

FLOODPLAIN MANAGEMENT AUTHORITIES



2009 BUSINESS PLAN

2009 FMA BUSINESS PLAN

THE ENVIRONMENT IN WHICH WE OPERATE

This section of the 2008 Business Plan concludes with the following paragraph:

The proposed business plan for the coming year of 2008 remains focussed on the Key Performance Areas identified in the Corporate Plan adopted by the FMA for the years 2004/2008. The 2009 Business Plan will reflect the changes within government policy currently underway but not yet known, and the changes of how the FMA is run coming out of the work of the standing subcommittees to be appointed

2008 proved to be a year of frustration, of “marking time” as we await the federal programs and of “lost ground” as the DoP gazetted a new SEPP and Building Codes in December. 2008 also saw Local Government elections across NSW and the retirement of many Councillors who had “first hand” knowledge of flood devastation in their communities.

An observation in the 2008 business plan remains relevant today

“There is no doubt that there will be further changes to the delivery of Flood Management programs in 2008; just what changes occur will largely determine the immediate relevancy of the FMA”.

To which one must add the qualifier “unless the FMA Members become proactive and engage their community, the press and the politicians. In other words, the relevancy of the FMA is ultimately in the hands of the FMA members. Do nothing the FMA will become irrelevant & die; be active and the FMA will remain relevant and thrive.

There is no doubt that Flood Risk Management and Flood mitigation has been “attacked” and “outflanked” within the higher levels of government departmental bureaucracy and even at Ministerial level.

On one hand the federal government appears to have gone back to the future and readopted a preference for “handing out emergency help and recovery”. Natural disaster mitigation in all forms (including Bushfire which is safe for the moment) is piously seen as “state responsibility” even though there is a forty year history of joint Commonwealth/State/Local government flood mitigation programs.

Federally the facts are simple

- The 2008/09 NDMP was a stop gap measure and marks the end of the financial commitment of this federal government to flood mitigation; there are no flood mitigation funds in any program in the 2009/2010 forward budget estimates
- There has been no call for a mitigation program for 2009/2010. Programs are usually called and closed by March in order that the administrative arrangements can be finalised and announcements of successful projects made in a timeframe that allows expenditure in the financial year. (note 2008/09 has still not been announced)
- The Federal government is already “blaming” the economic crisis for belt tightening. Unsupported programs, no matter their worth to the community, will not be retained. This has happened before, is happening now and will continue to happen in the future.

On the other hand, at the State level, the kaleidoscope of ministers in 2008 has made representing the FMA membership difficult. For example, with respect to the DoP Guidelines, although the FMA met with a senior ministerial advisor and three senior DoP staff and were promised a response to the representations undertaken, no response has been forthcoming and the DoP through their gazettal of the new building codes and SEPP appear to have further enshrined the Guidelines. The new SEPP (Exempt and Complying Codes), gazetted 12 December 2008 and in force on 27th February, 2009 contain a new definition first found in the 31 January 2007 “Guidelines” (are a modification to S 149(2) of the EP&A Act) and reads as follows:

flood control lot means a lot to which flood related development controls apply in respect of development for the purposes of dwelling houses, dual occupancies, multi dwelling housing or residential flat buildings (other than development for the purposes of group homes or seniors housing).

Note. This information is a prescribed matter for the purpose of a certificate under section 149 (2) of the Act.

The SEPP and new Code prohibit complying development from flood control lots. What this means in practice is that unless Council has its river, wetlands, ephemeral creeks , gullies and overland flood paths (that is the flood prone land) mapped and on planning instruments a Complying Development Certificate must be issued. It is estimated that perhaps as few as 10 Councils in NSW hold this information for their area. Failure to have land affected by flooding mapped and identified in planning instruments will mean that complying development land not identified as affected by flooding (that is any non identified flood prone land) can have a complying residential development approved, not by development consent through Council, but by a private Complying Development Certificate. Undoubtedly there are going to be compliance certificates issued for some very hazardous places.

