager, Budget and Program Management, Main Roads WA, examined:

CAMMACK, MR MAURICE

Incident Management Manager, Main Roads WA, examined:

The CHAIRMAN: I will first read the information that I need to read to you and everything will be recorded from here on in. There are a number of questions in the information that I will read to you, so I ask that you respond verbally to them rather than nod or shake your head, and we can get that recorded in *Hansard*.

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

The Witnesses: Yes.

The CHAIRMAN: Did you understand the notes at the bottom of the form?

The Witnesses: Yes.

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

The Witnesses: Yes.

The CHAIRMAN: Do you have any questions relating to your appearance before the committee today?

The Witnesses: No.

The CHAIRMAN: We have received a submission from you. Do you wish to propose any amendments to your submission?

Mr Phillips: No, we do not.

The CHAIRMAN: Before we ask any questions, would you like to make any statement or an opening statement in addition to your submission?

Mr Phillips: No. We are kind of happy with the submission we have made and we are happy to expand on that submission or answer any questions in relation to that submission.

The CHAIRMAN: We have a couple of set questions that have come in from that. I am aware that the administration of WANDRA relies on a number of different state government agencies. Could you please provide an overview of Main Roads' role in WANDRA and whether that is directed from Perth as opposed to the regions? Do you know what WANDRA is?

Mr Phillips: Yes. Main Roads, I suppose, on behalf of WANDRA, plays a coordinating role when there is an incident - a flood damage incident particularly - and, on behalf of that area of FESA, obtains information from our regional offices in relation to damage suffered on both local and state roads. We provide WANDRA with estimates of that damage and then they, we understand, use that to put together a consolidated, I suppose, estimate of total damage of that event and to see whether

it triggers the various criteria to be considered as an event under the natural disaster funding arrangements.

Mrs J. HUGHES: When you talk about your regional officers then going out to assess the damage, do you have many regional offices that reach throughout the state, or how does it work?

Mr Phillips: Yes. We have nine regional offices ranging from one in Derby to one in Port Hedland, Carnarvon, Geraldton, Boulder, Northam, Narrogin, Albany and Bunbury. I do not think I have missed any out. Then we have another what we call region in the metropolitan area. Each of those has a regional manager who has responsibility for managing that region on behalf of Main Roads. The regional office would make contact with various local governments within that area at the time an event happens, get information from them and an estimate of the damage that has been caused by the event.

Mrs J. HUGHES: Do you rely on the local government's engineering or does Main Roads do the assessment?

Mr Phillips: Main Roads does an assessment based on the information it receives from the local government. It looks at the estimates, casts an eye over the type of information, the calculations that have been used in terms of the estimate of damage done, and then provides, I suppose, confirmation or otherwise that the estimates that have been submitted are as accurate as they believe they are at that particular point in time.

Mr Cammack: I might also add that within the regional offices from time to time also there are joint inspections undertaken with the local governments. It does not happen on every occasion but, for example, in the Esperance flooding there were joint inspections undertaken with the Shire of Esperance and Main Roads personnel and also with the great southern personnel for the Shire of Ravensthorpe; so, depending on the incident, sometimes there is a joint inspection and at other times there is not.

The CHAIRMAN: Can you tell us how closely the various agencies work together following a natural disaster, and in particular how they administer WANDRA?

Mr Phillips: I will make some comments, and I am not sure whether Maurice can add to my comments. The area that I am involved in for Main Roads is very much in terms of acting as a conduit between WANDRA and both the local governments and Main Roads itself in terms of trying to, as I say, obtain as quickly as possible information on the level of damage that has been done to the road network. We tend to find that our organisation works very well with WANDRA and the executive officer of WANDRA. We find that we have good communications and good cooperation with them and our own officers and we tend to not have any problems within that area. That is very much the role that we play. I am not sure whether Maurice would want to add something in terms of expanding on that.

