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Review of Emergency Services Levy – Response to Draft Report

The Western Australian Volunteer Fire and Rescue Services Association (WAVFRSA) is the peak body representing WA's 2,700+ Volunteer Fire and Rescue Service (VFRS) members – serving their communities in 100 locations across the length and breadth of the State.

We believe the Economic Regulatory Authority (ERA) has presented a very detailed report following their review of the management of the Emergency Services Levy (ESL). In principle, the WAVFRSA agrees with the direction of the recommendations for the future management of the ESL. It is clear the ERA has endeavoured to provide a balanced perspective of the current situation with the management of the ESL, including the concerns and differing viewpoints of the various stakeholders, whilst still presenting an assessment based on evidence and facts.

It is imperative however, that the responsibilities every State Government Department has in ensuring that it is abiding by the Public Services Management Act, the Financial Management Act, Department of Treasury procedures and policies and its reporting obligations to the Minister responsible and the Government are considered when making any changes. This assessment is important because often stakeholder comments and perceptions are motivated by self-interest and/or a political agenda whilst not being aware of these obligations.

We make the following responses based on each of the recommendation lists provided in the report.

Section 3 – Framework for Considering the Emergency Services Levy

Recommendations 1 to 9 (Page 73)

In general, the WAVFRSA is supportive of these recommendations, however, we reiterate the following advice from our interview with the ERA representative:

- The method currently used to determine ESL is sound, however care needs to be taken with regards to increasing the impost on metropolitan LG's (top 20 LG's in terms of contribution to ESL funding are all in the metropolitan area and make up approximately 80% of total ESL collected) to cover costs associated with required mitigation activities in rural/regional areas.
- Any revised process for distribution of ESL funding needs to be completely open, transparent and easily accessed by members of the public. Much of the current angst around the ESL and its distribution – particularly the perception that DFES was using

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the funding to its benefit and to the detriment of LG / non-DFES BGU's – could have been avoided by including a section in the DFES Annual Report stating applications received (noting which Local Government, the BGU funding is requested for, amount of funding requested and purpose of the grant request) and a list of those grant application that were approved.

- A fully transparent and robust audit process is not only necessary but good governance. The public are entitled to have complete faith that their ESL funds are being used for the purpose for which the Levy was intended and that applicants are spending the funds as per their applications.
- Implementation of policies and procedures put in place with respect to DFES need to very carefully worked out and the lines of management, role and responsibilities need to be clear.
- If the management of ESL funding is transferred to the Office of Emergency Management, it should be made independent in the allocation and administration of the ESL; however the FES Commissioner must still have operational control of how these funds are utilised. It is important that a situation is not set up where the OEM is able to directly or indirectly manage DFES. This situation will only further confuse emergency management.
- It is the WAVFRSA's position that the OEM must not report to the Minister of Emergency Services in respect to operational incidents. Questions of expertise, experience, control etc. would arise very quickly and would only complicate the management of incidents.
- Recovery should not be funded directly by the ESL; acknowledging that volunteer BGU's are sometimes heavily involved in this process following incidents at a local level.
- Government must determine and assess DFES's compliance with State Government Acts, policies and procedures. DFES will be held accountable in respect to this and its key performance indicators and targets. All Government Departments undergo an audit and the FES Commissioner will have performance targets he/she must achieve.
- Agree that the Community Emergency Service Manager (CESM) position should be fully funded via the ESL, however funding for these positions must be utilised solely for this purpose and not be allowed to re-allocate funding elsewhere. Should an LG opt to not appoint a CESM then they should forego these funds.
- Landowners must continue to be responsible for mitigation activities on their own land, however there should also be a way of assisting LG's in undertaking these activities for the greater good of the community should a landowner either not complete required activities or be unable to do so.