Add to the above SEPP discussion

- the removal of the \$4million for 4 years program (\$4m×4yrs=\$16million lost) in the 2008 Budget,
- the failure to provide levels of specialist and/or professional support staff within the Department which parallels the government's commitments in their Policy. The commitment is to support & assist Local Government deliver floodplain management and flood mitigation programmes. Staff reductions have been happening for a decade; ultimately the reduction in staffing levels will so impact the ability of the Department to deliver its programs that costs will be incurred directly attributable to that decision.
- a significant reduction in the State government's commitment to Floodplain Management and the perceived failure to support the Floodplain Development Manual. This is the Policy Manual by which Government, Councils and Developers are bound when the consideration of the planning, design, building and provision of infrastructure and emergency management associated with the use of land within the floodplain

So in our new environment of operation we appear to have

- abandonment of the principle of "Duty of Care" to inform communities by the State Government
- back to the future and withdrawal by the Federal Government
- an emphasis on combat and rebuilding rather than mitigation
- an emphasis on recovery & resilience rather than prevention
- little or no consideration of past lessons
- actions by the State Government which effectively will transfer risk and costs to the Federal Government through disaster relief.

The State Government's perceived attitude that the State can direct Local Government "not to advise" in section certificates and at the same time advise that Local Government still has a "duty of care" to its communities is a conundrum which may, with the present wave of flooding, be tested at law sooner than later. Local Government has no real choice but to continue to manage the risk, provide a safe environment for the communities that it represents and continue to discharge its "duty of care" by providing advice.

It is essential that the principles of the Floodplain Development Manual be supported all levels and all departments within the State Government. If these hard fought and worthy principles controlling development within the floodplain are lost, there will be the inevitable disaster and lives will needlessly be placed "at risk".

The State must accept accountability and responsibility for the consequences of its actions in arbitrary returning to a prescriptive method of determining flood management policy rather than

supporting the “merits based” method of determining flood policy espoused in the Floodplain Development Manual (2005) and its predecessors.

Indeed these are exciting and changing times.

KEY PERFORMANCE AREAS

Identified Key performance areas for the FMA over the coming year are as follows;

1. Lobbying
2. Organisational Capacity
3. Membership Services
4. Other

Outlined on the following pages are our goals for these areas over the coming year.

1. Lobbying

Background

This performance area relates to the promotion of the FMA and its objectives at the political level.

The FMA has to speak on behalf of all its members on issues of concern. The FMA aims to do this by regular meetings with political leaders.

There are today more so than ever many competing interests in the community for scarce government resources and the FMA must focus political activities on ensuring the maintenance of existing programs while at the same time striving to expand and improve on these programs at opportunity.

Whilst the Executive of the FMA has in recent years successfully made representations to Ministers, it cannot be stressed enough, that each authority member **MUST** lobby their local state and federal members several times each year. The FMA needs Local Members to “champion” Floodplain Management; without their engagement and support it is difficult for the FMA Executive to achieve the success needed.

Action Plan

- 1) Member Authorities to actively lobby local State and Federal members of Parliament.
- 2) The Chairman to lead a delegation and/or meet with each of the following at least twice in the coming year:
 - NSW State Minister for Environment and Climate Change
 - NSW Shadow Minister
- 3) The Chairman to lead a delegation and/or meet with the following at least once in the coming year:
 - Commonwealth Attorney General
 - Commonwealth Shadow Attorney General
 - NSW State Minister for Planning
 - NSW State Minister for Emergency Services
 - NSW Leader of Opposition

The following items will be included in the FMA's prime focus for the coming year;

- Reintroduction of a “stand alone” commonwealth floodplain management program.
- Obtain the commitment of the Commonwealth Government to agreement to define “exceptional circumstances” in a manner which is transparent and can be measured by local government;

- Obtain a commitment from the State and Commonwealth governments to the FMA's concept of " Variable Funding Ratios" to define the level of contribution by the commonwealth, state and local governments to joint Flood Management Funding; alternatively, gain an immediate adoption by the state and commonwealth government of a return to the \$2 (commonwealth) to \$2 (state) to \$1 (local) funding ratio that existed for Flood Mitigation funding from 1963 to 1999.
- highlight (yet again) the essential need for the early release of grant offers. It ridiculous that the state and commonwealth departments complain of unexpended funds when grant offers do not go out timely to local government (2007/08 offers went out in the week before Christmas, 2008/09 offers are yet to be announced).
- Seek the introduction of a 3 year rolling program for commonwealth and state flood management programs so as to provide certainty as to funding for continuing projects and the cost benefits of being able to effectively and efficiently manage projects, (including finance, all departmental approvals, designs, execution and reporting).
- Seek State and commonwealth agreement that the commonwealth should be solely responsible for Flash Flood Warning Systems.
- Seek commitment from the State to support the Flood Policy as contained within the Flood Development Manual
- Seek commitment from State and Federal government to a fully funded flood prone land mapping program
- Seek acknowledgement of the holistic and sustainable benefits of floodplain management and the cost benefits of planned flood mitigation infrastructure
- Seek commitment to Flood Mitigation Infrastructure Projects being prioritised in recovery lead infrastructure funding and a commitment to funding from the State and Federal Governments to all items within approved Floodplain Management Plans

