

COMMUNITY DEVELOPMENT AND JUSTICE STANDING COMMITTEE

INQUIRY INTO WESTERN AUSTRALIA'S NATURAL DISASTER RELIEF ARRANGEMENTS

**TRANSCRIPT OF EVIDENCE TAKEN
AT PERTH
WEDNESDAY, 28 FEBRUARY 2007**

SESSION TWO

Members

Mr A.P. O’Gorman (Chairman)

Mr S.R. Hill

Ms K. Hodson-Thomas

Mrs J. Hughes

Hearing commenced at 10.28 am**REDMAN, MR DONALD TERRENCE****Member for Stirling,
examined:**

The CHAIRMAN: Welcome. 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 contempt of Parliament. Have you completed the "Details of Witness" form?

Mr D.T. REDMAN: Yes.

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

Mr D.T. REDMAN: Yes.

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

Mr D.T. REDMAN: Yes.

The CHAIRMAN: Would you like to make some opening comments?

Mr D.T. REDMAN: I am really rapt that the committee took the opportunity to visit Esperance. I was going there for a week's break in the middle of January, so I gave Tony a call to see whether he would mind coming down. Some people in Esperance were happy to set up a tour. You took the added step of taking the committee down, which was really appreciated.

[10.30 am]

The CHAIRMAN: They would not let me go without them!

Mr D.T. REDMAN: I thought that was a valuable opportunity. When I called for the inquiry, I was keen for it to happen outside a natural disaster. However, when these things happen, there is an opportunity to see the issues that people must face. To have some objective discussion and to make objective decisions outside the emotion of a natural disaster is the appropriate framework in which the committee can make its recommendations. There is a huge variety of views out there, particularly within the farming community, and I am sure that you got that feedback. That is what I found difficult. When the Great Southern floods occurred at the start of 2005, I phoned a heap of people who were affected and their views ranged considerably. I had a lot of difficulty discerning what might be an appropriate approach; hence, I made the decision to call for an inquiry, rather than put forward a particular view of the change that I thought should be made.

I will go through the issues and the committee might want to ask questions as I go along. It is totally appropriate to have strong counselling support services after all these events. It would add strength to the local support services, particularly within the farming community. Making sure that people look out for other people in the local community is as appropriate as it is to involve other professional counselling services. That is really important, and I think that local communities themselves tend to do that well. I am not sure that this applies so much to flood events, but for other natural disasters, defining the area that is affected creates a lot of stress and tension within a community. I strongly recommend taking local advice when defining that, whether it be through the local council or other community leaders. Often one side of the road gets affected and the other side does not, and that creates a lot of tension within a community. It is that tension that we would like to avoid.

I think this is consistent with what the committee has had feedback on, but the farming community in particular sees the \$1 500 for consultancy advice as a bit of an insult. They do not need someone to tell them how much damage has been done. There is a lack of knowledge that that advice can apply beyond financial advice. It could be for consultancy about a drainage plan for a farm that has been affected by a flood. The feedback that I have received indicates that people do not realise that that money can be used for something beyond financial advice. Their comment about it being an insult is focused more on the fact that they see it as \$1 500 for someone to tell them how to restructure their loans after a disaster.

There were varying responses from the people I have spoken to about the four per cent subsidy on a loan of up to \$150 000. After the great southern flood, three or four people got that subsidy. The committee probably has the figures. They had to jump through a huge amount of hoops to get it. It is an absolute last resort; it applies when they do not have access to any other funding sources. One view is whether that person should be doing what he is doing. Others think that people who are not in such a stressful financial position should be able to access it.

Mrs J. HUGHES: Some farmers said that they had managed their land quite well and they had put aside some finances for important upgrades or maintenance, and so they had this small reserve fund that they had planned to use for such things. Therefore, because they had a reserve fund, they were unable to access this loan. Has this occurred in your area?

Mr D.T. REDMAN: Yes. I have not gone into the finer details of the people's situations who applied for those loans. I only know that three applied after the Great Southern flood. That is certainly the case. I think it is appropriate that a person's assets be assessed. For example, some people who applied for this support had a \$300 000 beach house, and I think their application was knocked back on that basis. I support that position. All the assets that a person has must be considered. However, farmers talk about people who manage their farms well and so they are able to have those reserve funds to cater for some of these issues. Others have a bit of spare cash that is being used on upgraded machinery and so on; therefore, these events hit those people a tad harder. There is a range of views about how people manage their businesses and how well they cater for these events.