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Section 5 – Best Practice Management of Hazards

Recommendations 10 to 14 (Page 124)

- The WAVFRSA is strongly supportive of the first three dot points regarding activity based costing, implementation of *ISO 31000* standards and finalisation/implementation of the Capability Framework. The delay in the completion of the Capability Framework continues to frustrate this Association and our membership.
- Any cost benefit analysis with regards to major funding allocation requests must be open, transparent and easily accessible – perhaps via the DFES Annual Report – by members of the public, but also by volunteers and staff.
- It is the Association's view that any post-project cost benefit analysis should be undertaken by an independent body / individual to ensure the process is as open and transparent as possible.

Section 6 – Method for Setting the Emergency Services Levy

Recommendations 15 to 21 (Page 144)

- The Association supports the retention of the current basic ESL structure and the use of gross rental value as the basis for calculating ESL rates.
- A review of costs / incident data to determine the direct costs for providing emergency services to each of the five ESL categories should be undertaken by DFES with assistance from OEM to ensure transparency in the process / report.
- Fully support the discontinuation of property grouping.
- Support the review of land classifications in the Swan Valley, however vineyard owners/operators need to ensure appropriate mitigation activities are undertaken where required and that infrastructure is in place should an emergency occur (such as fire or flood).
- We believe further discussions with representative groups, Volunteer Marine Rescue WA, the Department of Transport and other stakeholders is required prior to the introduction of a levy on boat registrations. Whilst we acknowledge that a levy may still be the most appropriate way to fund VMR Services, a specific review regarding this would provide transparency around the decision making process.
- We support the continuation of funding for Road Crash Rescue services, given it is difficult to see what other sources of funding could be utilised. Utilisation of a separate funding source would also see issues around keeping the funds siloed for RCR use only and not appropriation of some funds to other services.

Section 7 – Funding a Rural Fire Service

Recommendation 22 (Page 160)

The WAVFRSA is fully supportive of the creation of a rural fire service within DFES as we believe this will increase interoperability at incidents, ensure training practices are as common as practicable and allow for cost efficiencies in the sourcing of appropriate vehicles, equipment and personal protective clothing.

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We also support the use of the ESL to fund the efficient costs of response activities, prevention and preparedness that have community-wide benefits and the administration costs of an RFS – noting our preference for the RFS to be located within DFES.

It should be noted however, that our members are also fully committed to remaining as the Volunteer Fire and Rescue Service and as part of the Department of Fire and Emergency Services.

Section 8 – Governance, Transparency and Accountability Arrangements

Recommendations 23 to 37 (Pages 185/186)

- The WAVFRSA would only support a review of the DFES structure, resources and administration costs if real efficiencies could be achieved. A costly review that identifies little to no savings benefits to the taxpayer would only result in undermining the moral of the department.
- Fully supportive of the recommendation that the agency advising the Minister for Emergency Services on ESL revenue and rates should not benefit from the ESL; noting that this should not preclude such agencies from providing specific advice around costs etc of providing emergency services to allow the Minister to make an informed decision.
- It is important that relevant stakeholders (such as LG's) must submit their applications for ESL funding to the OEM; with a specific section of OEM making the determination of such requests for submission to the Minister for Emergency Services. If OEM suggest a variation to the submission provided by the stakeholders then this needs to be discussed with appropriate stakeholders prior to the recommendation being forwarded to the Minister.
- It is imperative that a system be put in place that allows an applicant to appeal a decision either directly to the Minister or to an administrative tribunal should they believe that their submission has not been given its due consideration by the OEM.
- Local Governments should ensure their BGU's are aware of any funding requests and seek the support of same prior to submitting requests to OEM. This would also ensure that any funding sought is actually required (in terms of equipment, vehicles etc) by the BGU concerned.
- Any annual report on ESL funding must be as open and transparent as possible and should include the basic details of every application for funding received (in terms of LG) and DFES must provide more detailed financial reporting with regards to operational/non-operational expenditure and what funding is being used for.

Should you have any queries with regards to this submission, please do not hesitate to contact the Association's Executive Officer Mrs Jodie Neuzerling

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