



UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

ABN: 31 367 577 278

PRESIDENT: Kevin Jolly *AFSM*

SECRETARY: Lea Anderson

Dr Nicola Cusworth
Chair
Economic Regulation Authority
PO Box 8469
Perth BC 6849

Per email.

Dear Nicola,

Re: ERA Review of the ESL – United Firefighters Union Submission

Thank you for the opportunity to make a submission on behalf of our members to the Economic Regulation Authority's Review of the Emergency Services Levy.

The Union has strongly opposed the establishment of a separate Rural Fire Service because it is our view that the cost of establishing a new and additional bureaucracy will not deliver resources to regional Western Australia where they are most needed. An additional State Government Department will duplicate bureaucracy instead of working towards service delivery that maximises economies of scale and efficiency.

The models of separate Country or Rural Fire Services in the Eastern States have not delivered improved comparable outcomes for the community in those States and there have been even greater loss of lives and property in those States than in WA.

The establishment of a separate Rural Fire Service in Western Australia will cost an estimated \$400 million dollars and the ongoing running costs will be measured in the tens of millions of dollars.

Ferguson's Review Report following the catastrophic Waroona Yarloop fires resulted in a recommendation to establish a Rural Fire Service but was not prescriptive of how such a service would be funded, or how significant legislative change would be enacted to create such an entity and indeed, he provided two options – one was a stand alone service and the other was a model with a sub department of an existing State Government Bureaucracy. Ferguson's Report failed to come to grips with how a new Rural Fire Service would work with over 121 separate Local Government Agencies which are responsible for approximately 500 different Volunteer Bush Fire Brigades. He also failed to address how the existing network of Volunteer Fire and Rescue Service Brigades would work within a Rural Fire Service and whether or not duplicate professional Firefighters and Officers would be appointed alongside the existing structure of four professional Fire Stations in the Cities of Kalgoorlie, Bunbury, Albany and Geraldton as well as the extensive network of professional Fire Service Regional Offices that support volunteers and service delivery through a service delivery model across the whole of regional Western Australia, including remote and rural locations.

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

The Union has submitted for some time that more resources need to be allocated towards mitigation and prevention and that additional operational personnel and equipment have to be provided to the outer metropolitan and country areas because of the significant risk to life, property and infrastructure.

The catastrophic Margaret River fires illustrate the importance of ensuring that controlled burns for mitigation are undertaken in an environment which is safe and fully resourced so that there is no risk to local communities and infrastructure if control of the fire is lost or mismanaged.

The Bush Fires Act 1954 establishes which landholders and agencies have the primary obligation for fire prevention and they are private landholders, local government and the Department of Parks and Wildlife (DPAW).

Additional resources should be allocated on the basis of risk and need to include professional Fire Officers with established Operational competencies that include structural response. The practical example from the Yarloop Waroona fires which included the Education Department's School as one of the few buildings to survive the razing of Yarloop is very significant. DFES and the Education Department had a Memorandum of Understanding (MOU) and significant work had been undertaken by DFES Operational personnel to ensure that all Education Department buildings were assessed and mitigated. General responsibility for the mitigation of Yarloop as a town was the responsibility of Local Government and Ferguson did not address the failures to prepare and mitigate Yarloop and other small towns impacted by the fire.

The Union strongly submits that any consideration of change to the ESL should not include any reduction in the resources required to be capable of responding to Fire and other emergencies. The ESL needs to better resource response to improve services to the communities throughout Western Australia and any reduction in expenditure and resourcing for response would be disastrous for our State.

Recovery operations need to be better co-ordinated and resourced and it is the Union's view that if recovery was included in the ESL's funding model this would require a significant increase in the amount of ESL collected throughout WA.

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

Any comprehensive analysis of the ESL needs to be inclusive of the Insurance Council of Australia given the history of funding for Fire Brigades that pre-dates the model established under the ESL.

The consideration of the history of the ESL, the protection it resources and how it is collected and spent warrants a review of the relevant legislation because any proposal to add responsibilities for service delivery and potential enhanced capability for Western Australia would require legislative change.

