ERA ESL Review - John Mangini

Please see below my submission to the ERAs ESL Review 2017.

Due to my background and expertise, I will generally confine myself to the area of Bush Fire Management. I am sure that others will contribute in relation to their own areas of expertise.

To put this submission into perspective, my bush fire fighting and emergency management background, and my general community involvement is significant.

Current positions/roles

- *Vice Chairperson Gidgegannup Progress Association*
- *BFS Volunteer (West Gidgegannup) since 1992*
- *Deputy Chief Bush Fire Control Officer (City of Swan) since 2011*
- *Member SEMC Response Capability subcommittee since 2014*
- *Proxy member of DFES Volunteer Pathways Advisory Group and previous VTAG since 2013*
- *Member of City of Swan Bush Fire Advisory Committee since 2011*
- *Chairperson City of Swan Fire Operations Working Group since early 2016*
- *North Metro Zone Rep for Association of Volunteer Bush Fire Brigades since 2012*
- *Member WA Volunteer Emergency Services Hardship Assistance Scheme Management Committee since 2016*
- *Member WAFES Conference organising committee 2017*
- *West Gidgegannup Bush Fire Readiness Facilitator*

Incident Management/hazard Reduction

- *Member of several level 3 bush fire IMTs in Operations/Deputy Operations roles including Red Hill 2011, Avon Valley Walyunga 2013, and Bullsbrook and Lower Hotham 2015*
- *Incident Controller/ Deputy IC, and Operations Officer/Deputy, Sector Commander etc at numerous lower level bush fires since early 2000s*
- *Extensive hazard reduction burning management experience at a Local Govt/brigade level, in a private capacity as an owner of a large tract of bush land (including assisting other landholders in a similar situation), and participating in some DPaW managed burns.*

Previous positions/roles

- *Bush Fire Brigade Capt (West Gidgegannup) 2006 to 2015*
- *Brigade Training Coordinator (West Gidgegannup) 2003 to 2010*
- *Bush Fire Control Officer (City of Swan) 2006 to 2011*
- *DFES Volunteer Vehicle and Equipment Advisory Committee 2011 - 2015*
- *Acting/relief CESM Swan and Kalamunda 2011*
- *Secretary City of Swan Fire Operations Working Group 2013-2016*
- *Extensive participation in DFES Emergency Services legislation review workshops 2013*
- *Extensive involvement in consultation and workshops for bush fire vehicles "Future Fleet" during 2013/14, and again in 2016 (CONOPS)*

Profession/occupation

- *Semi retired Master Mariner (unlimited tonnage/operating area). Current casual employment through a marine consultancy to the offshore oil and gas industry.*

Executive Summary

- Prevention should be given at least an equal, if not higher priority to Preparedness, and as far as is practicable given their unpredictable nature, to Response and Recovery.
- The Property/rates based method of levying ESL is probably the best achievable model.
- The ESL should be used to fund most aspects of emergency services expenditure, with the exceptions and reservations detailed in responses below.
- ESL expenditure will inevitably increase due to population growth and development, climate change, and community expectations.
- Information re ESL expenditure should be publicly available in a form that will allow the average citizen to make an informed judgment as to whether the funds are being appropriately managed and disbursed.
- There should be independent oversight of ESL management.
- No agency which is the prime or a major recipient of ESL funding should be empowered with the management and disbursement of ESL funds.
- A Rural Fire Service should be funded by the ESL.
- An appropriate RFS model should result in little additional overall emergency management costs via the ESL, except for the additional funding that is required to properly address prevention through hazard mitigation

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

1.1 Prevention should be given as high, if not greater, priority in terms of funding and resources to Preparedness, and as far as is practicable under the circumstances given their unpredictable nature, to Response and Recovery.

Prevention is generally recognised as the cornerstone of risk management as it will generally have a direct effect by reducing, at least in the long term, the impact of emergencies on our communities. This will have a flow on effect in overall cost reduction by reducing the costs associated with response and recovery.

For much of WA, particularly the southern half of WA, the greatest emergency risk is from bush fire, though recently floods have had a major impact, and historically storms have also caused damage. Structure fire, road crash, searches etc also lead to both social and economic losses.

Bush fires are inevitable but we can minimise their impact by prevention measures, particularly fuel reduction. 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.

Post Dwellingup 1961

Post the 1960/61 summer, with its devastatiing bushfires which burnt over 500,000 ha in the SW of WA, destroyed Dwellingup and some smaller mill towns, a Royal Commission was held in WA. One outcome was the implementation of a robust hazard reduction programme, primarily by burning, ed across most land tenures. This resulted in a 40 year period with few "megafires" and few losses of homes and lives. From the mid to late 90s this effort reduced, and we have since seen an increase in "mega fires", and an exponential increase in property losses and tragically loss of life.

