

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 TWO

Members

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

Hearing commenced at 11.14 am**EDWARDS, MR FRANK****Chief Executive Officer, Lord Mayor's Distress Relief Fund, City of Perth, examined.**

The CHAIRMAN: Welcome. This 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 a "Details of Witness" form?

Mr Edwards: Yes, I have.

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

Mr Edwards: Yes, I do.

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

Mr Edwards: Yes, I did.

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

Mr Edwards: No, I do not.

The CHAIRMAN: Do you have any information or any statement that you would like to make before we start?

Mr Edwards: No, except to say that part of my role is honorary secretary of the Lord Mayor's Distress Relief Fund and it is in that capacity that I appear here today.

The CHAIRMAN: The committee is inquiring into the adequacy of the Western Australian natural disaster relief arrangements. We are interested in how the Lord Mayor's Distress Relief Fund supplements the state government's assistance under WANDRA. To this effect, could you please provide the committee with an overview of the Lord Mayor's Distress Relief Fund in terms of its objectives and primary functions?

Mr Edwards: The Lord Mayor's Distress Relief Fund is an incorporated body. The name of the association is the Lord Mayor's Distress Relief Fund Incorporated. The objects of the fund are to provide a permanent fund for the alleviation and relief of distress, suffering, hardship and misfortune brought about by any disaster or emergency of a general application that has been declared as such by the Western Australian government through the State Emergency Service, to provide relief and aid as determined by the board of the fund from time to time to persons undergoing such distress, suffering, hardship or misfortune brought about by those events, and to provide supplementary funds for the alleviation and relief of distress, suffering hardship or misfortune of any major disaster, whether within Western Australia or outside Western Australia when such a disaster has been so determined by any government or any statutory authority. The property and income of the fund shall be applied solely towards the promotion of the objects of the fund, and no part of that property or income may be paid or otherwise distributed directly or indirectly to members, except in good faith in the promotion of those objects. In carrying out its objects, the fund will apply, where relevant, the principles set out in the voluntary code of practice for public fundraising. They are the formal objects of the association. It consists of a voluntary board consisting of unpaid members. Those members are the Lord Mayor of the City of Perth as the chairman, which is set down in the association rules; the chief executive officer of the City of

the Perth as the honorary secretary; and the director of corporate services of the City of Perth as the honorary treasurer. We are supported by staff of the City of Perth in the administration of the fund and in the financial management of the fund. Those services are provided by the City of Perth to the association at no cost. From time to time board members are invited to keep an appropriate level of board membership, and they are generally drawn from well-known or eminent Western Australians. At the moment they include Ms Jennifer Smith, the Commissioner for Industrial Relations; Mr Rob Rowell; Mr Bill Mitchell, the president of the Western Australian Local Government Association; Mr Digby Blight; Mr Albert Tognolini; Ms Noelene Jennings; and Mr Ian Taylor. I think that is all; it is certainly most of them. They all give their services to the fund voluntarily.

We work with the state government through the Department of the Premier and Cabinet when a natural disaster is declared in the state and determine if there is a role to be played by the Lord Mayor's Distress Relief Fund. We maintain liaison with the government and are invited to its emergency management meetings if it feels that the association can play a role. When an emergency is declared, we also liaise with other organisations, including the Department for Community Development and the Red Cross, and any other organisation that chooses to become involved. At times that has included some of the more worldwide philanthropic organisations to ensure that when we are providing relief, we are not stepping on each other's toes, we are complementing each other, we are not double providing to recipients, and we are trying to ensure a balance of relief is provided.

When a natural disaster is declared, we assess whether there is a need to call for public donations. If there is, we put advertisements in the press and encourage the media to publicise the fact that we are running a collection. We have arrangements with BankWest for the receipt of donations or donations can be received directly by the City of Perth by mechanisms such as electronic transfer of funds etc. We do not always go for a public appeal. We balance it based on whether there is an obvious desire of people to donate funds or whether it is a disaster of such significance that we should try to call for funds to be donated. We have accumulated funds within the Lord Mayor's Distress Relief Fund that are a consequence of many, many years ago when there were no disasters for many years and a period when there were also very high interest rates and the fund built up an accumulated fund. We draw down on those funds to support some emergencies when we do not go to public appeal or when people do not come forward with donations.