Mr Cammack: In terms of overall coordination of emergency management, Main Roads is a participant in a number of the state emergency management committees that are in place. There is a state emergency coordinating group, which I attend on behalf of Main Roads; that is, when the incident starts to develop, if it is of a significant scale, the state emergency coordinating group will stand up. That is a forum that all of the hazard management authorities and support agencies attend so that we can share information about what we are doing to manage an incident or a crisis and what actions need to be taken by different agencies, and if there are any conflicts, they can be discussed; so that works quite effectively. Main Roads is also a participant in the state mitigation committee, which is part of the FESA committee structure, and we are also a member of the lifeline services group that looks at, just as the name might imply, the utilities, the lifelines; that is, power, water, roads and rail. Again, that is another emergency services committee that is designed to share information between the agencies so that in the event of something happening we already have some protocols in place and we have an understanding of what each other does. Therefore, I think

we have got the funding side of it through WANDRA and we have also got the emergency response and pre-planning, and Main Roads is actively involved in that and it seems to work quite effectively.

The CHAIRMAN: You mentioned the funding side of it.

Mr Cammack: Yes.

The CHAIRMAN: Can you tell us where the funds come from for WANDRA? Is that something that you have set aside in the Main Roads budget or is that additional funds from Treasury?

Mr Phillips: No, Main Roads does not get any appropriation to cover events of that nature. It is additional funding that is provided to Main Roads through WANDRA.

Mrs J. HUGHES: I have a question following on from working together with agencies and so forth, which you explained. Obviously, in some isolated areas - excuse my ignorance - as far as road building is concerned or putting a road back together, I imagine that you work with contractors to actually undertake the works or perhaps some local governments may undertake it themselves. So as far as response times are concerned, I guess it is all fine to go out there and assess the damage and so forth, but when it comes to actually rebuilding or implementing the works, have delays with contractors and local governments been an issue?

Mr Phillips: I suppose the effort is to try to get roads open as quickly as possible. I think every effort is made by Main Roads to assist local governments, particularly in terms of where it is affecting the local road network, to get those roads open. I think you are right in saying that there are various sources of contractors, either local government or Main Roads' own term maintenance contractors, that may come in and do the work. I would imagine that it is not always as fast as some people would like, but I think that every effort is made, within the constraints that one would operate under, to try to get the network what we call opened. Then reinstatement of the network may be a little bit further down the track, but the critical point, I suppose, is to get the network open to allow traffic to continue to move through.

[2.50 pm]

Mrs J. HUGHES: So the relationships and partnerships that you have with these people are updated and upgraded. I suppose that contractors would be the hardest ones because you would say that you need them now but they may be committed to other works and so forth. Do you have continual liaison with the contractors to help mitigate some of that?

Mr Cammack: In terms of our contracting approach, Main Roads has all of its maintenance contracted out. That was undertaken some years ago now. Part of what we call the "term network contracts" - there are eight of them across the state, from recollection - have written into them the requirement for the contractor to respond to incidents on our network. They have a contractual obligation and they have standards to fulfil. They have to respond - I cannot remember the exact time - in about two hours to an incident. They have to respond within two hours from when a call is made. To provide an example of the level of response we get, for the Dwellingup-Waroona fire that we had just recently, the contractor down there attended a meeting at Pinjarra at 10.30 at night, on the Saturday evening, when the issue started to look like it was developing into something more significant. They then brought in workers at around midnight on Saturday to set up roadblocks to control the traffic. On the Sunday there was a call from the Department of Environment and Conservation at around 10.30 or 11 o'clock that they needed some graders to cut some firebreaks to protect Coolup. There was a phone call to the contractors and they had some graders on the site with operators at around midnight. That was on the Sunday evening. That is an example of where there is an excellent response. I think when there is an emergency event happening we put a lot of the paperwork to one side and focus on dealing with the issue. We do have that backup of the contractors and it is part of their role and responsibilities to provide those services to Main Roads.

