

# Gidgegannup Progress Association (Inc.)

Working with the Community – For the Community

27<sup>th</sup> February, 2017

M.J. Foley,  
Chief Executive Officer,  
City of Swan,

Dear Mr. Foley,

## **Re.: Review of the Emergency Services Levy (ESL)**

The Gidgegannup Progress Association, on behalf of the Gidgegannup Community, welcomes the opportunity to make a submission to the Emergency Services Levy Review. We have serious concerns with the way the ESL is currently managed, and in particular the low priority placed on resourcing prevention activities, especially of fuel reduction across all tenures in bush land areas. We hope that this review leads to much better management of the ESL leading to reduced community risk.

### **Executive Summary**

- Prevention, especially for bush fire risk should be given equal, if not greater priority and resourcing to Prevention and Response.
- The current method of setting ESL rates is probably the preferable model for current and future needs
- Emergency Services should be fully funded from the ESL for their roles and responsibilities in Prevention, Preparedness, Response and Recovery.
- Future changes in Emergency Services expenditure are likely to be affected by increased priority to Prevention, structural and operational changes within emergency services, changes in populations and their distribution, climatic changes, and in community expectations
- The methods for setting ESL rates should reflect that emergency management is a "shared responsibility". Even with an increased focus on Prevention there should not be a large increase in rates.

- Enough information about ESL financial management and distribution should be made publically available in a form such that even an interested layperson can make a reasonable judgment as to whether the funds are being appropriately managed.
- The ESL should be managed by an entity which is NOT the prime or substantial beneficiary of those funds, unlike the present arrangements.
- A Rural Fire Service should be funded from the ESL as are existing emergency services
- Establishment of the RFS should incur little or no extra cost in the long term, except as a result of the increased focus on Prevention. Much of existing resources can be transferred from DFES to the RFS. A greater Prevention focus should lead to long term reductions in Response and Recovery costs for bush fire, and may in fact reduce overall cost of emergency services to the community.

### **The Gidgegannup context**

The Gidgegannup community is located in a high bushfire risk area, with low population densities except in a few small areas such as the existing town site and subdivisions. There are extensive tracts of bush land and farming country, and often rugged terrain with difficult access. There is extensive privately owned bush land throughout Gidgegannup, ranging from 2 ha to 4000 ha. In some areas these are contiguous with other similar properties, and with Walyunga National Park, Darling Range Regional Park and Avon Valley. Particularly in the northern half of Gidgegannup, these form continuous bush land areas of many sq km, broken by few roads and with often difficult access.

Our community is becoming increasingly concerned with the trend towards increasing scale of large intense bush fires, sometimes known as "mega fires" in the South West of WA in the past 10 to 15 years, with a near exponential increase in housing and infrastructure losses, some loss of life, and environmental destruction. Fortunately Gidgegannup has escaped the worst of these so far, this is in no small part to the efforts of our dedicated Volunteer Bush Fire Brigades, other emergency services, and the community itself. However despite these best endeavours, impact of such scale as has occurred with major bush fires in other areas in recent years is inevitable unless major change in the way bush fire risk is managed occurs.

The Gidge community was fortunate in where the Red Hill fire started and ran in February 2011, that the Avon Valley/Walyunga fire of 2013 was pushed to the west, and that the Parkerville/Stoneville/Mt Helena fire of January 2014 did not continue its run further north. We were also exposed to at least 18 fires caused by lightning at the same time as the January 2016 Waroona fire was at/near its worst. Fortunately a combination of prompt action by our local volunteers and by residents, combined with much more favourable weather conditions, prevented this turning into an inferno on the scale of the Waroona/Yarloop fire.

We are particularly disturbed by what seems to have been a trend by all levels of Government in the past 15 years to place too much reliance on response to incidents, and not enough on mitigation.

Local Government efforts at managing this risk fell away sharply post 2000, and this is reflected in increasing bush fuel load levels across most of Gidgegannup. Fortunately Local Government is now rebuilding this capacity, though the outcomes have a long way to go to replicate the past.