[11.00 am]

At the moment the fund holds reserves of approximately \$2.4 million. When a natural disaster occurs or is declared, the board tries to operate more at the strategic level and make decisions based on information submitted from the local community. We normally get in touch with the chief executive officer of the council of the area in which the disaster has occurred, and we advise that our organisation can provide relief for people who are in distress. We recommend to the council that it form a local recovery committee, which is a standard mechanism that exists within the state disaster recovery arrangements. We encourage broad-based membership of that local recovery committee so that it includes representatives of the various state organisations that provide support, along with local people such as councillors and members of the community. We provide the local recovery committee with information about how people can apply to the Lord Mayor's Distress Relief Fund. We also give it advice on the categories and types of support that we can provide, and for what reasons. We then rely on the local recovery committee to make recommendations to our board about who in the local area should receive cash assistance, and for what purpose and in what amount; that is, we seek advice from it on what amount it believes is appropriate to distribute. We believe it is important to operate through that mechanism, because they are the people who understand what is being done by the insurance companies, by state government bodies such as the Fire and Emergency Services Authority of Western Australia and the Department for Community Development, and by organisations such as Red Cross and people like that.

We also try to deploy one or two board members to the area to meet with the local recovery committee and provide advice to the people concerned. Our board members volunteer to do that. For example, the week before last, Jennifer Smith took a day out from her role at the Industrial Relations Commission to travel to Dwellingup and meet with the local recovery committee as a consequence of the Dwellingup fires to see whether we could play a role there.

The board receives a set of recommendations from the local recovery committee, and it then makes its deliberations on whether it will distribute funds. We generally try to distribute to a particular event all the funds that have been donated for that event. We may also supplement those funds from additional funds that have been raised. I have brought with me a potted history of the fund's activities since 1996 to give you an indication of the level of assistance that we provide. For cyclone Olivia in April 1996 we raised \$98 000 and distributed \$89 700. For the Northam-Mundaring bushfire in 1997 we did not raise any funds, but we contributed \$25 000 from our accumulated reserve. For the Ashburton River floods in 1997 we disbursed \$55 500 and received \$37 300 in donations. For the Brookton-Pingelly bushfires in 1997 we distributed \$358 500 and received \$58 000. For the bushfires in Jerdacuttup in 1998 we disbursed \$23 500, which was matched equally by donations. For the Esperance floods in 1999 we distributed \$25 500. For cyclone Elaine in Moora in 1999 and cyclone Vance in Moora-Exmouth in 1999 - two disasters that occurred two days apart - we distributed \$706 000 and received \$156 000. For the floods in Moora in May 1999 we distributed \$600 000 and received \$488 000. For cyclone Steve in Carnarvon in 2000 we distributed \$141 000 and received \$65 000. For the Bali terrorism attack, in which a number of Western Australians were injured, we raised \$825 300, and we distributed it all. For Gingin in 2002 we distributed \$13 200 and received \$9 600. For Cranbrook-Tenterden we distributed \$172 000 and received \$32 000. For Bridgetown we distributed \$10 000 and received \$1 800. For Dumbleyung we distributed \$8 000 and received \$8 000. For the tsunami we raised \$64 300, which we distributed directly to the Foundation of Goodness in Seenigama in Sri Lanka for the construction of 30 houses. That was a one-off, whereby we facilitated the passing of donations to that foundation. That was matched dollar for dollar by the City of Perth. For the Lake Grace floods we received \$14 000. For the Gascoyne-Murchison floods in March 2006 we distributed \$75 000, all of which was provided by the Lord Mayor's Distress Relief Fund. Sorry, when I said "we received", that was actually contributions from our accumulated funds.

The CHAIRMAN: Thank you for that. You have taken us through a range of questions! You are distributing funds to a wide-ranging group of people. What forms of assistance are sought from the Lord Mayor's Distress Relief Fund? Do you give the funds to the local council or another organisation, and does it then distribute the funds?

[11.30 am]

Mr Edwards: The claim forms come to us. We make a decision on the based on the claims and we forward the cheques directly to the individuals involved. We make an assessment based on what has happened. We have replaced refrigerators, replaced the contents of refrigerators and provided emergency accommodation, although that is less usual. Generally, other philanthropic bodies distribute clothing, food and things of that nature. We have assisted with the replacement of fences on properties so that stock can be maintained. We have provided cash assistance to people who have lost everything. We have provided cash grants to people who have lost their homes in bushfires, but we do not tell them how they will spend it. It is a case of us not going into that sort of detail. We try to complement what is being done by other organisations. Many of the cash payments we make are quite small. They may be \$1 000, but coming a relatively few weeks after the disaster and with no strings attached means that they are able to alleviate some of their distress. We try to assess the claims based on how much people have lost. Obviously we cannot replace everything, nor can we cater for under-insurance or lack of insurance. We are about trying to provide a philanthropic form of recovery assistance, in the form of a cash payment, to people who have suffered a disaster.

