

Submission in response to the Review of the Emergency Services Levy Report, July 2017.

Prepared by Shire of Plantagenet including input from Kevin Forbes, AM (Shire of Plantagenet CBFCO) and Cr Len Handasyde.

Review of Recommendations

Recommendation 1 - Basic Structure of the ESL system should be retained.

The Shire of Plantagenet supports this recommendation. ESL should be allocated equitably, that is activities funded by ESL through DFES should also be funded by ESL through Local Government (LG). For an example, a LG controlled fire will not be automatically eligible for ESL funding to cover the cost of heavy machinery to put in fire containment lines. Whilst the LG will invoice any landowner in cases where their actions have caused a fire, in cases of accidental ignition, or from lightning strike the LG will cover that cost from municipal funds. The costs of machinery used for the same purpose during fires managed by DFES are fully recoverable from ESL.

Recommendation 2 - Gross rental value should be retained as the basis for calculating ESL rates.

GRV is the most equitable method of calculating ESL that is practical and efficient. It should be noted, however that in rural areas Unimproved Value (UV) should remain the method of calculating the level of ESL charged.

Recommendation 3 - The agency that advises the Minister for Emergency Services on ESL revenue and rates should not benefit from the ESL.

DFES has a conflict of interest, whether real or perceived when it is the major beneficiary of funds that it allocates to other organisations. The only solution is to ensure that ESL is administered by a body that does not derive any benefit from the funds. Therefore the body administering ESL distribution should be funded through State Government funds.

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.

It should be noted that the Shire of Plantagenet's preferred option for administration of funds is the Department of Premier and Cabinet or Department of Finance. Expertise in emergency management can be gained through recruitment, or through contracting independent expertise to advise on specific matters.

However, the Shire of Plantagenet supports this recommendation as a possible compromise ONLY if the OEM is a discrete and independent body from DFES. Citing OEM's experience with administering grants, the National Disaster Resilience Program (NDRP) 2017, OEM allocated \$480,000.00 to DFES and OBRM of a total \$1.1M fund. The resulting perception is that independence in allocation of those funds was not evident in its current structure and existing ties to DFES may take some time to break.

Whatever department is chosen to administer the ESL, it should not itself be funded by ESL for it to be clearly separated and independent from the ESL funds. It should also be at arms length from any agency that derives a benefit of the ESL revenue. This will avoid any future perception of conflict of interest.

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.

Independence of the OEM must be made a prerequisite for that organisation to administer the ESL. The funding of the OEM administration should be from State Government funds and not ESL.

The State Government runs the risk of experiencing continued community perceptions of conflict of interest if OEM administration is funded through ESL.

Recommendation 6 – the Office of Emergency Management should oversee how the Department of Fire and Emergency Services (and a rural fire service if established):

- a) Allocates ESL funds to stakeholders; and
- b) Spends its share of the ESL funds

The Shire of Plantagenet supports this recommendation as it this is bringing DFES (and RFS) into line with appropriate standards for the expending of public 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.

It seems appropriate that the organisation administering funds should be the body of appeal.

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 delivered.

The Shire of Plantagenet supports the recommendation for the Department of Treasury to review DFES. Community perception is that DFES is 'top heavy' and a large bureaucracy. If that

is the case, potential savings made from possible restructure could offset some of the costs of a Rural Fire Service, or ensure the ESL is applied equitably between DFES and Local Government.

It should be noted that neither RFS models considered in the *'Emergency Services Levy Review'* does not show any potential savings from a DFES restructure, or the potential for staff moving from DFES to RFS, where appropriate.

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.

Fire prevention for community safety is appropriate use of ESL funds. However, clarity is sought on the extent of the Local Governments responsibility for fire prevention.

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)

Recommendation supported by the Shire of Plantagenet

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)

Recommendation supported by the Shire of Plantagenet

Recommendation 12 - The ESL should not be used to fund the costs of recovery. (Ch3)

Recommendation supported by the Shire of Plantagenet, WANDDRA is the appropriate mechanism to access funds for recovery even if the process needs to be streamlined.

