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Dear Nicola

**RE: Emergency Services Levy Review**

Please find attached comments from the Shire of Corrigin with respect to the Emergency Services Levy Review.

Should you have any queries in regard to any of the above, please contact me on 9063 2203.

Yours sincerely

Rob Paull  
Chief Executive Officer

10 August 2017

Enc: Shire Comment/Observations



KEY RECOMMENDATIONS	SUGGESTED POSITION	SHIRE COMMENT/OBSERVATIONS
Recommendation 1 - Basic Structure of the ESL system should be retained. (Ch6)	SUPPORT	The current structure of the ESL performs well. Moving to a risk based approach could present significant problems with difficulties in ensuring a consistent approach is taken in assessing and determining risk and also an acknowledgment that the level of risk isn't static and can change over time. The cross-subsidisation by metro properties to country properties is acknowledged however the general level of personal responsibility and commitment given by rural property owners (greater commitment to mitigation, membership of voluntary emergency service brigades, etc.) needs to be factored into this debate.
Recommendation 2 - Gross rental value should be retained as the basis for calculating ESL rates. (Chapter 6)	SUPPORT	The ERA report found that that GRV remains the most appropriate method. It is recognised that Unimproved Value is less equitable than other bases, since it does not take capacity to pay into account (on the basis that people with buildings and other property improvements will generally have a greater capacity to pay). Additionally, it ignores the fact that property owners with buildings and other property improvements also have more assets at risk. The Shire accepts that GRV is integrated with Local Government rating systems and therefore reduces administration costs.
Recommendation 3 - The agency that advises the Minister for Emergency Services on ESL revenue and rates should not benefit from the ESL. (Chapter 8)	SUPPORT	This recommendation is supported as an important step to improve the transparency of the ESL funding distribution, and to restore confidence in the system.
Recommendation 4 - The Office of Emergency Management should be given the oversight functions for advising the Minister for Emergency Services on the amount of ESL revenue required, and the ESL rates. (Chapter 8)	SUPPORT	For the Office of Emergency Management (OEM) to assume the role of advisory to the Minister for the ESL is supported. The OEM is an appropriate body for this function to the extent that it is independent (as per recommendation 5 below), and can provide sector expertise in considering funding allocations and requirements.

KEY RECOMMENDATIONS	SUGGESTED POSITION	SHIRE COMMENT/OBSERVATIONS
Recommendation 5 - The Office of Emergency Management should be made independent of the Department of Fire and Emergency Services. It should report directly to the Minister for Emergency Services rather than the Fire and Emergency Services Commissioner. (Chapter 8)		The independence of the OEM is supported. This will also have other benefits for the Emergency Management (EM) sector with assurance and other functions being able to be undertaken by the OEM in a fully transparent environment.
Recommendation 6 – the Office of Emergency Management should oversee how the Department of Fire and Emergency Services	SUPPORT	The Shire support that the OEM should oversee how the DFES (and a rural fire service if established): (and a rural fire service if established): a) Allocates ESL funds to stakeholders; b) Spends its share of the ESL funds (Chapter 8); c) Allocates the ESL funds; and b) Spends its share of the ESL funds.
Recommendation 7 – The Office of Emergency Management should be the body of appeal for ESL related issues, and the Fire and Emergency Services Commissioner’s appeal role should be revoked. (Chapter 8)	OPPOSE	The Shire does not support this recommendation as it will still see the same agency that determined and distributes the ESL also assessing appeals against its own determinations. Most other decision making processes that contain an appeal right have an independent process for determining appeals (i.e. town planning, building) and the establishment of an independent appeal authority to hear and determine appeals would ensure that the appeals process was fully independent and transparent.
Recommendation 8 – The Department of Treasury should undertake a review of the Department of Fire and Emergency Services’ structure, resources and administration costs to determine whether services are efficiently	SUPPORT	Ensuring efficient service delivery is an important starting point to determine the appropriate level of ESL funding required. Improving the efficiency of DFES service delivery may mean that additional emergency services activities that are currently funded from Local Government’s own revenue could be funded without raising the existing rate of the ESL.