The CHAIRMAN: From the discussions we have had with people around the state, it seems that all they want is a quick cash injection to get back on their feet so that they can get on with their lives.

Mrs J. HUGHES: The information that you have given us is very impressive. What are the criteria under which you decide which disasters you will assist? You say that you work in liaison with the Department of the Premier and Cabinet. Do you buy into all the events or only some?

Mr Edwards: Only some. I will give an example: in the massive storm that hit Australind approximately 27 houses were severely damaged. We got in touch with the chief executive officer of the local council and said that we were obviously in a position to assist should they need it. However, the community rushed in and provided housing for everybody. Generally, it was physical damage to houses; it was not loss of the ability to live. Storm damage is generally covered by insurance and assistance is provided by organisations. Some of the philanthropic organisations sent truckloads of food and clothing to Australind. The council asked organisations to stop sending food and clothing because they did not need it. Everybody's house was still standing, but their houses were damaged and people could not live in them; they were with friends. The people did not need food because they were still going to work. In that instance, there was no need for us to provide assistance.

Generally, bushfires affect properties. While we are not in the business of trying to re-establish people's businesses, we do try to alleviate stress, particularly if they cannot live in their house and they have had no income for some time. There are always delays until insurance and state assistance cut in. Therefore, we try to distribute a small cash injection within a reasonable period. It amounts to the application of judgment. It is simply a case of whether there is a need and whether it is appropriate for us to be involved. We base that on what we read in the newspaper and hear in reports and we get in touch with the CEO and ask whether assistance is required. It really is a judgment thing. There might be a public outcry.

The Bali case was interesting because it was not in Australia; it was overseas. There was a huge public outcry about that and we supported the Western Australians involved in that for some years after the event. We fully expended all the funds that were collected in the Bali appeal, to which some enormously generous donations were made. The criteria will always be different. In that instance people had difficulty going back to work and we paid their rent to the real estate agents every fortnight and made their car payments to finance companies. That was a particularly difficult scenario for people.

In the majority of cases the assistance is in the form of a small cash payment. Since I have been involved - that is, five years - the highest individual cash payment we have made to a victim of a natural disaster has been \$60 000. Often the payments are \$1 000 or \$1 500, which provides a cash injection. The greatest difficulty is being able to respond quickly. It takes time for information to be gathered, for assessments to be made by the local recovery committee and for recommendations to be sent to us. If there is anything that I wish we could do a little better it is to respond more quickly. It is really us relying on the people in the local area. In an emergency it is difficult to know when a disaster ends, when the recovery commences and when people are able to sit down and work out things on paper. The local recovery committee then makes an assessment.

The CHAIRMAN: You went through the collections you have had and the disbursements you have made over the years. It has been some time since there was a public appeal. Bali was probably the last one and now we have Dwellingup.

Mr Edwards: We did a public appeal for Dwellingup.

The CHAIRMAN: What instigated that appeal; was the fund running low? Can you give an example of situations in which you put out an appeal and other ones in which you do not?

Mr Edwards: It varies, and depends on the scale of the disaster. If it is a massive disaster the community is willing to respond with donations. In local areas, which is the case with Dwellingup, local people wish to make donations. In the case of Dwellingup there was not a body in existence in the local area that had legal capacity under the Associations Incorporation Act to receive the donations. We offered to take those donations from them with a guarantee that those donations would be returned in full in accordance with their advice on where the money should go. In essence, we act as an existing agent that can facilitate on their behalf.

The CHAIRMAN: You are a mechanism through which the money can flow.

Mr Edwards: We are not just a mechanism; we will make a decision on how to distribute the money. In the Dwellingup case an amount of money was raised locally. I recall that around \$8 000 to \$10 000 was committed by people in the local area and they had no legal mechanism for an association to be involved. We were happy to handle it for them so that it could be done in accordance with the laws of the land. We called an appeal because of the significant publicity that accompanied it, which meant it could generate funds that could be available for that disaster and, if we were lucky and collected a lot of money, there might be some left over that could be set aside for other disasters.

