



Shire of Dumbleyung

Road Flood Damage Update

17th March 2017

Dear Resident,

As you are all aware, during February the shire's road network was severely damaged by flooding. The event has been declared a natural disaster under the Western Australia Natural Disaster Relief and Recovery Arrangements (WANDRRA).

Being declared a natural disaster means that Federal Government assistance becomes available to help us recover from the disaster. This also means that we can access funds (WANDRRA Funding) to assist with the reinstatement of essential public assets such as roads and drainage systems.

WANDRRA Funding is administered by the Office of Emergency Management (OEM). There are strict guidelines relating to how WANDRRA Funding for restoration of essential public assets can be utilised.

The funding ultimately comes from the Federal Government under the Natural Disaster Relief and Recovery Arrangements (NADRRRA) and reimburses the shire for eligible costs incurred in undertaking restoration work where the resources engaged to undertake the restoration work is additional to the shire's usual resources. This is because the funding is only available where a local government does not have the capacity available using their own resources. Under these guidelines the shire's resources are specifically excluded as an eligible expense.

The shire's 2016/17 budget has been put together on the basis that its workforce is fully employed in delivering its capital works program and normal maintenance activities. As such it is fully engaged. If we were to divert its workforce to restoration of roads and drainage systems damaged by the flooding, there would be three issues. Firstly, we would not receive funding for restoration works. Secondly our Capital Works program would be delayed which would result in the loss of grant income. Thirdly, if we fully committed our workforce to repairing the damage, it is so extensive that we would not be able to completely restore our road network. We would suffer three financial hits, first by missing out on WANDRRA, second by missing out on grant funding and third by having to increase expenditure in future years to bring the standard of the road network back up. This would mean that rates would have to greatly increase, most likely by over a year's worth of rates.

Instead of burdening our ratepayers, we have instead engaged the resources of a local government consultancy, Core Business Australia, which is experienced supervising and administering flood recovery work associated under the WANDRRA scheme.

The Core Business Australia team will undertake a detailed assessment of the damage associated with the flooding, identifying eligible work. The cost of reinstatement of the damage to current day engineering standards will then be estimated and submitted to Main Roads Western Australia / OEM for approval.

Core Business Australia will then work with the Shire to call tenders / quotations to engage suitably equipped and experienced contractors to undertake the repairs. Once engaged, Core Business Australia will then supervise the contractors to ensure that works are carried out to a suitable standard and prepare claims for reimbursement of the shire's costs from Main Roads Western Australia and OEM.

There is extensive damage to our road network and we need to ensure that it is well documented in order to justify any claim. This is particularly important as the shire may either not have a claim approved if work is found to be ineligible or may have to refund money if it has been paid and found to be ineligible as a result of audit. This represents a significant financial risk to us, therefore it is important to undertake a thorough assessment.

Undertaking a thorough assessment of all damage over our entire road network will take some time. While this is occurring, it is important that we do not repair the damage utilising our own resources as the costs of these repairs will not be refunded. Nonetheless, it is important that we maintain (as far as practicable) a safe and accessible road network. This will be done through the usage of signage and markers.

Over this period, we request that you please be patient with the disruption caused by the damage and exercise extra caution when using the road network until permanent repairs can be made.

Following assessment, it will still take several months to engage contractors and attend to all repairs across the shire. It is not unusual for events such as this to take 10 to 18 months to complete (dependent upon the total extent of damage). While we could engage more resources to complete the works quicker, there are limitations on our cash flow abilities. This is because we need to pay for the works upfront and then reclaim the expenditure from WANDRRA.

We need to balance cash flow with work activity whilst endeavouring to maintain a safe and accessible network.

I will endeavour to keep the community informed over the course of this project.

Regards,

A handwritten signature in black ink, appearing to read 'M Gilfellow', with a long horizontal line extending to the right.

Matthew Gilfellow
Chief Executive Officer