The CHAIRMAN: I want to talk about the 75-25. It is a bit of a bone of contention with many of the local governments. Seventy-five per cent of the costs associated with the restoration of local roads is met by WANDRA and the remaining 25 per cent is met by local government. Could you describe to us the procedure for doing that? Presumably, local government actually completes the repair work before submitting a claim to Main Roads for reimbursement. Can you tell us how long that type of thing takes?

Mr Phillips: Sure. Under the criteria that is set by WANDRA, there is only a 75 per cent reimbursement and therefore local governments have to pick up the remaining 25 per cent. That has become very onerous for a number of local governments that have very small rate bases and it has, for some, been a bone of contention for some considerable time in terms of the arrangements that are in place. Main Roads has also what is called the State Road Funds to Local Government Agreement under which it has a flood damage policy arrangement. It sets aside, under that agreement, a minimum of \$4 million per year towards meeting flood damage claims as well. That is for flood damage claims that do not necessarily meet the WANDRA criteria. There may be other flood events that do not meet the criteria. Under those arrangements, it refunds local government 100 per cent of opening-up costs and \$2 for \$1 cost for reinstatement. Under the WANDRA arrangement, the 75-25 per cent arrangement, if the Main Roads policy under the State Road Funds to Local Government Agreement would give them a greater reimbursement, then that applies. We get the 75 per cent from WANDRA, and if the 75 per cent is less than what we would refund them under our arrangements, we top that up so they get that benefit. 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.

The CHAIRMAN: Let me understand that because it is the first time I have heard that. For Lake Grace, or Esperance for that matter, Main Roads estimates that it will cost \$2 million to replace the road. You put 40 per cent in their bank account ready to go so that they can hire contractors etc?

Mr Phillips: Yes. 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. In the case of Lake Grace, which is a typical one, that related to floods that happened in January 2006. We introduced special funding arrangements through the State Road Funds to Local Government Agreement for a number of councils that had come forward to the advisory committee complaining of the pressures on their funding levels to meet the 25 per cent gap. Whilst it was some time after the event, we introduced some additional criteria for a one-off type arrangement that should the councils down in that region suffer as a result of that event, we would reimburse them up to \$300 000 of their 25 per cent shortfall. In the case of Lake Grace, the total cost of their claim was \$2.4 million, of which 75 per cent was \$1.8 million, which meant that they were out of pocket by \$600 000. Through the special one-off arrangement they then got another \$300 000. They were then out of pocket \$300 000. That \$300 000 was not paid for some time because the claim was made substantially after the event. In terms of the actual original claim, we utilised the funding pool that we have under the State Road Funds to Local Government Agreement to try to help councils out.

The CHAIRMAN: I think you have answered about three of our questions in one hit! We had a question specifically about Lake Grace.

Mr Phillips: May I say that the final cost is not calculated for many months after the event. From memory, I think there was an event down in the Shire of Plantagenet. I think that the shire president, Kevin Forbes, has already appeared before this committee. They had an event that occurred down there in which the damaged road network was estimated to remain under flood

damage for about 18 months. They could not do any work; they could not come up with the final estimates of the cost of the damage.

The CHAIRMAN: That was the big dip he was talking about.

Mr Phillips: Probably. That was a major problem. As soon as they were in a position to identify costs associated with that, the claim went through FESA through the WANDRA arrangements. As soon as that was approved, we could go forward with the 40 per cent. In actual fact, with a number of councils we have given them an advance right up-front before it has even been approved because we have been saying that if it was such an event but not accepted under the WANDRA criteria, it would be accepted under the State Road Funds to Local Government Agreement criteria so that, either way, we have to pay out; so we will give them an advance anyway.

The CHAIRMAN: You mentioned Kevin Forbes and Plantagenet - I think it is that case but I will stand corrected. The re-establishment of the road will probably take 18 months because it will take that time for the water to be completely cleared. Until that is done they cannot assess the damage and replace the road. Does it not seem somewhat foolish to replace a road that we know will be under water for 12 to 18 months? Would it not be far better to mitigate that in some way and put in the extra funds to do something different and engineer it differently so that we do not have that problem in the future?