About a year to 18 months ago there were massive floods in the Murchison. Something like 151 people live in the entire Shire of Murchison and a small number of properties - two houses in the Murchison settlement. It is a 47 000 square kilometre shire. It has no town.

[11.40 am]

That was a case in which there was considerable effect on two or three families. We did not hold an appeal. I think we paid out \$75 000 to two very badly affected families, but without doing a public appeal, because it was of a fairly small scale. Our current experience is that the people of Western Australia are not responding to public appeals as well as we would have hoped. We have currently raised only \$16 000 or \$17 000 for the Dwellingup fires, and over half of that has come from the local area. There has been a reasonably limited response. We paid for advertisements in *The West Australian*, one of which was a quarter-page advertisement after we had called the relief, but we got only very momentary mention in the television and radio media - just a simple statement that the Lord Mayor's Distress Relief Fund had launched an appeal. There seems to be very little willingness to advertise.

Mrs J. HUGHES: Without you paying the cost?

Mr Edwards: Without us paying for it. We try to seek support and they do mention it and say that payments can be made at BankWest, but it does not perhaps get the degree of free advertising that we would really hope to come when disasters happen.

The CHAIRMAN: It is a shame that the reporter from *The West Australian* left just a few minutes ago and did not hear that. That might have prompted him a bit.

Mrs J. HUGHES: Recovery following a natural disaster is always a joint effort among all sorts of agencies that come together, such as charitable organisations that feed in. How much interaction do you have with those agencies that are responsible for administering the Western Australia natural disaster relief arrangement and how would you describe your working relationship with them?

Mr Edwards: Our working relationship with people within state government is excellent. The State Recovery Coordinating Committee is the key body. We communicate with it at a senior level. The only time that we actually get into detailed consultation with bodies such as the Department for Community Development and the Red Cross is during events such as the management of the Bali victims because it went on for a considerable time and many organisations were competing to assist. We wanted to exchange information to ensure that everyone was getting a fair share of whatever the public gave. At the state level, it occurs only when it is a very significant event, such as Bali, but in the usual, lesser disasters we rely on the local recovery committees. The various state government

departments are very effective in deploying people down there, for example, when we sent someone down to Dwellingup last week, the representatives of all state agencies gathered in a room so that the people who had been affected by the fires could speak to them personally to find out what assistance was available. We rely very much on that coordination being done by the state, and in our experience it is done. I cannot tell you how effectively it is done; only that it exists and that I do not receive any criticism of it or complaints about it. I do know that when there is a very significant event, we are good at exchanging information with bodies such as the state agencies and the Red Cross. However, at times it is difficult to track down victims whom we know about, because there are obviously privacy issues. We generally work through those in a constructive manner and are able to assist.

Mrs J. HUGHES: You do not have a great deal of liaison with, say, the Department for Community Development. Is it mainly with other organisations?

Mr Edwards: We rely on the local recovery committees to do that; that is not our business. We are one very small component here.

Mrs J. HUGHES: Very much at the local level?

Mr Edwards: We rely on it being done at the local level through the mechanisms that exist within the state. We just try to say to them, "We are an avenue; here are our forms. Here are the sorts of guidelines we would apply. Please give us advice. We are happy to assist."

The CHAIRMAN: Are you based very much on the humanitarian premise?

Mr Edwards: Personal hardship and suffering.

The CHAIRMAN: You have probably already answered part of this question. The major premise of WANDRA is that it should not act as a disincentive to self-help by way of insurance, which is also reflected in the criteria for assistance under the Lord Mayor's Distress Relief Fund. Based on your experience, what level of preparedness with insurance do members of the community generally have for natural disasters? Are people well prepared and insuring what they can or are they taking a risk?

Mr Edwards: I can only give you a gut-feeling assessment based on my involvement. Country folk tend to be underinsured and in a number of instances they have no insurance against the most likely types of risks. I think it is a simple case of weighing up the cost of insurance against bushfires when people live in a forest.

The CHAIRMAN: It is huge.

Mr Edwards: It is huge. I can only make that comment.

Mrs J. HUGHES: People who are caught up in disasters quite often have to face a lot of bureaucracy. They have to fill out a lot of forms, produce identification to access funds and do those types of things. Is the relief fund that you disseminate to the community picking up some of the lapses that occur when people are unable to access other types of assistance because of bureaucracy? Do you know whether you are filling a gap there?