delivered. (Chapter 8)		
KEY RECOMMENDATIONS	SUGGESTED POSITION	SHIRE COMMENT/OBSERVATIONS
Recommendation 9 - The ESL should be used to fund prevention undertaken by the Department of Fire and Emergency Services, bush fire brigades and State Emergency Service units that have community-wide benefits or which involve coordination of prevention across land tenures. (Chapter 3)	PARTIALLY SUPPORT	The inclusion of prevention work undertaken by bush fire brigades is welcomed however it should be recognised that local governments can carry out a significant amount of prevention work without using its bush fire brigade resources. The most common example is where local governments directly funded hazard reduction burns or other fire mitigation works. These works should also be eligible for funding under the ESL hence recommendation 9 should be amended to reflect this. Consideration could be given to setting up a separate grant program to fund these activities rather than part of the LGGS, similar to the current AWARE grants.
Recommendation 10 - The ESL should be used to fund the preparedness activities of the Department of Fire and Emergency Services, the bush fire brigades and State Emergency Service units that have community-wide benefits. (Chapter 3)	PARTIALLY SUPPORT	The recommendation should be amended to also include preparedness activities undertaken by a local government such as community safety programs. Consideration could be given to setting up a separate grant program to fund these activities rather than part of the LGGS, similar to the current AWARE grants.
Recommendation 11 - The ESL should be used to fund the response activities of the Department of Fire and Emergency Services, the bush fire brigades and State Emergency Service units. (Chapter 3)	PARTIALLY SUPPORT	An additional component of this recommendation should be that local government should be able to claim the cost of machinery use during fire under the LGGS where it doesn't meet the criteria of Wildfire Assistance Funding under the current DFES standard administrative procedures. Consideration could be given to setting up a separate grant program to fund these activities rather than part of the LGGS, similar to the current AWARE grants.
Recommendation 12 - The ESL should not be used to fund the costs of recovery. (Ch3)	SUPPORT	The Shire supports this recommendation, given that recovery needs are ad-hoc in nature

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<p>Recommendation 13 - The ESL should be used to fund the administration costs of the Department Fire and Emergency Services. (Chapter 3)</p>	<p>PARTIALLY SUPPORT</p>	<p>This recommendation is partially supported to the extent that recommendation 8 is accepted and implemented. This would allow the Department of Treasury to undertake a review of the DFES structure, resources, and administration costs to determine whether services are being efficiently delivered. With the current findings of where ESL funds are going within DFES, the Local Government sector need assurance that the most important activities are being funded including administrative activities and at what cost.</p>
<p>Recommendation 14 – The ESL should be used to fund the full costs of the Community Emergency Services Managers in local government. However, it should not be used to fund the broader emergency service and management responsibilities of local government or the administration costs linked to bush fire brigades and State Emergency Service units. (Chapter 3)</p>	<p>SUPPORT</p>	<p>Whilst the Shire does not have a CESM, it is understood that currently participating local governments contribute between 20 %and 50% of the employment costs for a CESM position with the applicable percentage dependent upon the rate revenue of the local government. A CESM is a local government officer not an employee of DFES and that can be an important distinction. The CESM is aligned in the structure of the local government and is under the direction of the CEO or delegated officer.</p>
<p>Recommendation 15 - The Office of Emergency Management should compensate local governments for costs, including the costs associated with collection of unpaid debts.</p>	<p>SUPPORT</p>	<p>Through WALGA, it is understood that the preference of a majority of Local Government's is not to collect the ESL on behalf of the State Government, due to the issues with community perceptions (many think it is a Local Government tax) and government for the cost of collecting ESL revenue (including the costs of recovering unpaid debts and any ESL revenue that cannot be recovered). (Chapter 8) the considerable administrative costs that this imposes. It is however recognised that there are significant efficiency gains from including the ESL on Local Governments rates notices, and that this minimises the overall costs to the taxpayer as a result. If Local Governments are to continue to collect ESL revenue, the Shire supports the recommendation that the sector should be fully compensated for these costs, including the costs associated with collection of unpaid debts. This compensation should be regularly reviewed and indexed to an appropriate level to ensure the real</p>

KEY RECOMMENDATIONS		value of compensation to the sector for this function is maintained.
SUGGESTED POSITION	SHIRE COMMENT/OBSERVATIONS	
Recommendation 16. - If a rural fire service is established, the ESL should be used to fund the efficient costs of: a. response activities; b. prevention and preparedness activities that have community wide benefits; and c. the administration costs of the rural fire service. (Chapter 7)	SUPPORT	The ESL is a hypothesized tax, and therefore to achieve the benefits of this it should be used to fund all emergency management activities, including the rural fire service. The ESL already funds the activities that a rural fire service would be responsible for. These activities are currently undertaken by DFES therefore it would be expected that a consequential decrease in ESL funding to DFES would occur in the event of a rural fire service being established.
Recommendation 17 – New emergency services legislation should clarify the extent to which the Department of Fire and Emergency Services and local governments are obliged to undertake prevention activities, and whether these activities may be funded from the ESL. (Chapter 3)	PARTIALLY SUPPORT	<p>Page 56 of the ERA report offers that ‘....<i>new emergency services legislation could address barriers to expenditure on prevention, by clarifying the responsibilities of DFES and Local Government</i>’.</p> <p>The ERA recommendation isn’t determining a position on the extent of obligations that State and Local Governments should have in undertaking prevention activities – it is recommending that this issue be further investigated in the development of any new emergency services legislation. That approach is supported on the condition that in the course of developing new legislation full consultation on this issue occurs.</p>