2 Organisational Capacity

Background

There is no doubt that over the last decade there has been shrinkage in the number of staff of state government and local authorities involved in floodplain management. This trend is in part attributable to the combination of not replacing staff due to the desire to achieve budget savings and the reduced political commitment to floodplain management. Reduced political commitment for floodplain management appears to reflect:

- ❖ The decade of drought being experienced (which may now be breaking)
- ❖ a very active and successful lobbying campaign against certain aspects of the Floodplain Development Manual.
- ❖ The lack of "first hand" knowledge of flooding by most politicians; many politicians with "hands on knowledge" of past flood disasters have now retired
- ❖ The emphasis on "drought" as the only prediction of Climate Change in the media, a general lack of understanding regarding these predictions and skilful advocacy by interest groups to secure additional funding for their "cause".
- ❖ The lack of "knowledge" with respect to flooding in some professions dealing with development control.

On the FMA organisation front, there is a need for the FMA to ensure that there is in place a comprehensive "succession plan".

Action Plan

The FMA will:

- Encourage the development and retention of floodplain managers among member Councils
- Raise the FMA's profile amongst elected representatives. It is intended to do this by promotion of the FMA with the elected representatives of member councils.

- Build on the successes of the preconference one day courses by the continued development and support for the University of Technology course developed in association with the DECC and “launched” in 2008.
- Undertake a review of the FMA organisation and its constitution to ensure it remains the most appropriate for member requirements. Such a review to include the possible establishment of a national body of floodplain management authorities and practitioners
- Develop knowledge of and involvement with member authorities so that a goodly number of staff and elected representatives are familiar with the functioning of the FMA and available to move into executive positions.
- Investigate the formation of a “Foundation” to further the cause of Floodplain Management.
- Develop international contacts with other ‘like-minded’ organisations

3. Member Services

Background

As with all organisations the FMA must remain relevant and responsive to the needs of its members. Over 4 million NSW residents are represented by member authorities.

It is the aim of the FMA to maintain a core membership of not less than 80 member authorities, to expand associate membership outside NSW, and to undertake a drive for new corporate members and government members during 2009.

The Executive recognises the need to expand the FMA website and to engage members in dialogue regarding the future directions of the FMA.

Action Plan

- a. The establishment of a member being responsible to enhance the website. Funds have been sought in ~~budget. The~~ FMA recognises the need to enhance the capacity of the organisation to develop its website; this is something which has fallen behind previous goals.
- b. Member surveys will be undertaken in 2009 and focus concentrated at each quarterly meeting to develop a new corporate plan; draft surveys have already being formed
- c. Correspondence and documents to be available to members on the website. This was an objective not able to be achieved in 2008.
- d. The benefits of membership will be promoted to prospective members at opportune times and on the website

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4. Other Indicators -- FMA History and Past Papers

Background

The website is seen as critical to activity of the FMA. The website can be used for chat etc by members but little has progressed to help expand member’s use of these facilities.

Action Plan

- ✚ Undertake promotion and “sale” of the FMA.
- ✚ Complete posting of all conference papers on the website.
- ✚ Within the resources available, post all Business Papers and Meeting Minutes held on the website;
- ✚ Commence cataloguing all FMA records and where appropriate scan documents and make available on the website

2008 FINANCIAL PLAN

General

As the FMA moves into new areas of challenge and in keeping with the need for organisational audit, re-evaluation and renewal, it is essential that FMA finances be placed on a secure basis. Put bluntly, we need to do more than we have done in the past, we need to be able to fund what we want to do in the future, and we need a financial strategy to help ensure that what is required can be delivered financially.