Mr Phillips: In the Main Roads submission it was one of the points that we raised about improvements that could be undertaken. We have also been in discussion with, and have a copy of, the Western Australian Local Government Association submission, which I think identifies the same issue. It often seems ridiculous, I suppose, spending money to reinstate a road back to the same level that it was before, knowing full well that if there is a similar event 12 months down the track, the repairs carried out will be washed away. It would be ideal to carry out improvement works so that a similar event in the future would not cause the same level of damage. I suppose it is very difficult to try and determine what the level of improvement works is to overcome that problem and what some may try to get as improvement works to benefit other things they have on their minds. I think we are very conscious of the need for some consideration to be given to allowing some level of improvement to be undertaken. We know that there are flood mitigation funds around that are available to address some of these issues, but they are not necessarily available at the time of the event or at the time the repairs are going to be carried out. Therefore, it would be appropriate for some level of improvement work to be carried out. I think you would need to be very careful in terms of what would be approved as improvement works, because you do not want to relocate or realign a road hundreds of metres away from where it was, at huge expense, when that was not necessary. It may have taken a lesser treatment to improve the current road and also avoid any damage from a similar event.

[3.00 pm]

Mr Cammack: It comes back to probability. What is the probability of that event reoccurring again? If it is a fairly high recurrence interval, it is worthwhile putting a bit of extra cash into making the improvement. If it is a very low probability, putting in significant levels of investment would be a waste of public money. There is that balance.

The CHAIRMAN: That is one of the reasons we are getting this problem at the moment around Esperance, down in the south west area and in some of the Kimberley areas. Up to January 2006 nobody could remember that type of event, yet we have had it twice in two years and people are starting to say, "Hang on a minute; if it happened twice in two years, it could happen four times in four years." People are starting to worry that there will be an increasing regularity of that event. That is probably one of the reasons it is starting to come to the fore. We seem to be getting these events more often.

Mrs J. HUGHES: I refer to the capacity of Main Roads to employ the services of engineers to redesign or reassess different roads that are under the threat of disasters. At the moment it has not been specified whether Main Roads can pull that type of service out from WANDRA.

Mr Phillips: I am not aware that we would be able to do that. The only times we have been involved with WANDRA have been from a financial aspect and not a resource aspect. We have our own waterways engineers who look at a lot of our networks and things that are designed for a 100-year event or those types of things. We are relatively limited in that area. We have two or three engineers in our waterways section. They look at all these events after they happen. They visit all these areas and put in reports about what they think could be done to improve the situation for the future. As you said, Mr Chairman, these events have been unusual. They have always occurred in the north and therefore our people have spent a lot of time in the north looking at 50, 100 and 150-year type events and the risk probability of designing networks, bridges etc based on that type of risk.

Mrs J. HUGHES: Is the information gained by the engineers who carry out assessments after an event and so forth fed into your database for future reference for upgrades or maintenance?

Mr Cammack: The focus for Main Roads is primarily on our network. If there are impacts on the local government network, we can do joint assessments with local government, but in terms of what is the appropriate way of solving an issue, that is really a local government engineering issue. Main Roads can provide technical advice and support but we cannot do complete redesigns, for example, as a matter of course. That is not something we would have the resources and capacity to be able to do. The regional offices provide support and advice wherever they can. For significant waterways structures, Main Roads has done designs for local government. In the Carnarvon area and in the upper Gascoyne shire where they have a works supervisor, Main Roads has done designs for concrete flood crossings because they require a significant level of investment. The Shire of Upper Gascoyne does not have the technical expertise, so we provide that support for them. In the south west where the councils do have qualified engineering staff, we will provide support but it is primarily a local government asset and for them to deal with the most appropriate way to mitigate.

The CHAIRMAN: I am assuming from what the Local Government Association told us and what you tell us that there is a reasonable understanding of WANDRA funding and Main Roads puts out information to that effect. How do you tell local governments what is available to them? You probably deal with 144 of them on a regular basis.