The current ESL methodology for setting the levies paid through the collection of ESL monies by various Local Government agencies cannot be "robbed" or altered to pay for additional service delivery and any change to the legislation must consider the principles of fairness and equity. At no time did Ferguson or indeed many other commentators discuss how the ESL should change or how big an increase to the ESL would be required in regional WA to resource communities in the country or to potentially establish a new bureaucracy, including significant capital infrastructure for state wide communications (which exists in DFES) and a training facility for those volunteers being supported by such a new bureaucracy. The DFES Academy is run down and in need of significant resourcing and to contemplate establishing a new additional training facility would be more unnecessary expense for the citizens of WA.

The ESL funds the services provided by professional Firefighters and Officers throughout WA as well as training, resourcing and equipping volunteers. Very little revenue is provided by the State Government and the Union strongly supports good governance and accountability for the expenditure of the ESL by DFES and notes that there have been very few complaints made to the Treasury Department or the Auditor General about the way DFES administers the funding and expenditure resourced by the ESL.

Having said that, without detracting from sound practical accountable procedures, the Union believes that there is room for some improvement and there are from time to time administrative constraints that detract from efficient operations, for example the complex structures and processes established more recently within DFES detract from the successful procurement of the best and safest equipment and Personal Protective Clothing for both professional and volunteer personnel. Firefighting is a carcinogenic occupation, the State has recognised this through changes to Workers Compensation Law and yet the complex layers of decision making has resulted in a growth in bureaucracy administering these procedures with little practical life and cost saving results. The State Government should be able to purchase the best and safest equipment, fire engines and personal protective clothing off the back of other tendering processes that may have been undertaken in other Australian jurisdictions if there are proven economies of scale for WA.

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

All existing areas of responsibility should continue to be funded and any additional resourcing needs to be supported by a change in the ESL charges for those regions receiving the improved services. This would require significant legislative change and broader consultation with the citizens of WA and various organisations including the Insurance Council of Australia. Any change to the ESL funding formulae would have to meet the criteria of fairness, expenditure and enhanced operational service delivery.

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

A number of factors need to be considered including but not limited to the following:

- Climate change and the frequency of severe weather events. Please refer to the Climate Council Report – “Be Prepared: Climate Change and the Australian Bushfire Threat” of 2013 which is attached to this submission.
- The expansion of the State’s infrastructure and population growth, especially in regional WA.
- The aging demographic for volunteers in the Fire and Emergency services, the impact of reduced populations in some communities driven by changing farming practices, the need to re-locate for work and Fly In Fly Out employment, and the resultant concerns for the safety of both professional and volunteer personnel responding to fires and all other emergencies.
- The recurrent need to better resource and train volunteer and professional Brigades throughout the vast state of WA.
- The need to ensure that equipment and personnel are available in more isolated communities like Esperance instead of relying on the transportation of crews and equipment from the already under resourced fire districts of Albany and Kalgoorlie.
- For too long WA has been without specialist equipment and facilities in the cities and towns that have working ports and significant marinas for commercial and private craft. The risk of catastrophic Fires and other emergencies at our Ports and Marinas is great and we are the only State in Australia without such protection.
- New and expensive technology will impact the safe and effective delivery of Fire and Emergency services including training, communications, fire trucks, aerial response and protective clothing and equipment.

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

The answer to this question includes a detailed consideration of the history of funding for Fire Brigades and the creation of the legislation that underpins the collection and responsibility for the disbursement of funds for the ESL.

In the Union’s view the following determinates underpin the ESL:

- The system was designed to be cost neutral for the State and it replaced the previous insurance derived model for funding Fire Brigades.
- The legislation set out the method for the collection of the ESL and established that the ESL could only be spent for the purposes it was designed to fund.
- The scheme for the collection, management and distribution of funds was supposed to be efficient and accountable.
- The scheme was to include clearly set out systems to communicate to those paying the ESL what the formulae is based on and how it is spent by DFES.
- The ESL paid by citizens was to be supported by services being available to them and so any future changes cannot dilute services provided to those that have paid for those services.
- Principles of fairness and equity cannot be undermined by any consideration of change.

Any new services, operational staff, training, equipment and infrastructure for both professional and volunteer Firefighters will need to be resourced by increased ESL charges, particularly in regional WA and such increased charges should not be squandered on a new additional bureaucracy, instead there should be economies of scale applied by the efficient use of and expansion to the existing network of regional offices within DFES across WA.