METHOD FOR SETTING THE ESL		
KEY RECOMMENDATIONS	SUGGESTED POSITION	SHIRE COMMENT/OBSERVATIONS
Recommendation 18 - Grouping of properties should be discontinued for the purpose of calculating the ESL. (Chapter 6)	OPPOSE	The Shire does not support this recommendation. Property owners with contiguous lots can apply for group rating and this can be approved where it can be demonstrated that the contiguous property is managed as a single land holding. It is unclear why in these circumstances the same property owner would be required to pay ESL on all separate lots. This appears to be simply a case of revenue raising.
Recommendation 19 - A levy on boat registrations should be introduced.	SUPPORT	The Shire supports this recommendation is supported to the extent that the Volunteer Marine Rescue Services is used by only a small proportion of the community. This recommendation will direct costs of the Volunteer Marine Rescue Services. (Chapter 6) improve equity through the principle of user pays, by better aligning those who use the service with those that pay for it.
Recommendation 20. Road crash rescue services should continue to be funded from the ESL. (Chapter 6)	SUPPORT	The Shire supports road crash rescue to continue to be funded from the ESL.
Recommendation 21. Landgate should conduct another review of land classifications in the Swan Valley to ensure that vineyards are classified appropriately. (Chapter 6)	PARTIALLY SUPPORT	The question of when does a farming property become a commercial property is relevant but it isn't one limited to the Swan Valley and to the land use of vineyards. The comments on Page 138 of the ERA Draft Report concerning the lack of detail provided by DFES on the meaning and interpretation of different 'ESL Property use' classifications are noted and endorsed and DFES needs to provide better information on these classifications so that property owners can understand why their property has been classified as a specific use.
DECISION MAKING FRAMEWORK		
Recommendation 22. The Department of Fire and Emergency Services should implement activity based costing to allow for robust analysis. (Chapter 5)	SUPPORT	The Shire supports this recommendation to the extent that they will improve the transparency and accountability of the process and recognise that this is a decision for DFES and State government.



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Recommendation 23. The Department of Fire and Emergency Services should use its cost and incident data to determine the direct costs of providing emergency services to each of the five ESL categories. (Chapter 6)		The Shire supports this recommendation to the extent that they will improve the transparency and accountability of the process and recognise that this is a decision for DFES incident data to determine the direct costs of providing emergency services to each of the five ESL categories. (Chapter 6) and State government.
Recommendation 24. The Department of Fire and Emergency Services should implement the ISO 31000 standard across its business activities. (Chapter 5)	SUPPORT	The Shire supports this recommendation to the extent that they will improve the transparency and accountability of the process and recognise that this is a decision for DFES and government. Further WALGA suggests that the ISO 31000 standard should also apply to the Risk to Resource (R2R) process used by DFES to allocate appliances under the Local Government Grants Scheme.
Recommendation 25. The Department of Fire and Emergency Services should finalise and implement the Capability Framework. (Chapter 5)	SUPPORT.	The Shire supports this recommendation to the extent that they will improve the transparency and accountability of the process and recognise that this is a decision for DFES and State government.
Recommendation 26. The Department of Fire and Emergency Services should require cost-benefit analysis to be prepared for all major funding allocation decisions. (Chapter 5)	SUPPORT	The Shire supports this recommendation to the extent that they will improve the transparency and accountability of the process and recognise that this is a decision for DFES and government.