Mr Phillips: We are in contact fairly regularly. The structure is such that there are regional road groups set up in each of our regions and we have a local contact in each of the local governments that are represented under those regional road groups. We have a lot of contact with them through that source. They are advised of funding assistance that is available through WANDRA. As soon as an event occurs, we advise all the local governments within that area by e-mail that this event is being considered for WANDRA funding, depending on whether it reaches the critical damage level. Our regional offices are also very much in touch with local governments to keep them well and truly advised. Even through our association, and working with the WA Local Government Association, which we work with very closely, it also communicates a lot of this information to each of the local governments.

The CHAIRMAN: You just mentioned the critical number, the \$244 000. Is that a reasonable number or should it be assessed differently? Should there be flexibility about it in terms of the Local Government Association's capacity to fund reinstatements and access and those sorts of things?

Mr Phillips: On the surface, it seems a very low amount but it depends where the damage occurs and if the damage occurred in a very restricted local government area that had a very small rate base. If it did not have the financial capacity to meet some of the commitments, it is probably a very large amount. It depends where the damage occurs. Some of the bigger councils would

probably consider that if they were part of a group of councils that suffered damage, \$240 000 would be well and truly suitable. I gather if you looked at, say, a Ravensthorpe council in isolation in terms of what has happened in recent times, it would think \$240 000 is an abnormal amount. It appears on the surface that you do not have to do that much damage to your network to get \$240 000.

The CHAIRMAN: In December 2006 the federal government announced that NDRA would be enhanced to provide, among other things, funding to upgrade essential infrastructure to more resilient standards. This addresses an issue raised in Main Roads' submission regarding the need to not only reinstate, but also improve roads to mitigate damage from future events. Are you aware of that change? Will that change be formally incorporated into WANDRA? If it will be, how long will it be before the WA community will benefit from it? I suppose it leads to what I asked earlier.

Mr Phillips: I am not aware of the change in the criteria but I gather that if that change is now with us, WANDRA would implement it for the next event.

The CHAIRMAN: Now we are giving you information instead of us prying it out of you!

Mr Cammack: In terms of the administration of WANDRA, Main Roads provides support and coordination between local government and FESA. It is an issue for FESA to determine its administrative arrangements and whether it deems it is reasonable to copy what the federal government has done. That may be a question that FESA would be able to provide some advice on.

The CHAIRMAN: We have FESA coming in shortly. In your opinion, are there any glaring holes in WANDRA that have not been addressed and should be addressed?

Mr Phillips: From the role that we play in coordinating from a damage point of view and looking at a funding level, the procedures that are adopted are adequate. Their communication with us about events is very rapid. We endeavour to try to satisfy their requirements as quickly as we can and to try to gather information on the estimated level of damage. I presume they then take action as quickly as they can to try to get it formally approved as a natural disaster event. Then we all move as quickly as we can to get some more accurate costs to put in place action to reimburse councils and local governments for the expenditure they incur.

[3.10 pm]

Mr Cammack: You touched earlier on how Main Roads works with local government. It appears that more incidents are now taking place in the south west. However, when it comes to knowing what the arrangements are at a more global level, the councils in the south west may not be as familiar with those arrangements as are the councils in the north west of the state. As Bob outlined, Main Roads has set up regional road groups in which local governments participate at both councillor and officer level. The councils in the north west are very familiar with flood damage procedures. However, some of the more southern councils may not be as familiar with those procedures, because they have not had to deal with those events as regularly as have the councils in the north west. Therefore, that might be an area that requires some improvement in the form of providing advice to councils in the south west now that the weather patterns appear to be changing a bit.

Mrs J. HUGHES: As you have said, the weather patterns do appear to be changing. How is Main Roads gearing up for the possibility that more incidents will occur in the future to which it will need to respond?

Mr Cammack: It is difficult to answer that question because it will depend upon the scope and scale of the event, and the number of locations. If a significant event started in the Kimberley and then drifted through to the Pilbara and the wheatbelt, and everything was happening at the same time, or close to it, obviously a limited number of resources would be available to deal with that event. It would then become a question of prioritising the resources that were available to us. Therefore, I cannot give you a firm answer on that.