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

The Union supports the full disclosure of information related to the administration and distribution of ESL funding, including how much is collected and a break down for each local government and how much is spent in each local government area.

The Union also supports more detail being provided about the existing bureaucratic expenditure, including the cost of external consultants and external service providers by both DFES and the local government agencies that receive ESL funds.

For example, the Union can see the benefit of working with other Fire Brigades and Departments around Australia to share operational knowledge and experience and to work towards enhanced operational objectives and service delivery and potential savings but the Union does not support non-operational travel and expenditure to discuss non operational matters like Human Resources. For example the Union has been critical of the participation of administrative civilian staff in forums co-ordinated by AFAC because AFAC should be more operationally focused and it is not a registered employer organisation and therefore it has no legitimate jurisdiction in non operational areas such as these.

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

The legislation that underpins the collection and expenditure for ESL funds sets out processes of accountability and the requirements for DFES to publish audited Annual Reports and Accounts should not be watered down.

The DFES Annual Reports should also include more detail on the breakdown of ESL collected for each local government agency as well as what ESL funds are expended for each local government agency.

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

The Department of Fire and Emergency Services is best placed given the operational expertise across the areas of Fire Prevention, Fire Safety, Mitigation, Bush Firefighting, Structural Firefighting, Rescue and the management of Hazardous Material Incidents. The state wide responsibility that DFES already has and the fact that our members employed by DFES are the "cavalry" called in whenever there is a catastrophic fire that other agencies cannot manage demonstrates that they have the knowledge, training, responsibility and expertise required and that also shows when they consider the operational logical distribution of scarce ESL resources across the State.

The Union does not support the ESL being administered by Treasury or another agency without the underlying operational competencies, knowledge and experience required to make the hard decisions related to the allocation of resources throughout WA.

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

The response to this question requires the consideration of the following points:

- What form of Rural Fire Service is being created and how much will it cost? Will it duplicate existing bureaucracies and can savings be implemented by enhancing existing models, networks and infrastructure?
- Will the communities in rural and regional WA be prepared to pay increased ESL and if so, will they want resources where they are most needed or a new additional State Government Department?
- Would the funding of new separate Rural Fire Service Department be supported by the legislative framework for the existing collection of the ESL?

Given the state of the WA economy the Union strongly believes that there is a need to better resource existing professional and volunteer Brigades and DFES Regional Offices to improve mitigation and prevention and ESL money should be spent where the funds are needed the most and the ESL should not be wasted on unnecessary administration.

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

The stand alone proposal would require a new Government Department to be established and Ferguson's report was silent about the structure for either option and how the existing Volunteer Bush Fire Brigades (~500) administered currently by just over 120 different local government agencies would fit in to the two options.

Any estimates of cost to establish a new service can only be based on the experience in other State jurisdictions. The establishment cost figure we think is realistic for a new separate Rural Fire Service or Department is approximately \$400 million dollars.

From conversations we have had with Officers within DFES who are more familiar with the ESL funding model, it appears for every additional \$1 million dollars in cost the charge for ESL category one would be roughly \$1 dollar. So if the establishment figure is \$400 million dollars, a significant number of Western Australian families will be charged up to a \$400 increase and this would be unreasonable and untenable for many families and businesses.

That example does not account for possible changes to the legislation which establishes the ESL charges and governs the expenditure and in terms of equity and fairness if the new services were going into regional Western Australia, a significant increase in the ESL being paid by property holders in regional Western Australia could be expected and again, that would be a huge burden for many of them.

Another issue for whoever has to pay for enhanced resources or a new separate Department would be what exactly would they be funding? The Union anticipates that there would not be strong support for financing a new bureaucracy at the expense of resources required throughout regional WA.

The most cost effective way to improve resources in regional WA would be to enhance the existing region DFES network of offices and country fire stations to ensure that both volunteer and professional personnel are trained, equipped and supported to prepare, mitigate and to respond to the fires and all other emergencies within their local communities.

Please do not hesitate to contact me if you have any questions or comments about the Union's submissions. My email address is: [REDACTED] and my telephone number is: [REDACTED].

Yours faithfully,

[REDACTED]

Lea Anderson
Branch Secretary