

ECONOMIC REGULATION AUTHORITY - REVIEW OF THE EMERGENCY SERVICES LEVY

DEPARTMENT OF BIODIVERSITY, CONSERVATION AND ATTRACTIONS

SUBMISSION ON THE DRAFT REPORT

AUGUST 2017

Introduction

The Department of Biodiversity, Conservation and Attractions (DBCA) is pleased to make this brief submission on the Draft Report of the Review of the Emergency Services Levy. In the most part, DBCA supports the recommendations in the draft report but has comments in relation to several recommendations and themes. Comments are also made with respect to updates, queries, corrections or omissions of fact in the draft report.

Recommendations

DBCA supports the majority of recommendations made in the draft report and believes they will go a significant way towards ensuring that the emergency services levy (ESL) is, and is perceived to be, set and administered in a fair and transparent way.

However, there are some exceptions around several recommendations that effectively limit the support the ESL provides to mitigation or prevention activities, and the flow-on effects of those limitations. These concerns are expanded upon in the following section.

Funding of Prevention/Mitigation Activities

The argument in the draft report that the ESL should only cover public (and merit) goods and not private goods is acknowledged, and DBCA strongly supports the 'shared responsibility' concept that holds landowners/managers responsible for mitigation on their land.

DBCA believes, however, that there are wider issues that merit further consideration of what is a complex issue. Principally among these is the view that Western Australia does not currently have the capability to adequately complete the bushfire risk mitigation task across all tenures, particularly non-DBCA (*Conservation and Land Management Act 1984*) tenure and that this needs to be addressed if effective all-tenure bushfire mitigation is to become a reality in Western Australia. A variety of factors are relevant:

- Few landowners/managers have either the technical expertise or resources to undertake broad-scale bushfire risk mitigation responsibilities on the land for which they are responsible.
- Bushfire volunteers have some expertise but the resource capacity they bring to bushfire management is overwhelmingly consumed by response activities and their availability for mitigation works is not certain.
- Existing Department of Fire and Emergency Services (DFES) career firefighters and other personnel are also focused on response activities and most have limited bushfire mitigation expertise.
- Private capacity is limited, financially unviable for many landowners, and possibly subject to the statutory issues below.
- Whilst planned modernisation of relevant statutes should clarify responsibilities and may provide relevant authorities with necessary powers, it is uncertain when that will occur. Moreover, DBCA does *not* understand that it will extend to other landowners the protections

from liability for damage/loss resulting from 'good faith' mitigation operations that are enjoyed by the State and local government.

- Even in the face of statutory enforcement tools, these issues are likely to act as significant disincentives or 'blockers', particularly to undertaking prescribed burning, for broader bushfire mitigation.

The draft report acknowledges the cost-benefit advantages of mitigation (notwithstanding some reservations around scale), the risks of over-investment in response and that "effective investment in prevention and preparedness (and consequently resilience) benefits society as a whole" (Section 5.5).

Apart from the fact that the inherent societal benefits address to some extent the 'public good' requirement, DBCA is concerned that progress on effective 'tenure-blind' mitigation may stall on the basis for the above factors unless there is a viable and ongoing support mechanism. It would be counter-productive to exclude the ESL as a means of providing that support at the potential cost of an important Government initiative and the broad financial and other benefits it would afford the wider community.

DBCA believes it is appropriate to consider the ESL being available to support prevention activities in any manner that supplements rather than supplants individual landowner/manager responsibility. Rather than be a disincentive to individual responsibility, DBCA notes the success of other Government support or subsidy mechanisms as incentives to individuals taking action that otherwise would be beyond their financial or other resources.

Funding a Rural Fire Service

The draft report included funding estimates for two potential 'models' for a rural fire service that effectively 'bookend' the theoretically possible range of options. However, should a rural fire service be formed, it is most likely to take a form unlike either, although may well be closer in cost and form to the lower cost option. DBCA acknowledges that it is not the Economic Regulation Authority's (ERA) role to determine the preferred model for a rural fire service. However, the use of the chosen models, and particularly the full cost and ESL rate implications of the 'fully professional' model, has focused discussion around issues that are highly unlikely to arise if a rural fire service is formed. DBCA believes that a more sophisticated treatment and consideration of 'middle ground' options would be more helpful to both public debate and the important considerations of Government.