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Recommendation 27. The Department of Fire and Emergency Services should require post-project cost-benefit reviews to be presented to senior decision-makers to enable assessment of the effectiveness of past decisions. (Chapter 5)		The Shire supports this recommendation to the extent that they will improve the transparency and accountability of the process and recognise that this is a decision for DFES and State government.
Recommendation 28. Grants manuals should be made consistent between all volunteer organisations where it makes sense to do so. (Chapter 8)	SUPPORT	The Shire supports this recommendation to ensure consistency and equity amongst all volunteer groups to support emergency management arrangements within the state.
<b>SETTING ESL RATES</b>		
Recommendation 29. The Office of Emergency Management should consult stakeholders when: a. determining the ESL revenue to be allocated to stakeholders; and b. advising the Minister for Emergency Services on ESL revenue and rates. (Chapter 8)	SUPPORT	The Shire supports this recommendation to the extent that they will improve the transparency and accountability of the process.
Recommendation 30. The Office of Emergency Management should prepare a report to the Minister for Emergency Services recommending total ESL revenue and rates. The Minister should table the report in Parliament within 28 days of receiving it. (Chapter 8)	SUPPORT	The Shire supports this recommendation to the extent that they will improve the transparency and accountability of the process.

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<p>Recommendation 31. The Department of Fire and Emergency Services (and a rural fire service if established) should provide a report to the Office of Emergency Management explaining how it has spent ESL funds and the rationale for this expenditure. (Chapter 8)</p>	SUPPORT	<p>The Shire supports this recommendation to the extent that they will improve the transparency and accountability of the process.</p>
<b>TRANSPARENCY</b>		
<p>Recommendation 32. The Office of Emergency Management should prepare and publish an annual report on the ESL. (Chapter 8)</p>	SUPPORT	<p>The Shire supports this recommendation to the extent that they will improve the transparency and accountability of the process.</p>
<p>Recommendation 33. The Office of Emergency Management should prepare a brochure on the ESL and provide it to local governments to distribute with rate notices. The brochure should explain the purpose of the ESL and that it is a State Government levy, and describe how ESL revenue is raised and spent. (Chapter 8)</p>	SUPPORT	<p>The Shire supports further efforts to educate the community about the purpose of the ESL, but this should be funded by the State Government.</p>

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Recommendation 34. The Office of Emergency Management should prepare annual estimates of the funding required by the Department of Lands and the Department of Parks and Wildlife to conduct prevention activities on their estates. These estimates should be published in the annual report of each agency, along with the amount of funding provided by the State Government. (Chapter 3)		The Shire supports these recommendations to the extent that they will improve the transparency and accountability of the process.
Recommendation 35. The Department of Fire and Emergency Services should publish data in accordance with the State Government's Whole of Government Open Data Policy. (Chapter 8)	SUPPORT	The Shire supports these recommendations to the extent that they will improve the transparency and accountability of the process.
Recommendation 36. The Office of Bushfire Risk Management should require local governments to publish their bushfire risk management plans and treatment strategies. (Chapter 3)	SUPPORT	Current policy states that Local Governments are the custodian of the tenure blind plans. The publication of these plans could improve transparency and accountability in line with the shared responsibility amongst all land owners for bushfire risk planning in the state.

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Recommendation 37. The Department of Fire and Emergency Services should publish a capital grants manual for volunteer organisations it manages (for example the Volunteer Fire and Rescue Service). (Chapter 8)	SUPPORT	The Shire supports this recommendation to ensure consistency and equity amongst all volunteer groups supporting emergency management arrangements within the state. The recommendation would also encourage a consistent process for the allocation of funds to all volunteer groups.
<p><b>FURTHER COMMENT</b></p> <p><i>Rural Fire Service (Section 7)</i></p> <p>Section 7 of the ERA draft report addresses the subject of funding a rural fire service. The terms of reference for the report required the ERA to consider the extent to which the use of the ESL to fund a rural fire service would impact on ESL rates. The ERA draft report considered two models for a rural fire service – one low cost and one high cost. In reality if a rural fire service is created it wouldn't be either of these models but rather a hybrid model. The high cost model included in the draft report includes the employment of 30 fire fighters for each of the estimated 120 new RFS stations. This is considered to be an unrealistic model and it is questioned why a paid fire fighters model was even used when paid fire fighters aren't part of the existing bush fire brigades model!</p> <p>The cost estimates also include significant costs for constructing a new RFS Headquarters, acquiring new trucks (\$1.9 million x 120 RFS) and truck maintenance. It is reasonable to assume that the costs of acquiring new trucks and undertaking maintenance would be offset by significant decreases in similar expenditure by DFES as that agency wouldn't be responsible for these items for bush fire brigades. Likewise the significant decrease in operational responsibility for DFES in regional areas may free up space in one of its existing regional officers to accommodate the Rural Fire Service.</p> <p>The observation the Shire makes is that placing a model with a cost estimate of \$557million isn't realistic and simply provides easy reasons to shelve consideration of a RFS.</p>		