There is another group that I would like the committee to consider. The leaders in the farming community are very keen to keep young people in regional areas and on farms. The situation is very difficult because we cannot establish a set of criteria to apply to young people but not to old people. If a young farmer had a couple of thousand hectares and chose to buy the neighbour's property and extend himself for a period, he would be exposed if he experienced a flood event or a major disaster in five or six years. He could be a quality farmer who did all the right things and managed his finances appropriately. He would be doing what we want those young people to do - invest in the industry. I do not know how we could pick that out of a set of criteria, but it is a goal that we should be trying to achieve in regional communities to keep young people in those areas and to ensure that they are prepared to invest in those communities and in their businesses.

The burying of livestock is another issue that was raised, and more so after the Great Southern flood. There were substantial sheep losses in the flood of 2005, particularly compared with the Esperance flood. That was a very visual measure of the disaster that those people had been through. Being able to bury livestock quickly is as much about emotional support as it is about getting rid of something that is an issue in the community.

When the committee requested that I appear before it, I took a bit of time to phone some of the people I had spoken to previously about some of the events I have been involved with in the past. Mr Chairman, in Esperance you made reference to some conflict with federal rules, but the idea of a flat payment was suggested. I will use a figure of \$5 000 just for the sake of argument. With a relatively simple set of criteria that would not be a strong administrative burden, it would not be hard for anyone to walk onto a property or into a business in those communities and know that that

person had been significantly affected by the event. That person could receive a \$5 000 payment fairly immediately to be spent on a range of things - I will not say that it would be totally open ended - in response to the event, whether it be burying sheep or fixing up a driveway that had been damaged from erosion. Some things could help with their emotional support to get rid of the clear issue in front of them. That received strong support right across the board. No-one I spoke to about that issue was against it. The issue for government is the cost. That is a decision that the government would need to make. However, it was felt that a simple set of criteria with no administrative burden and a fairly wide set of options on which that money could be spent would be appropriate.

A lovely lady by the name of Sandy Lehmann has made representation to the committee. She was involved with the wash-up committee from the Tenterden bushfire, but I cannot remember the name of the committee. She is a lovely lady.

The CHAIRMAN: Yes, I remember Sandy. We met her in Albany.

Mr D.T. REDMAN: The committee set up a fund called the Lord Mayor's Disaster Relief Fund. I think it raised \$78 000 and gave it out in \$1 000 lots. The committee did not discriminate among the people to whom money was given. It was given to people who were affected by that event, and that was really well received. They did not discriminate between the big farmers and the little farmers, the different measures of losses suffered by people, or the people who were insured and those who were not insured. That process was really well received.

The CHAIRMAN: The administrators of the Lord Mayor's fund gave us a good rundown of what they provide and how they provide it. It is actually run out of Perth and people pay into it and it works out. That process was quite an eye-opener.

Mr D.T. REDMAN: I am not attuned to the detail that the committee will have heard during that presentation, but the fund showed me the measure of the principle of giving out a sum of money very soon after an event, which provides as much emotional support as it does financial support. There is a strong feeling that people are not looking for, and do not want, a handout for their business, although, occasionally, a person thinks that he should get \$10 for every sheep that is killed. Generally, people do not want that direct business support. However, they recognise that if they were to get a sum of money two or three days after a fire or a flood, they would be able to respond to the event. They would feel that people care about them and they would be able to immediately do something that would have an impact upon what they have been through in the disaster.

Mr S.R. HILL: As you said earlier, people get frustrated when they must talk to various agencies. My train of thought is towards family centres or Centrelink. The individual or the family would attend and provide documentation that they have a farm or live in the area. Is that your way of thinking?

Mr D.T. REDMAN: There would need to be some sort of visual assessment of the damage to the farming property, and that would not be hard. The shire president could do that.

Mr S.R. HILL: I understand that. I am thinking about the flooding of the flats in my area. There was a great deal of frustration because people had to go to this agency and then to that agency. People got annoyed and said, "Shane, forget about it. I'm going to clean up the house and I don't want to hear from anyone." Perhaps the contact point could be Centrelink, or the family centres as they are called now, through the federal system. For example, the family could just attend that agency and put their name down for the \$5 000 grant.

The CHAIRMAN: I think that has happened in Dwellingup. The federal government has announced that everybody affected will get \$1 000 a head.

Mrs J. HUGHES: We have talked about primary producers and so forth. What about the small businesses in town?

Mr D.T. REDMAN: The same thing needs to apply to them. It must be applied across the board. If people from a business have been affected, they should be able to access that money. I do not think there is any discrimination in that area. The people who were affected the most in these cases were the people on farms, and that is what I am reflecting in my comments. However, I do not want to isolate the small businesses in those communities, because they are important as well.

There are another couple of areas, but I do not know whether they have been considered. Quite a few farms are now engaged in conservation work. The NRM area down there is managed by a group called SCRIPT. I do not know what the acronym stands for, but that group administers NRM funding for the south west coastal region. When it has been involved in farm work that has been destroyed by flood or fire, it has undertaken to again provide its component of that work. You might like to formally confirm that with the group. I had a conversation with the CEO of SCRIPT, Rob Edkins. Some consideration might be given to support for conservation work. There is a government contribution to most of these projects and the farmer does the other work, whether it be in-kind work or something like that. Again, in these events that is lost as well.