Recommendation 13 - The ESL should be used to fund the administration costs of the Department Fire and Emergency Services.

The Shire of Plantagenet does not support this recommendation.

Prior to the ESL, FESA was fully funded by the State Government. As the ESL revenue has increased, the State Government contribution has decreased. Until such time the Department of Treasury has reviewed the DFES structure it is hard to determine whether DFES administration has expanded because the ESL funds have enabled that expansion, or that the increase in administration is in line with what is appropriate levels of government. All other Departments administration is fully funded by the Government and the ESL should be focussed on its original intent, not to enable savings in Government administrative costs.

Core administrative functions such as corporate services should be funded directly from the State.

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.

The Shire of Plantagenet supports the recommendation, however, the management of the CESM would need to fall to the Local Government should DFES continue to manage the bush fire brigades. Presently, the CESM is funded 50:50 by DFES and the Local Government however, increasingly the workload included in the CESM Business Plan is for DFES, leaving the Local Government to subsidise DFES operations. Demands are placed on the CESM to meet the needs of DFES (Incident Management Team(IMT) training, or logistical support for vehicle inspections for DFES purposes and staffing of Regional Offices on Extreme weather/fire warning days). This limits the amount of value Local Governments receive from this program. Should a Rural Fire Service be established consideration would need to be given to the role of the CESM in that structure and input from Local Government will need to be sought.

The Shire of Plantagenet does derive benefits from the CESM program with the support provided to BFB's, however, it could be argued that DFES are transferring some of their responsibilities onto the CESM, rather than employing sufficient numbers of Regional Officers and Community Engagement Officers to service their regions.

Recommendation 15 - The Office of Emergency Management should compensate local government for the cost of collecting ESL revenue (including the costs of recovering unpaid debts and any ESL revenue that cannot be recovered).

The Shire of Plantagenet supports this recommendation but want to raise the need for the 'costs of recovery' to include Local government staff time in the application, collection and debt recovery of unpaid ESL funds.

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.**

In the interest of consistency across Departments, RFS core administrative functions should also be funded directly from State Government funds.

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.

It should be noted that the impost on all landowners should be equal. That is, landholders that have tenure should be responsible for that land. For instance, State Departments are not bound by the Bush Fires Act 1954 to undertake mitigation activities on their land and comply with the

Local Government's Annual Bush Fire Mitigation Notice. All landowners should be held responsible for land in their tenure.

Recommendation 18 - Grouping of properties should be discontinued for the purpose of calculating the ESL.

The Shire of Plantagenet has major concerns in regards to this recommendation.

Firstly, in rural areas, farming entities may be operated over several contiguous lots and this will change in application of the ESL will create an increased financial burden on our agricultural industry.

Also, this recommendation seems in conflict with the Valuer General's *'Unimproved Values – Rural valuation Policy 4.310'* on the rating of contiguous land. This policy is set by legal precedent where contiguous land held by the same owner for similar purposes are administered as one parcel of land for the purposes of land rates. As ESL is collected through the Local Governments rates system, it may be argued that as the land is rated as one parcel of land, the ESL should also be applied in this way.

It should also be noted that the method of calculation and application of multiple ESL's on one land assessment could be complex and costly to implement, not just for Landgate, but also Local Government.

Recommendation 19 - A levy on boat registrations should be introduced to fund the direct costs of the Volunteer Marine Rescue Services.

The marine rescue service is used by a discrete group of people and the users of that service should bear the costs through their boat licence fees.

Recommendation 20. Road crash rescue services should continue to be funded from the ESL.

To ensure consistency in the system, the Shire of Plantagenet suggests that ESL for Road Crash Rescue is funded by an ESL levy on Drivers Licences.

Recommendation 21. Landgate should conduct another review of land classifications in the Swan Valley to ensure that vineyards are classified appropriately.

No Comment

Recommendation 22. The Department of Fire and Emergency Services should implement activity based costing to allow for robust analysis

The Shire of Plantagenet supports this recommendation.