The Bush Fires Board, which took responsibility for fire management of WA Govt land not under the control of CALM etc, was abolished in the late 90s with the formation of FESA. This led to a dramatic reduction in hazard reduction efforts on much of crown land. The abolition of the board also resulted in the robust support traditionally given by the Bush Fires Board to Local Govts in their hazard reduction efforts largely disappearing.
Local Govts themselves reduced their focus on fire management, including hazard reduction, which led in turn to a reduction in landholder efforts. An example is my own local Govt City of Swan, which went from 5 x FTE fire management staff in the 1990s to 1 x Community Fire Manager in the early 2000s. This also led to a reduction in hazard reduction by burning on Local Govt land, and much lesser holding to account and also supporting landowners in managing their fuel loads. Fortunately the fire management team has been partly rebuilt, largely as a result of persistent and robust lobbying by residents and volunteers, but there is a long way to go to returning to the level of actual hazard management work which used to be carried out, let alone catching up with the backlog.
CALM/DEC/DPaW burning effort has also suffered in the last 15 to 20 years, with fire management staff being nearly halved since the 1990s. Greater constraints on planning and approval processes, and a drying climate leading to often narrower weather windows have contributed to the burning programme falling way behind. They are usually battling to meet annual targets, let alone catching up with a massive backlog of work.
Increase in people living in harms way, in high fire risk areas, due to urban spread, more subdivisions and lifestyle choices such as the tree change effect. Population demographic changes mean that hazard reduction experience amongst landholders has been much diluted and the willingness to carry out hazard reduction is reduced by what they perceive as a poor example by all levels of govt, safety issues, and concerns with environmental and other impacts.

Due to the risks, prevention activities, in particular fuel load management, need to be substantially increased across all tenures. The Perth Hills Bush Fire Review (Keelty) identified the "shared responsibility" involved in this. The Waroona/Yarloop Enquiry (Ferguson) re-iterated 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 capacity needs to be rebuilt to 1990s levels.
- The WA Govt 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 Govts need to be much better supported and to devote significantly more resources to managing risks especially fuel loads on their own land, and assisting private landholders who may not have the confidence, 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 Govt funding and support must be allocated. Using a remodelled or rather "tweaked" ESL is probably the most equitable means of achieving the desired result.

1.2 Preparedness

Emergency services levels of preparedness need to be at the very least maintained at current levels, if not increased. Despite our best endeavours in prevention, emergencies will inevitably occur. We cannot prevent natural causes of emergencies such as lightning starting bush fires, and weather causing floods and storm damage. Prevention can reduce the effects but not eliminate them. Emergency Services need to be properly equipped, trained and supported by appropriate infrastructure. In particular volunteer emergency services which make up over 80% of WAs emergency response capacity need to be well supported, encouraged and valued.

In particular Local Govts who support and manage through bush fire brigades at least 2/3 of the state's emergency services personnel need more access to funding to support them. The inequalities in what DFES is able to supply from ESL funds to emergency services it manages, and what Local Govt can fund from ESL must be removed. Examples include levels of protective and other equipment, operational staff positions, training opportunities etc.

As highlighted by Ferguson in the Waroona/Yarloop review, decentralisation and rebuilding community resilience must be a prime driver in decisions re management and allocation of ESL funds for preparedness. This would be best done by a Rural Fire Service model responsible for ensuring proper management of bush fire risk and working in partnership with Local Govts and empowered communities integral to the decision making required. Bush Fire Brigades are best locally managed, ie through communities and Local Govts, but with an improved and consistent management standard brought about by effective oversight and support from a proper RFS model.

1.3 Response

Response along with Recovery is a rather unpredictable expense due to the highly varying scale of emergencies from year to year. While long term trends/averages can be determined, this can result in budgetary difficulties if soley funded by the ESL each year, a certain amount of buffering/reserve is required. This averaging needs to be continually adjusted due to the year to year escalation of response requirements due to changes in population demograhics, and the results of climate change and from inadequate hazard reduction in the past couple of decades. This escalation/surge capacity for bush fire is to some extent currently catered for by the "Wildfire Budget" which is a WA Govt budget allocation managed through DFES and separate from the ESL.

If all response expenses were to be recoverable from the ESL, this would require a comparable buffer capacity to be built from ESL funds, which would inevitably result in an increase in ESL levies/collections, but would probably have at least a partly complementary reduction in requirements for funding from consolidated revenue.

The current system to fund response coupled with the separate wildfire budget at present works reasonably well, however any inequalities in Local Govts vs DFES ability to access funding from both sources needs to be removed. The creation of a dedicated and independent Rural Fire Service which manages all funds for bush fire management will go a long way to removing these inequalities.

1.4 Recovery

As with Response, Recovery expenditure is very unpredictable and considerable buffering is required. Examples is the scale of flooding in the SW of WA recently, and after the major bush fires in recent years. Individual Local Govts which under emergency management arrangements in WA are responsible for Recovery, can be hit hard with the expenses involved. Under current state and national disaster funding arrangements some but not all of this cost can be recovered.

As with Response, for ESL funds to cover Recovery costs a significant reserve would be required, inevitably resulting in the requirement for increased ESL collections/rate.
It would be better to retain or enhance the existing model where special disaster funding at both state and federal level is available, with enhancements and some management changes allowing Local Govts to more effectively manage the funding that is available. An example of a change is the requirement with some funding for Local Govts to use contractors rather than their own staff and eqiupment to carry out recovery works above a certain cost limit, which is ridiculous when their own resources may be under utilised at the time.