The level of experience and confidence of landowners in managing that risk has been significantly eroded in the past couple of decades due to changing population demographics associated with farming as a full or part time career being far less common, and with the "tree change" effect. They also face the disincentive of what they see as the poor example of all levels of Government in managing that risk, and barriers in terms of approvals. They also have quite legitimate concerns re environmental impacts which do need to be addressed. Landowners do engage brigades to assist in hazard reduction under Local Government auspices, however volunteer time and weather windows are limited. The Ferguson Report recommends that available National and State Funding be accessed to assist these landowners.

The organisation responsible for management of Bush Fire Risk and of our volunteers is a strong area of concern. Gidgegannup has two strong bush fire brigades, part of a network of over 500 Bush Fire Brigades across WA managed by Local Government and which make up over 70% of WA's Emergency services personnel. We have a strong belief that these brigades and volunteers should be appropriately managed, and by Bush Fire Managers with a strong empathy with volunteers and "extensive and credible" experience with bush fire. A Rural Fire Service independent of DFES represents the best model to address our concerns.

## **1. How should funding be allocated across prevention, preparedness, response, and recovery activities?**

Prevention should be given an equal if not greater resourcing than the other factors of emergency management activities. At present ESL funds are primarily spent on Preparation and Response. In the long term, increased funding on prevention should be reflected on reduced costs associated with Response and Recovery

Those who have been affected by major bush fires of recent years, and/or have been involved in trying to control them know all too well the risks and difficulties posed by inadequate prevention activities.

Following the disastrous 1961 bush fires in the South West of WA, and following on from a Royal Commission, a robust hazard reduction programme was implemented in the south west of WA, principally but not exclusively by hazard reduction burning. The outcome from this was that for 40 years there were few mega fires, and property losses were minimal. From the early 2000s we have seen a large increase in the scale and intensity of bush fires, and an exponential increase in property losses, and tragically loss of life, including the recent losses in Esperance and Yarloop

What has changed to bring this about? Significant factors include a drying climate, leading to longer bush fire seasons in the south west region, and more limited weather windows for hazard reduction burning. There are also more people living "in harms way" (tree change effect).

Climate change we can do little about, and we have to respect people's choices as to where to live as far as is practicable. The influencing factor we can most control is the risk posed by fuel loads in bush, and unfortunately we are not doing this well with fuel loads increasing substantially over all tenures in the past couple of decades.

Since the 90s, the scale of hazard reduction in particular by burning across all tenures in the South West has greatly reduced due to a combination of factors leading to decreasing windows of opportunity and diminished resources to take advantage of them. In particular the risk from fuels in proximity to communities has not generally been properly addressed due to the difficulties involved.

Organisational changes have also contributed to the risk not being appropriately addressed. In the late 90s the Bush Fires Board, which was very Prevention focussed, was abolished with the formation of FESA which became much more Response focussed to the detriment of Prevention. The Bush Fires Board took responsibility for and carried out extensive hazard management activities on WA Government land not managed by the then CALM, and extensively supported Local Governments in their Prevention activities. A local example is the Avon Valley Rail Corridor which was regularly burnt during the Bush Fires Board days, then nothing done for 15 years after its demise, despite substantial lobbying from the community and volunteers, before limited efforts were allowed to resume in 2014.

Local Governments have also reduced their emphasis and resourcing for prevention significantly. An example is City of Swan, which up until the end of the 90s was considered to be well "ahead of the pack" in the way it managed bush fire risk, in particular the way it managed hazard reduction, and engaged with and supported private landholders in their fuel load management. In the early 2000s the 5 x FTE fire management team was replaced under a MOU with FESA by a single Community Fire Manager with little bush fire management experience. Resourcing and outcomes in bush fire hazard prevention activities fell way behind what used to be achieved. To their credit and after significant lobbying by the community, City of Swan has been gradually rebuilding this team in recent years. Limited burning on some reserves and verges has been done, but there is a long way to go to return to the scale that used to happen. In particular the "catch up" with fuels loads will take a number of years even with a concerted effort.

