

Presentation by Andrew Hilton, Management Consultant, Former Chief Executive – Victoria, Australian Red Cross, to the Tolling Customer Ombudsman Seminar, 29 September 2009

BUSHFIRES, APPEALS AND VICTIMS

Good morning and thank you for your invitation to speak to you today.

Throughout my career I have had considerable experience in dealing with dispute resolution: from service stations to the fashion industry; in hospitals; with Government; and the Red Cross; all of these resolutions have been very different.

Two key elements are:

- Reputational Risk, and
- Money.

More about these later...

The topic is Bushfires, Appeals and Victims. Did any of you see “Australian Story” last night?

Sadly, Australia has many bushfires each year but they seldom wreak the havoc of 7th February this year.

In Victoria: 173 people died; 50 were injured; and 2000 homes lost.

No one who has not experienced a bushfire will have any understanding of the emotional trauma involved.

This means that those directly affected and those who want to help have a very emotional response – much more than the effect of floods and other natural disasters.

Dealing with all the people involved in a calm but respectful way can be very difficult.

If you have just lost a relative, friend, colleague or your house, what can a stranger possibly say to make it better?

Mostly not a lot in the first instance, but the stranger can listen. Everyone I spoke to amongst the volunteers said that all they could do was listen – and it seemed to help.

It is well known that grief and dealing with depression often comes some time after the event – months, even years.

People go through stages. There is the busy period:

- getting help
- blaming people
- blaming yourself
- making decisions
- family break-ups

then what!!

- waiting for money to be allocated
- planning permission
- restoration of health
- rebuilding or moving away

What does this mean in terms of dispute resolution?

To resolve disputes (and I did not deal directly with those affected but rather with their counsellors, who were Red Cross volunteers), required great patience and still does.

There was a lot of anger and frustration including the time it required to get relief funds. You may have seen these newspaper articles on the weekend:

"Case workers dealing with people in fire-affected communities have reported that many survivors have been too distressed to claim their share of the funds, or remain undecided about their future plans.

...although a small amount of this money has been locked up awaiting Tax Office approval, essentially proposed payments to people who lost holiday homes."

"Almost a third of all Black Saturday donations are yet to flow to victims.

...some eligible recipients aren't aware of their entitlements.

It said others were distressed and unable to claim, did not want charity or felt unworthy...

But the huge pot of unclaimed cash – 31 per cent of the \$386 million raised – is likely to anger some victims.

This is particularly so because recovery will be slow...

On the unclaimed funds, a fund spokeswoman said some new payments had only recently been announced."

"The fund's organisers expect that some programs, particularly counselling and psychological support, are likely to continue for several years"

"...however the rebuilding intentions of these people, and those still to apply, is slightly unclear."

The lessons learned from the 1983 bushfires when 47 lives were lost in Victoria and 2080 homes destroyed, were useful. I was involved in direct negotiations between the appeal committee and people wanting relief in that year when I worked for the Victorian Government.

Most agree it was badly handled with a lot of fraud and unfair allocation of funds.

* Lawnmower story

This time, this appeal was carefully thought out and proceeded more slowly, but again attracting criticism.

Funds raised topped \$386 million from all around the world.

The Red Cross called on 3500 volunteers to help, both with the appeal and to help people in the bushfire affected areas. The appeal was established in 24 hours between the Red Cross and the State and Federal Governments. It was unique in its speed, especially over a weekend.

In all of this there were many dispute resolutions required:

- volunteers who did not want to follow the rules
- volunteers who were bound up in rules
- people who demanded to supply goods not wanted
- people who demanded to help

How do you tell people who want to help that they are not wanted?

listening... listening... listening...

sometimes offer alternatives

but remain firm

During the appeal we had access to a great deal of personal information, eg. credit cards, addresses, etc. which had to be protected.

Many people asked why was the appeal so successful.

Publicity world wide – 73 radio interviews from Japan, Canada and UK. Emotional involvement and a sense of wanting to help and many people had been in the areas affected.

But publicity also generated problems!

Aside from dealing with unwanted goods and volunteers, there was the impact on the people directly affected, who became very concerned at public perceptions of what happened and the aftermath.

This led to disputes over rights to appeal funds and to ownership of properties.

All of these have to be resolved and will take time.

Dealing with volunteers is a very interesting issue as they can always just walk away and sanctions are limited.

In 10 years I have only dismissed 2 volunteers and wound up one unit out of 8500 volunteers and 310 units, but my staff know there is a limit to dispute resolution and sometimes it does not result in a win-win. Clear policies and procedures are a necessity but communication must be clear and understood.

As you know, dispute resolution is very important to the reputation of the organisation.

To provide a different area of dispute resolution is dealing with bequests – a very important source of review for charities.

These disputes can involve millions of dollars and plenty of legal argument.

Most are settled at mediation conferences. But if not – costs can be high:

Magistrates Court	\$
County Court	\$
Supreme Court	\$
High Court	\$

When to settle and why.

Why is all this important	-	REPUTATIONAL RISK
	-	MONEY

I am happy to take questions.

Thank you