Mrs J. HUGHES: Has Main Roads considered how it could deal with multiple events?

Mr Cammack: We have the capacity to deal with multiple events. However, the magnitude of the events might be huge, and obviously only a finite level of resources would be available. We have not actively looked at -

Mrs J. HUGHES: Prioritising areas?

Mr Cammack: Yes. We have not actively looked at what number of events we could run, and the scale of them. We have not done any planning in that area. However, we do have the capacity to provide officers to manage impacts at a regional level. It would depend upon the scale of the event.

The CHAIRMAN: You talked earlier about bushfires. I have always assumed - rightly or wrongly - that Main Roads is involved mainly when a flood has wiped out a main road, and that the involvement of Main Roads in a bushfire is just to close roads and divert traffic through the use of detours etc. Does Main Roads sustain infrastructure damage from fires as well as from floods?

Mr Cammack: Yes, it does. Again, I will use an example to highlight my point. After the recent Dwellingup fires, a maintenance crew had to go through the area and replace signs and guideposts. These were only low-key things. They also had to remove timber that was alongside the road and presented a danger - either trees that had been burnt through and had fallen down, or trees that were in danger of falling down because they were unstable. Also, even if the fire has caused no damage to the actual road, it may have caused the loss of timber structures such as bridges. During the Dwellingup fires, the Hotham Valley timber railway bridge was burnt down. That was actually used as one of the main triggers for that event to be declared a natural disaster, because it was of such magnitude. It is not just floods. Fires also cause an impact and a cost for Main Roads and local government.

The CHAIRMAN: So we are not talking just about a flood that has washed out a section of road. It may be a fire that has caused trees to be burnt and fall across the road so that they need to be removed.

Mr Cammack: Yes, or it may be a timber structure that has been burnt down.

Mr Phillips: In recent years most of the physical damage that has needed to be repaired, at a big dollar cost, has been the result of floods. Maurice is correct in saying that most of the damage has been the result of bushfires. The road surface may have been damaged through the heat of the fire and need to be repaired. We have problems in the north of the state with pastoral fencing. There has always been an issue about who is responsible for pastoral fencing and what areas should or should not be fenced and so on. We would become involved with a lot of areas as a result of a fire.

The CHAIRMAN: Can I ask you about fencing?

Mr Phillips: No!

The CHAIRMAN: I will ask you anyway!

Mrs J. HUGHES: That is an issue that is raised with us often!

The CHAIRMAN: One of the recommendations from the PGA and farmers is that if the fencing between a private or leasehold property and a government property is damaged, it should be reinstated on a 50-50 basis, or on some shared basis. What happens if the fencing is not adequate and it allows stock to get onto a road? Obviously you would not want stock to get onto a road either.

Mr Phillips: Main Roads has a history of assisting pastoralists with fencing. Main Roads often provides the material and leaves the erection of the fencing - the labour component - to the pastoralist to arrange. One of the issues is that vegetation may grow around a fence and damage the fence, and that may allow stock to get onto the road network, which causes safety problems. Therefore, inspection of fences is an important issue. Main Roads is aware of a court case in which

a person had been driving along Great Northern Highway and had hit a horse. Main Roads was found partly responsible for that event, because it had not signposted the area properly to warn people that animals could get onto the road network. Therefore, we changed our policy and started to erect a lot more signs to alert motorists to the types of animals that might be found on various stretches of road. I suppose that when events occur that are outside the control of farmers there would be some logic in having Main Roads assist farming communities and pastoralists to replace fencing.

The CHAIRMAN: Thank you for appearing before the committee again and for providing that information. A transcript of your evidence will be forwarded to you for correction of minor errors. Please make any corrections that are required and return the transcript to the committee clerk within 10 days of receipt. If the transcript is not returned within this time, we will deem it to be correct.

Mrs J. HUGHES: Thank you very much for the briefing. It was very good. That will be included as part of your submission.

Hearing concluded at 3.17 pm