As more people live in harms way, prevention activities in particular fuel load management, need to be substantially increased not decreased across all tenures. The Perth Hills Bush Fire Review (Keelty) identified the "shared responsibility" involved in this. The Waroona/Yarloop Enquiry (Ferguson) reiterated these lessons and recommended structural change and increased focus on prevention. Other major enquiries have identified insufficient prevention activities as major contributing factors to the outcomes.

All those involved in hazard reduction need to be far better resourced and supported. DPaW fire management resources have been effectively halved since the 90s, and this is reflected in the reduction of their hazard reduction effort since then. This capacity needs to be rebuilt. The WA Government estate not under the control of DPaW needs to have its bush fire hazard much more effectively managed without diluting DPaW effort on its own estate. Local Governments need to place much more emphasis on managing risks especially fuel loads on their own land, and assisting private landholders who may not have the experience and resources to manage theirs. An concerted approach led by a appropriately resourced Rural Fire Service which gives as high if not greater priority to Prevention than to Preparedness and Response will go a long way towards reducing the risk from bush fire. This will not happen overnight, it will take a number of years to claw

back the ground which has been lost in the last couple of decades. If resourcing from the ESL is not available for this, alternative Government funding must be allocated. Using a remodelled ESL is the most equitable means of achieving the desired result.

## **2. What should the ERA consider in assessing whether the current method for setting the ESL is appropriate for current and future needs?**

At present ESL is levied on most rateable properties and is based on service levels. All West Australians have some form of coverage from fire services, whether they be volunteer or career and are also covered by SES volunteers, and in certain areas by Volunteer Marine Rescue units. All West Australians are supported in major emergencies by resources from other regions. The South West Region and Great Southern and to some extent the Midwest Gascoyne and Goldfields/Midlands regions are supported by the aerial firefighting fleet, which can however on a case by case basis be deployed further afield as required.

Therefore an across the board component, which to a limited extent is varied by regional but not specifically local conditions, would seem to be the most equitable funding model. Emergency Management is a "shared responsibility".

However as stated elsewhere in this report, Prevention activities are not being properly addressed. A small to moderate increase in the rate provided substantial and demonstrable Prevention gains are made would probably be acceptable to most ratepayers who are aware of the issues, though some resistance will be inevitable. Long term the benefits from increased Prevention activities may be offset or be exceeded by the flow on of reduced Response and Recovery costs.

## **3. What emergency service expenditures should be funded by the ESL?**

### **Prevention**

Prevention needs to be given an equal or greater level of priority and resourcing as Preparedness and Response. The arguments for this are largely contained in section 1 and therefore will not be repeated here

### **Preparedness**

Current resources and funding for this needs to be generally maintained, at least in the short to medium term. This should be reviewed at regular intervals, particularly as/when development occurs and more residents move to the district.

While volunteer emergency services would at a glance have on average relatively low utilisation rates, when emergencies on any significant scale occur they can quickly become fully utilised. There need to be sufficient numbers of volunteers to ensure that all appliances can be crewed for several consecutive shifts. They need to be appropriately equipped and trained, and to exercise regularly. They need to be motivated and feel valued. They need to be supported by appropriate infrastructure. In the case of Gidgegannup there is only 1 fire station which can only house 3 of the 8 fire units permanently assigned to Gidgegannup, though progress is being made to upgrade the existing station, and for a second fire station to be built so that East and West Gidgegannup have their own stations.

The temptation by a perception of cost reductions by "centralisation" and having fewer, larger, and more widely separated stations should be resisted. With bush fire in particular, prompt response is critical to limiting the scale of an emergency. Such centralisation can lead to a loss of community "ownership" and inevitably community resilience, which is addressed in the Ferguson Report. Short term cost gains are likely to be far outweighed by longer term consequences of emergencies. Gidgegannup has no reticulated water, and a drying climate will often make natural water supplies unusable during mid to late summer. Emergency water supplies such as water tanks are essential and need to be funded.

Dedicated emergency communication networks do have "black spots" and are also subject to degradation by the impacts of the emergencies themselves, and therefore significant redundancy, overlap and backup arrangements need to be in place.