Mr Edwards: I have no sense of that. We are an avenue that is available and we ask people to declare what assistance they are getting from other organisations. We accept what they state and we make our decisions accordingly. We do not necessarily know what other mechanisms are in place to assist them. What we ask the local recovery committee, which has the local representatives and should include the other organisations locally that are channelling or distributing assistance, to make recommendations to us with their local knowledge. I think it is at times inappropriate to put so many different organisations in the field, if you like, at a disaster coalface. You can over administer, over control and over exert. We try to work on the principle that leadership in the local area, exercised through a mechanism such as the local recovery committee, is the level we should deal with. It should not be our role to be dealing with individual claims.

Mrs J. HUGHES: From the form filling out to the delivery of the assistance, can you give some idea of the timeframe involved?

Mr Edwards: It is not short enough. It varies because we rely on the forms to be distributed to the individuals, for the individuals to fill them out and return them to the local recovery committee and for the local recovery committees to meet to make a recommendation to us. Sometimes they are reluctant to do that. Sometimes all they want to do is to send us the form and get us to make the decision, and eventually we do. We try to encourage local leadership to make a responsible recommendation to us. It is not unusual for it to take a month or six weeks.

Mrs J. HUGHES: Are there requirements on your forms for proof of identity? How do you manage that, especially in the case of a fire, flood and so forth?

[11.50 am]

Mr Edwards: No, we rely on the local recovery committee. It is fairly often chaired by a mayor, a shire president or a councillor. Normally it has several councillors on it and is supported by the chief executive officer of the council. It normally has representatives of police, emergency services and fire and community bodies such as the church, so they know their community. We do not question -

Mrs J. HUGHES: You rely on their integrity?

Mr Edwards: Yes. We rely on the integrity of the leadership of the local community, and we believe that is appropriate for us to do.

The CHAIRMAN: Following a natural disaster, hopefully, most of the needs are catered for by the existing assistance measures. In your opinion, are there any obvious omissions that need to be addressed? Is there anything glaringly obvious that should happen but does not?

Mr Edwards: If the procedures within the state emergency management recovery system are followed, I do not believe glaring holes arise. I think it becomes a problem when local communities are less prepared to deal with local disasters. I do not perceive any glaring holes and I have not heard anecdotal stories of significant holes occurring. We hear very little afterwards other than to receive thank you letters from people to whom we have sent money. We have never had a letter of complaint saying, "A disaster occurred, why didn't you help us?" We generally either hear nothing or get a letter saying thank you very much for the donation. About five per cent of people thank us.

Mrs J. HUGHES: With regard to omissions, I noticed that you referred earlier to assisting rural people in need and you picked up one of the instances in which fencing was required for farmers or pastoralists. That was raised with us while we were in the Great Southern. Is that a common need for people who are experiencing disasters in farming districts, or is it infrequent?

Mr Edwards: Fencing is always mentioned. It is very hard for us to say someone should get fencing and someone else should not.

The CHAIRMAN: Is fencing not an insurable item because it is infrastructure?

Mr Edwards: I do not know.

Mrs J. HUGHES: I think it falls outside.

Mr Edwards: As I said, we disbursed \$600 000 for the Moora flood. It was a simple case of dividing the number of households into the \$200 000. Different mechanisms are used at different times. Cyclone Steve, in Carnarvon, caused a lot of electricity to be cut and flooded a lot of places, so we gave \$1 000 for each mother and father and \$200 for each child, which meant that we sent out \$141 000. We have to base it either on a distribution to people equally affected or based on people suffering different levels of loss and therefore make a judgment about giving them more than others.

If you wish, I will leave with you a summary of our activity, which has the amounts disbursed, the amounts contributed and the amounts raised by public donations.

The CHAIRMAN: That would be great.

Mr Edwards: I did not quite get that right when I read it out; I got some of the columns wrong. I will leave that with you. I would also be happy to give you a copy of our constitution, which specifies how we operate. We have a web site, which also contains information, and you can download an application form.

The CHAIRMAN: Thank you very much for coming in this morning. It has been very enlightening to hear about the Lord Mayor's Disaster Relief Fund. We knew about the fund but not about the intricacies of its workings. A transcript of the hearing will be forwarded to you for correction of minor errors. Please make these corrections and return the transcript within 10 days of receipt. If the transcript is not returned within this period, we will deem it to be correct.

Mr Edwards: Thank you very much for coming in.

Hearing concluded at 11.55 am
