



Media Statement

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ERA publishes final report on emergency services levy

A review into the emergency services levy (ESL) in Western Australia recommends that the organisation which advises the Government on how much landowners pay for emergency services should be independent and not benefit from the levy.

The Economic Regulation Authority (ERA) was asked by the Treasurer to review arrangements for managing and distributing the levy to fund emergency services in the State.

In forming its recommendations, the ERA met stakeholders and received 85 submissions from interested parties from across the state.

Currently, the Department of Fire and Emergency Services (DFES) is the agency which advises the Minister for Emergency Services on how much the ESL should raise, and decides how the money should be distributed between its own activities and volunteer groups.

“Many stakeholders believe there is conflict of interest in the way the levy is allocated,” ERA chair Nicky Cusworth said. “Conflict of interest can be real or perceived, but either way it should be avoided.

Good governance requires that the amount of the levy raised and how it is distributed should not be decided by the main recipient of the funds.”

An independent organisation funded from general government revenue should oversee how DFES allocates and spends the levy.

“One of the biggest concerns raised by volunteer groups and local government was about how DFES makes its decisions on applications for ESL funding,” Ms Cusworth said.

“To address these concerns, the ERA recommends that DFES works with local government and volunteer brigades to develop processes for applying for ESL funds.

“DFES will continue to decide whether applications for funds should be accepted, but its decisions should be based on a resource-to-risk approach, and local governments should have an independent avenue of appeal if they dispute DFES’s decisions.”

The ERA was asked to consider whether the levy should be spent on a rural fire service, and what the effect on ESL rates might be.

“If the Government establishes a rural fire service, the ESL should contribute to funding it,” Ms Cusworth said. “How this affects rates will depend on the model of a rural fire service.

A recent Government Bushfire Mitigation Summit discussed options but did not decide on a rural fire service model.

The structure of how a rural service could look is a matter for the Government. The cost of each model depends largely on whether it is staffed by volunteers or career firefighters, but also on the equipment required for each station, and head office costs.”

In 2015-16, DFES collected \$323 million of funds from landowners to pay for emergency management and emergency services.

“Most of the levy is spent on response, rather than prevention and preparedness,” Ms Cusworth said.

Many submissions to the ERA’s review argued more money should be spent on prevention and preparedness.

“Responsibility for most aspects of prevention lies primarily with property owners and land custodians, including local and state government agencies, and this should continue,” Ms Cusworth said.

“The ERA has found these agencies should be more accountable for prevention, and recommends a thorough review of state and local government responsibilities, including prescribed burning.”

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