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 fire fighting 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".
As population and development increases, the number of rateable properties increases, so this already provides a mechanism for a gradual and commensurate increase in ESL collections

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?

3.1 Prevention

Prevention needs to be given an equal or greater level of priority and resourcing to Preparedness , and as far as is practicable to Response and Recovery. The arguments for this are largely contained in section 1.1 and therefore will not be repeated here.
Prevention activities which should be directly funded include, (and be available to Local Govts on an equitable basis)

- Staff and admin costs of planning hazard reduction programmes on all tenures including private property
- Costs involved in providing advice and education to private landholders in self management of their hazard reduction programmes

- Employment costs for employed personnel (including casual staff) and contractor costs incurred while carrying out specific prevention activities, such as firebreak/control line construction, vegetation thinning and clearing, and hazard reduction burning.
- Pro rata plant and equipment costs directly attributable to hazard reduction activities
- Reasonable disbursements to brigades similar to current local govt arrangements when members of volunteer brigades directly support hazard reduction activities while acting as volunteers and not as casually employed staff - note that this can in many cases be cheaper than employing staff to do the same task
- Consumable costs including fuel, specialist equipment hire and catering for volunteer participants incurred while carrying out hazard reduction activities
- Conducting hazard reduction without the expectation for full cost recovery on private landholdings where the scale of the risk eg size nature and location of the property is reasonably deemed to present a significant community risk. This should NOT apply in cases where all reasonable attempts to negotiate suitable arrangements have failed and "forced entry" to carry out works is deemed necessary.

3.2 Preparedness - refer also to sect 1.2

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 with population and development and land use changes. A Risk to Resource model with appropriate guidelines should be used in these assessments, but a community's capacity to maintain and increase self resilience must be a key driver in such determinations. Communities themselves MUST be involved in such assessments and decision making, it should not be imposed by a "big brother" who "knows what is good for them".

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 in the affected area 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.

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.

Most regional areas in WA, and even some outer metro areas, have no reticulated water, and with a drying climate a pattern has emerged in recent years with natural water supplies and many dams being 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.

3.3 Response - refer to sect 1.3

Response activities by or on behalf of emergency services need to be funded to some extent by the ESL, however arrangements such as the "wildfire budget" from consolidated revenue need to be retained to allow for the inevitable variability from area to area, and from year to year in the costs associated with response .

Many emergencies result in flow on/indirect costs to the wider community across WA by their disruptions to agriculture, industry, transport, communications etc etc. 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 govt level, the costs of response which affect them will be highly variable from year to year. A direct cost recovery, from individuals, from communities and from wider groups such as local govts is not appropriate, a "mutual insurance" methodology such as with the ESL, but supplemented by buffering from "wildfire Budget" etc is far better. Again, this is a shared responsibility

The ESL should cover average year to year expenses, and be supplemented by surge capacity such as the Wildfire budget for response activities which would not be normally covered by any insurance arrangements including

- Consumables such as fuel, water, catering, foam etc
- Repair and replacement costs for damaged 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

3.4 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 Govt is responsible for Recovery. This means that individual Local Govts 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. Therefore the ESL should be used to cover abnormally high recovery costs which are not subject to that external disaster funding

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

4.1 Prevention, especially for Bush Fire Risk, should have, and 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 in previous sections need not be repeated here. However increased Prevention will lead in the long term to a reduction in Response and Recovery costs, though the temptation should be resisted to reduce resources for Preparedness.

4.2 Preparedness expenditure patterns are likely to change and increase, particularly as populations increase, and become more geographically widespread. This will inevitably be exacerbated by climate change.

The "treechange" and "seachange" effect will be a major contributor, and will often put more people in harms way, with not only communities in regional areas but even many coastal communities facing high bush fire risk. The scale of emergency services equipment and infrastructure, the number of volunteers, and the training requirements for those volunteers will increase as a result. 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.

4.3 Response and Recovery expenditure can be widely varying year to year. However for bush fire at least, provided prevention is given the emphasis and resourcing which has been so lacking in the past decade or so, we should see a long term decline in expenditures on response and recovery

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 to some extent 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 Govt, 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 Govt, sometimes to the latter's disadvantage. Concerns and recommendations regarding this have been frequently raised by Local Govts, 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 Govt 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.
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).
If as is the preferred model by Ferguson, and by a majority of those who have substantial bush fire management experience, the RFS is independent of DFES, some personnel with extensive and credible bush fire management background would be expected to transfer from DFES to RFS. However a majority of DFES staff would not meet that test and there will be inevitably significant redundancy costs as DFES trims down to a much leaner management structure more appropriate to its revised and much reduced role and responsibilities.

If the less preferred option is taken of an RFS under DFES is adopted, again overall staff costs should not significantly change, however the current bloated management structure will continue to be a cost issue without this being seriously addressed.
The current CESM programme would be expected to be largely replaced by a similar arrangement under a RFS, agian 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, particularly with prevention given at least an equal priority to preparation.
It has been recommended by experienced bush fire management practitioners that funding should be available from the ESL for Local Govts 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 Govt 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 Govt, 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.