The draft budget is framed in a way that income streams are not shown unless known and guaranteed.

A conservative view of expenditure has been taken; a view that means that actual expenditure should in general be close but below that shown in the draft budget

Members Fees

The 2009 Budget has been produced on the assumption of no member fee changes and the following numbers of members:

Membership	Number	Rate (\$)	Fee Income(\$)
Full Members	80	1100	88,000
Associates/Corporate/Government	10	550	5,500
Total			93,500

Carry Over Commitments

There is a need to make note of the provision of some \$6,000 of expenditure associated with commitments already made but not yet to account. These are nearly entirely commitments to the Education Program

Proposed 2008 Budget

FLOODPLAIN MANAGEMENT AUTHORITIES OF NSW

Proposed Budget 2009

	2007 Budget	2007 Actual	2008 Budget	2008 Actual	2009 Budget
INCOME					
Membership Fees (1)	60,300		93,500		93,500
Additional Membership Fees (1)	19,140				
Interest	2,500		4,000		4,000
Sundry (2)	8,500		8,500		0
Grant (3)	30,000		0		0
FMA Book Sales (4)			5,000		0
TOTAL INCOME	120,440	106,241.64	111,000	145,451.36	97,500
EXPENDITURE					
Audit Fees (5)	2,000		4,000		4,000

Chairman's Allowance (6)	6,000		6,000	6,000
Executive Services (7)	35,000		35,000	35,000
Annual Conference Expenses (8)	8,000		8,000	20,000
Special Executive Services (9)	1,000		7,000	7,000
Entertainment	1,000		1,000	1,000
Media / Promotions	1,000		5,000	5,000
Miscellaneous	2,000		3,000	4,000
Lobbying	2,000		2,000	2,000
Website	5,000		5,000	20,000
Member Visitation & Conferences (10)	3,000		4,000	9,000
FMA History (11)	35,000		0	0
Legal	0		4,000	4,000
Floodplain Professional Education(12)	30,000		25,000	0
Australian Taxation Office	0		5,000	0
Transfer To Reserves (13)	20,000		0	
Bulk Subscription "Floodplain Manager" (14)			8,000	0
TOTAL EXPENDITURE	154,000	90,364.60	122,000	118,642.79
SURPLUS/(DEFICIENCY)	(33,560)	15,877.04	(18,020)	26,808.57
2007 CARRY OVER EXPENDITURE (13)			(23,000)	(6,000)

- Notes:
- (1) Resolved at 2007 AGM to base income on 80 Members. The 2009 Budget figure is based upon 80 Members and 10 Associate/Corporate/Government Members with no increase in fees.
 - (2) Sundry Income primarily returns of Conference advance. There was no 2009 Conference Advance
 - (3) Grant associated with Education Program
 - (4) All costs associated with book met in 2007 & 2008. Book sales in 2009 estimated to be negligible.
 - (5) Audit and Accountancy fees
 - (6) Chairs Allowance and Expenses
 - (7) Provision of Executive Support by Aus Engineers under contract
 - (8) Costs associated with annual conference
 - (9) Expenses reimbursable outside of the contract provisions
 - (10) Costs associated with attendance at conferences and member visitations
 - (11) All costs met in 2007 & 2008
 - (12) Allowance for expenditure on Flood Education Program
 - (13) The 2007 Budget included a provision to transfer \$20,000 to reserves. This was not able to be done at the time
 - (14) Bulk subscription to Floodplain Manager as per resolution of 2008 AGM
 - (13) Carry over in 2008 mainly associated with FMA books. Carry over in 2009 mainly associated with education program.

The Total Members Funds per audit statements over last three years are

2008	2007	2006
176,189.79	149,380.72	135,203.61

From the above it can be seen that the FMA has the short term capacity to fund the deficit particularly as a significant part of the deficit is associated with non-reoccurring expenses. The FMA in 2009 should take steps to review its longer term financial security and integrate financial security planning with longer term corporate objectives.

2010 and Beyond - FMA Corporate Plan

With the closure of the first decade of this millennium, it is time for the FMA to undertake a complete review of its Corporate Plan and again workshop through its corporate objectives. From the formation of a new Corporate Plan will come the short term strategic plans and an integrated financial strategy plans to be reflected in the annual business plan.

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Yours Faithfully

Wilton C Boyd
Executive Officer