### **Response**

All response activities by or on behalf of emergency services need to be funded by the ESL. The nature of emergencies is that they have a "patchwork" effect. This means that at a local level, individual landholders may not be significantly directly affected by emergencies for many years, in some cases generations, however when they are affected the associated costs can be huge. At a community or Local Government level, the cost of response which affect them will be highly variable from year to year. Therefore a direct cost recovery process will not be appropriate, a "mutual insurance" methodology such as with the ESL is far better.

The ESL should cover all expenses by emergency services for response activities which would not be normally covered by any insurance arrangements including

- RFS/DFES/Brigades/Local Governments - fuel, consumables, repair and replacement costs for equipment
- Cost of contractors engaged eg earthmoving, water carriers, transport, catering, accommodation
- Overtime costs of employed staff
- Cost of aerial firefighting fleet
- Reasonable out of pocket expenses incurred by volunteers

### **Recovery**

Recovery costs which would not normally be expected to be covered by insurance arrangements should be funded by the ESL, subject to special alternative funding arrangements being available. Under emergency arrangements in WA, Local Government is responsible for Recovery. This means that individual Local Governments can be hit quite hard by recovery costs compared to others even with the availability of special funding under disaster arrangements from state and federal funding sources.

#### **4. How are expenditures on emergency services likely to change in the future?**

Prevention, especially for Bush Fire Risk, is likely to take a far higher priority than has been the case in recent years. This will inevitably demand substantially increased funding. The arguments in support are in section 1 and need not be repeated here.

Preparedness expenditure patterns are likely to change, particularly as populations increase, and become more geographically widespread. The "treechange" and "seachange" effect will be a major contributor, and will often put more people in harms way, with many coastal communities facing high bush fire risk. This will inevitably be exacerbated by climate change. The scale of emergency services equipment and infrastructure, the number of volunteers, and the training requirements for those volunteers will increase as a result. This will be particularly evident in Gidgegannup as more subdivisions and possibly even a town site are established, which may lead to extra appliances and equipment, and requirements for some volunteers to receive extra training, including with breathing apparatus. Fortunately more development means more ratepayers and hence more ESL collected, but rates may have to be varied to reflect the overall cost of the scheme. It is fortunate that for new developments at least fixed fire fighting infrastructure such as water tanks is now often a condition of development with initial costs borne by the developer.

#### **5. How could the method for setting the ESL be improved?**

The current method of setting ESL levies is reasonably equitable, far better than the previous regime of surcharges on insurance policies. For vacant, residential and farming land the rates would seem to be quite reasonable when compared to the level of service from emergency services in terms of the expectations of Preparedness and Response. Having a range with a minimum and maximum per rate notice, with a component for valuations as at present seems reasonable.

Other methods of levy are problematical. Risk is most tied to the land which we occupy hence levies via rates are administratively practicable. Individual assessment of relative risks posed to or by individual properties would be administratively very difficult or impossible to carry out and translate to financial terms. In any case as in the words of Keelty this is a shared responsibility, everyone's risk affects everybody else, though this diminishes with distance.

Other means of levy, eg using the income tax system, will lead to more inequitable arrangements, as "accounting creativity" leads to so many variations in assessment levels. A poll tax arrangement would lead to an administrative nightmare, and strong community resistance.

#### **6. What information should be made public about the administration and distribution of ESL funding?**

The communities which are protected as a result of ESL expenditure, and in particular those who make ESL contributions have a right to reasonable information as to how those funds are managed. Unlike the present arrangements this may satisfy them that the funds are being used appropriately. Alternatively when/if they have concerns this can inform them in relation to discussions and consultations on changes and improvements to the scheme.

The information that is published annually should not be camouflaged in "accountant speak" and should be sufficiently broken down so that even a layperson can be reasonably informed as to how much for each service is spent annually on buildings, fire units, equipment, other infrastructure, training, support for other agencies such as Local Government, salary and wages, and in particular a further breakdown into Prevention, Preparedness, Response and Recovery.

**7. What processes should be in place to ensure accountability in the expenditure of ESL funding?**

Each entity which receives ESL funds should periodically report to the ESL management entity as to how those funds are spent, and whether KPIs related to these are being met. ESL funds should not as at present with DFES be combined with an entity's overall budget before distribution which makes it harder to achieve the required level of transparency and accountability of ESL distribution.