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.

The Shire of Plantagenet supports this recommendation.

Recommendation 24. The Department of Fire and Emergency Services should implement the ISO 31000 standard across its business activities.

The Shire of Plantagenet supports effective management of business activities as long as resulting compliance activities do not impact adversely on volunteer time. Historically, increased compliance activities placed on DFES have been 'down-streamed' to Local Government and volunteers without regard for the resources required to meet their demands.

Recommendation 25. The Department of Fire and Emergency Services should finalise and implement the Capability Framework.

The Shire of Plantagenet supports this recommendation.

Recommendation 26. The Department of Fire and Emergency Services should require cost-benefit analysis to be prepared for all major funding allocation decisions.

The Shire of Plantagenet supports this recommendation.

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.

The Shire of Plantagenet supports this recommendation.

Recommendation 28. Grants manuals should be made consistent between all volunteer organisations where it makes sense to do so.

The Shire of Plantagenet supports this recommendation.

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.**

The Shire of Plantagenet supports this recommendation.

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.

The Shire of Plantagenet supports this recommendation.

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.

The Shire of Plantagenet supports this recommendation.

Recommendation 32. The Office of Emergency Management should prepare and publish an annual report on the ESL

The Shire of Plantagenet supports this recommendation.

Local Government position

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.

The Shire of Plantagenet supports this recommendation.

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.

The Shire of Plantagenet supports this recommendation.

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.

The Shire of Plantagenet supports this recommendation.

Recommendation 36. The Office of Bushfire Risk Management should require local governments to publish their bushfire risk management plans and treatment strategies.

The Shire of Plantagenet supports this recommendation with the additional note that funding for bushfire risk management plans and mitigation activity plans is made available for this activity. OBRM should provide training and advice the local government to ensure a consistent approach to such plans

(such as the application of the FESA Rural Urban Bushfire Threat Analysis) and adequate resources provided to local governments to undertake the process.

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).

The Shire of Plantagenet supports this recommendation.

GENERAL COMMENTS

- The Shire of Plantagenet would like to highlight the need for sufficient funding for mitigation activities for community safety. In rural areas, mitigation works are carried out by volunteers. In the case of this Shire to ensure a 7-10 year burn cycle, the volunteer brigades need to complete approximately 20 – 25 burns per year. As a conservative estimate this equates to 2,000 – 2,500 volunteer hours per year spent on preventative burns. The majority of our firefighters are primary producers, therefore they are leaving their livelihood to undertake such work. In the long term, this is not sustainable. If the Shire was to employ staff to carry out the mitigation program, the employee costs alone would be in the region of \$50,000.00 per annum.
- The Shire would also like to make note on comments made about cross subsidy between Metro and Rural areas. The cross subsidy concept should be considered taking into account; a) that the ESL was originally implemented to ensure equity of service provision and therefore by default more populated areas have to subsidise the least populated areas; and, b) until such time the value of volunteer time is fully costed, including the cost to the volunteers livelihood, cross subsidy cannot be effectively measured.
- Neither of the two RFS models discussed in the Draft Report consider the cost savings from a reduction in staff members in the DFES structure that would result in the development of an RFS. It is critical that DFES is not allowed to maintain its staffing levels if an RFS is implemented.
- It is also felt that the RFS models discussed are not the best fit and further investigation should take place into practical models of the service and true costs of implementation. Both models are the extreme ends of the scale to which how an RFS could function. The Shire of Plantagenet feels that a more practical, middle of the road approach would be the ideal. Until such time a preferred model of RFS is agreed upon, the indicative costs do not relate to real costs.
- The Shire of Plantagenet would like to reiterate that transparency in decision making and allocation of the ESL is critical to regain confidence of the volunteers that provide so much value to the emergency services, and also the public who have been affected by catastrophic incidents.

Note correction to Draft Report content :

Page 96, Figure 23: Dollar amount incorrect per region though percentage seems correct when compared to Page 95, Figure 22.