Mrs J. HUGHES: They help to rehabilitate the works that they had already undertaken?

Mr D.T. REDMAN: Yes. My understanding - and I ask you to confirm it - is that they have given a commitment to refund the project if conservation work that they have approved and paid for, such as planting trees or drainage works, is destroyed by fire or flood. It does not go to the bottom of the list. We must bear in mind that a farmer commitment has been lost as well.

I do not know how you want to treat that but I am just raising it as another component.

[10.45 am]

There is also another group that administers farm water grants, which is the rural water advisory committee. It funds projects for maintaining and building new water supplies on farms. A lot of farmers have been given grants to build dams and so on to secure themselves against drought and so on. It might be a consideration. The same thing applies: the project commits so much in funds as a grant, and then the farmer commits so much to build a dam. If that dam gets washed out as a result of a flood, it will be a similar circumstance to the conservation works. It might be something that the committee might like to discuss.

The other idea came forward from a lass called Brenda Tilbrook, the president of the Ravensthorpe shire. She was very concerned about the amount of damage that occurred to the Jerdacuttup side of their shire. All the media was around Esperance, yet Ravensthorpe as a shire probably got hit quite hard, particularly on the eastern end. They 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. There was one dissenting voice but 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. That might start the ball rolling.

Mr S.R. HILL: Many of the things you have talked about were pretty much covered in the mid-west with the flooding up there 18 months ago. One of the key issues that the local government raised with me was the 25 per cent contribution to replace infrastructure. The rate base for some of

the small local authorities cannot come up with that. The other level of frustration is the paperwork and the follow up, particularly in the Shire of Greenough. It is a reasonably sized local authority but they are still having issues trying to come up with that 25 per cent contribution. Do you have a thought on that? Perhaps it should be five per cent or another scale.

Mr D.T. REDMAN: There is certainly a big difference between the different shires and their capacity to support events like that. There was a suggestion that it should be a percentage figure of the rate base; in other words, Lake Grace is a relatively small shire hit by a major event. I am not sure of the amount but I thought about \$4 million or \$5 million in costs was involved there. The capacity for the shire to pick up 25 per cent of the cost is beyond the shire's capacity. When that was happening there were discussions about that. In my electorate, the Plantagenet shire, not 12 months prior, was in the same sort of situation with a bit more capacity to cater for its issues and was watching what was happening in Lake Grace. Some groups are watching others to see how government responds. I think there is a need to ensure that those shires are able to cope with those events. There is a difference in the capacity of the various councils to cope. I think that needs to be a consideration in how we manage those funds. However, I have not given thought to what figure or percentage that should be. Obviously, the likes of Lake Grace provides an indication that something needs to change.

The CHAIRMAN: I refer to insurance. Based on your experience, what level of insurance do people have down there? Is it adequate? Do they have adequate insurance generally for the sorts of disasters that can hit?

Mr D.T. REDMAN: I have heard figures of 80 per cent that have not been insured. I think that is a more general figure that includes the likes of the Dwellingup fires. I would not like to say whether that is an appropriate figure for the area that I represent. They cannot insure for flood events. There have been different levels of support from insurance companies in the way they apply the insurance and variations on how lenient they are with the applications. For example, I think that people can get insurance for a storm but not a flood. That sort of draws a muddy line in the sand for how the insurance is paid that people have. There is a strong feeling in the community that came out during the recent Porongurup fires, which burnt a big section of the Porongurup National Park, some farmland and a couple of houses. At a community meeting following that local government authority talked about the response to that and whether there should be a committee to manage the aftermath. It was talked about and the position was made very strongly that there should be no discrimination in the response between people who were insured versus people who were not insured. I concur with that. People are not necessarily able to insure for some of those flood events.

The CHAIRMAN: From your comments do you think that the insurers worked fairly well with the community getting information out to them and helping them access insurance for those events that they were insured against?

Mr D.T. REDMAN: Yes. From feedback I have had from people, there are some differences between the companies in how lenient they are on insurance payments.

The CHAIRMAN: You have covered all our questions that we were going to ask you. That is good. Thank you, Terry, for coming in today and giving us the benefit of your experiences. As you know, you will get a copy of the transcript in the next couple of days. You have 10 days to read it and make any corrections and send it back to us. If you do not send it back to us, we will deem it to be correct. Thank you, once again, for coming in.

Mr D.T. REDMAN: I appreciate the opportunity. Once again, I reiterate my thanks for your support in coming down to Esperance. It was great. Thank you.

Hearing concluded at 10.52 am