See also the comments in section 6.

**8. Which agency should be tasked with distributing funding from the ESL?**

No agency which receives or benefits from ESL funds, other than the administration expenses solely associated with managing ESL funds, should control the distribution of those funds. This should in turn be overseen by a body such as the ERA, or Public Sector Commissioner. In particular DFES should NOT as at present be in charge of managing overall funds for which it is the prime beneficiary and also for the decisions on distributions to other agencies eg Local Government, sometimes to the latter's disadvantage. Concerns and recommendations regarding this have been frequently raised by Local Governments, volunteers, and in both the Keelty and Ferguson Reports.

**9. If a rural fire service is established, should it be funded by the ESL?**

Yes - the RFS would be responsible for managing fire risk on most WA Govt and private land across all tenures outside the gazetted (urban) fire districts, except that managed by DPaW and some Defence land. Even with those mutual support arrangements are usually in place so the RFS would be involved.

Managing that risk benefits all communities, including those remote from areas immediately affected by emergencies by minimising impact on infrastructure including transport links, power supplies, communication networks, and in impact on the agricultural, mining and industrial sectors. Therefore the RFS role should be supported by the community under the "shared responsibility" to manage risk, the ESL is (subject to the outcome of this review) the most equitable means of securing the funding required.

**10. How much would a rural fire service cost, and what effect would it have on ESL rates?**

**10.1 Costs of an RFS**

This depends on the model. Much of the physical resources required would be transferred from those currently under DFES management, except for FRS stations and fleet, and a portion of administrative staff and premises. All premises that DFES currently owns are WA Government owned and transfer of a portion of these to RFS should involve minimal cost. Leased premises can be made subject to changed arrangements. New building infrastructure should be minimal or limited. While with the "Future Fleet" concept significant changes are expected, current and future arrangements to supply the BFS/RFS vehicle fleet should be little affected as a result of transfer of resources and responsibilities to the RFS from DFES.

Some personnel with the appropriate Bush Fire Management background would be expected to transfer from DFES to RFS, but regardless DFES management staff would be expected to be greatly reduced to reflect the changes, this would inevitably involve some redundancy costs. Overall there should be no increase in overall staff directly employed by WA Government as a result of the



formation of a Rural Fire Service, and efficiencies with a much more targeted organisation may in fact reduce that overall number. This may be an opportunity to reduce what is often seen as a bloated bureaucracy in DFES.

The current CESM programme would be expected to be largely replaced by a similar arrangement under a RFS, again this should have little change to overall, and have a long term cost benefit as a result of the outcomes of being part of a more efficient bush fire management risk focussed organisation.

An example of a transition in recent years which involved relatively low increased costs was the breakup of Dept of Environment and Conservation (DEC) into Dept of Environmental Regulation (DER) and Dept of Parks and Wildlife (DPaW).

It has been recommended by experienced bush fire management practitioners that funding should be available from the ESL for Local Governments to employ staff engaged in hazard mitigation staff. Initial costs may increase, but the net benefit from increased prevention activities as a result in the long term should eventually more than compensate for that increased cost.

#### 10.2 Effect on ESL rates

This will depend on the RFS model adopted (see above), and on changes in service delivery. We do not see any significant changes with Preparedness and Response arrangements with our volunteer brigades, however the current programme of improved infrastructure such as Fire stations, water supplies etc is expected to continue.

We would expect to see increased resources applied through Local Government to Prevention activities on a "tenure blind" basis. The most significant changes that we should expect are a substantial increase in fuel load management on City owned and managed land, and in support for private landholders in managing their bush fire risk especially fuel loads. In the short term this effort will increase costs to Local Government, however in the long term the financial, social and environmental benefits as a result of reducing the risk will far outweigh the costs involved.

If such activities are to be funded by the ESL this may involve some increase in ESL rates which would need to be justified to those ratepayers and which would need to be accompanied by actual "on the ground" activities being carried out. There would be inevitable opposition to an increase in the ESL levy without a demonstrable improvement in service delivery, particularly in prevention activities.

Yours sincerely,

Sally Block

Cc.: Crs. D. Trease, R. Henderson