In this context, DBCA remains of the view expressed in its earlier submission to the ERA on the issues paper. That is, firstly, that an effective rural fire service could function effectively with a fire management capacity and budget similar to that of DBCA's 'prescribed burning and fire management' service, at a cost of circa \$50 million. Transfer of relevant existing staff and resources from DFES could go a long way toward realising a 'middle ground' model at minimal extra cost – noting the information in the issues paper that the ESL already funds a very similar level of expenditure on prevention services by DFES. In short, it may be possible that these resources could quite legitimately be diverted to a rural fire service and that nett additional cost would be low.

Accuracy of Report Details

DBCA has identified a number of statements in the draft report which need updating due to machinery of Government changes, or which are inaccurate or potentially misleading, possibly due to the complexity and flux in emergency management and associated arrangements in Western Australia. These observations are summarised in Appendix 1 attached. DBCA would be pleased to further explain its comments in the appendix or to work with the ERA to refine relevant parts of the text where necessary.

Appendix 1

Review of the Emergency Services Levy (Draft Report) – Specific Comments on Text

Reference	Comment
Throughout	To reflect machinery of Government changes, references to the 'Department of Parks and Wildlife' or 'DPAW' should be amended to 'Department of Biodiversity, Conservation and Attractions', 'DBCA' or, where specific reference to the department's Parks and Wildlife Service is considered necessary, to 'DBCA's Parks and Wildlife Service'.
Sect 2.2.1.5 Para 1	Establishment of the Office of Bushfire Risk Management (OBRM) was an initiative of the Government and was announced in conjunction with the release of the 'Keelty' Special Inquiry report into the November 2011 Margaret River fire. OBRM was not a recommendation of the inquiry itself rather a government policy response.
Sect 2.2.1.5 Para 3	In the absence of statutory powers, and apart from its ability to influence other decision-makers, DBCA understands that OBRM's 'power' of approval over prescribed burning is not legislated and is limited to administrative arrangements within Government.
Sect 2.2.1.5 Para 4	DBCA understands that whilst OBRM has some involvement in bushfire risk prevention, DFES separately manages Bushfire Risk Management Plans (BRMP) and provides guidance to local government on BRMPs.
Sect 2.2.1.6 Para 2	This paragraph is misleading in its current form. The now Department of Planning, Lands and Heritage (DPLH) has separate memorandums of understanding (MoU) with DFES, for unallocated Crown land (UCL) /unmanaged reserves (UMR) in the metropolitan area and regional town sites, and DBCA for remaining areas of UCL/UMR.
Sect 2.2.1.7 Para 1	With the recent machinery of Government changes, the final sentence in this paragraph is no longer accurate. Suggest it read "With the exception of land held by the Botanic Gardens and Parks, Rottnest Island and Zoological Parks authorities, DBCA's land tenure is established..."
Sect 2.2.1.7 Top of p26	The final sentence should be updated to include details for 2016/17 when DBCA conducted over 247,000 hectares of prescribed burning in its three south-west 'forest regions' (additionally it conducted almost 3 million hectares in other regions of WA).
Sect 2.2.1.7 p26, para 2	DBCA is <u>not</u> responsible for bushfire suppression on UCL/UMR outside the metropolitan area and town sites. It is responsible for prevention (and some preparedness) but suppression remains the responsibility of local government.
Sect 2.2.1.8	Given the comment immediately above, consideration should be given to including specific reference to local government responsibility for bushfire suppression on UCL/UMR.
Sect 2.2.1.8 Para 3	DBCA is also a combat agency for fire suppression, so this should refer to local government as <u>a</u> prescribed combat agency.
Fig 2	Apart from being amended to include current agency names, the relationship between DBCA and DPLH should be characterised by "MOU" rather than the CALM Act (parallel of DPLH relationship with DFES).