

Emergency Services Levy Review

Submissions to the issues paper and draft report

29 September 2017

Economic Regulation Authority

WESTERN AUSTRALIA

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Summary

On 23 December 2016, the then Treasurer of Western Australia asked the Economic Regulation Authority (ERA) to prepare a report on the current arrangements for, and options to improve, the management and distribution of the Emergency Services Levy (ESL) in Western Australia.

The ERA published an issues paper on 30 January 2017. The purpose of the issues paper was to help interested parties make submissions to the review. The issues paper explained the process for the review and how the ERA would examine the issues outlined in the terms of reference.

Submissions to the issues paper closed on Friday 10 March 2017. The ERA received 40 submissions.

The ERA had 29 meetings with 21 organisations from February to May 2017. These meetings were conducted on the basis that comments made during these meetings would not be attributable to individuals or organisations.

The ERA published a draft report on 7 July 2017, and invited stakeholders to make submissions on 37 draft recommendations. Submissions in response to the draft report closed on 16 August 2017. The ERA received 43 submissions. In addition, the ERA received two submissions that had been lodged to the issues paper but were not received at the time of the issues paper due to technical issues.

Most of the submissions are published on the ERA's website (www.erawa.com.au). Three submissions were confidential and are not published.

After publishing the draft report, the ERA:

- met with four organisations to clarify points made by the parties in their submissions to the draft report;¹ and
- requested further information from stakeholders.²

The ERA also conducted a series of regional visits in early August. The purpose of this consultation was for the ERA to clarify for stakeholders aspects of the draft report.

The rest of this document is structured as follows:

- Chapter 1 includes a list of stakeholders consulted during the review.
- Chapter 2 includes a summary of submissions to the issues paper.
- Chapter 3 includes a summary of submissions to the draft report.

¹ Association of Volunteer Bush Fire Brigades; Landgate; the Western Australian Local Government Association; and the Office of Emergency Management.

² Department of Fire and Emergency Services (including the Office of Bushfire Risk Management); Department of Biodiversity, Conservation and Attractions; Department of Health; Department of Justice; Department of Local Government, Sport and Cultural Industries; Main Roads; Water Corporation; Western Power; Western Australian Local Government Association; City of Bunbury; City of Busselton, City of Mandurah; Shire of Capel; Shire of Dardanup; Shire of Murray.

1 List of stakeholders involved in consultation

The list of stakeholder submissions (except three confidential submissions) and the organisations and individuals the ERA met with are shown in the table below. Most of the meetings were confidential.

Stakeholder list	Submission to the issues paper	Submission to the draft report	Met with the ERA
Anonymous (1)	✓		
Anonymous (2)		✓	
Association of Volunteer Bush Fire Brigades	✓	✓	✓
Australian Red Cross	✓		
Mr Terry Baker		✓	
Bayswater SES	✓		
The Bushfire Front Inc.	✓	✓	✓
Cascade Scaddan Fire Review Ltd	✓	✓	
Mr Martin Chambers		✓	
Chair, State Emergency Management Committee	✓		✓
Chief Bushfire Control Officer, Shire of Denmark	✓		
Chief Bushfire Control Officer, Shire of Plantagenet	✓		
Chief of Staff, (former) Minister for Emergency Services			✓
Chief of Staff, Treasurer			
City of Canning	✓		
City of Gosnells		✓	
City of Greater Geraldton	✓		
City of Swan	✓	✓	
Community and Public Sector Union/Civil Service Association	✓		
Department of Agriculture and Food			✓

Department of Biodiversity, Conservation and Attractions (formerly the Department of Parks and Wildlife)		✓	✓
Department for Child Protection and Family Support	✓		
Department of Fire and Emergency Services	✓	✓	✓
Department of Planning, Lands and Heritage (formerly the Department of Lands)	✓		✓
Department of Treasury			✓
Mr Glenn Dewhurst		✓	
Emergency Services Volunteers Association	✓		✓
Fire Storm Training	✓		
Gidgegannup Progress Association	✓		
Mr Geoffrey Gorham		✓	
Grape Growers Association	✓		
Mr Alan Hawke	✓		
Mr Colin Jones		✓	
Mr Jeff Howe, Volunteer Marine Rescue Western Australia		✓	
Mr Ian Howlett		✓	
Kimberley Zone of WALGA	✓		✓
Mr Kim Klaka		✓	
Mr John Lyon		✓	
Mr Jim Macbeth		✓	
Mr Steve MacPherson		✓	
Mr John Mangini	✓	✓	
Members of the Legislative Council: Hon. Ricky Mazza MLC, Hon. Robin Scott MLC, Hon. Charles Smith MLC, Hon. Aaron Stonehouse MLC and Hon. Colin Tincknell MLC.			✓
Office of Bushfire Risk Management			✓
Office of Emergency Management	✓	✓	✓

Office of the Auditor General			✓
Pastoralists and Graziers Association	✓	✓	✓
Mr Daryl Poole		✓	
Public Sector Commission			✓
Mr Eddie van Rijswoud	✓	✓	
Mr Ian Rotheram		✓	
Shire of Augusta-Margaret River	✓		
Shire of Corrigin		✓	
Shire of Esperance		✓	
Shire of Harvey	✓		
Shire of Manjimup	✓	✓	
Shire of Mundaring	✓		
Shire of Murray	✓		
Shire of Nannup		✓	
Shire of Plantagenet		✓	
Shire of Woodanilling		✓	
Mr Ralph Smith		✓	
State Emergency Service Volunteers Association	✓		✓
Superannuated Commonwealth Officers Association Western Australia		✓	
Mr Matt Thomas		✓	
Mr Marcus Turner		✓	
United Firefighters Union	✓	✓	✓
Valuer-General, Landgate		✓	✓
WA Farmers Federation	✓		✓
WA Police	✓		
WA Self-Funded Retirees Inc.	✓	✓	
Western Australian Local Government Association	✓	✓	✓

Western Australian Volunteer Fire and Rescue Services Association		✓	✓
Mr Michael Walker		✓	
Mr Derek Williams		✓	
Mr Erik Wright		✓	

2 Submissions to the issues paper

Association of Volunteer Bush Fire Brigades

The Association of Volunteer Bush Fire Brigades makes the following comments.

Best practice management of natural hazards

The Association of Volunteer Bush Fire Brigades notes that the prevention, preparedness, response and recovery aspects of emergency management can be identified in terms of separate activities, but points out that they can be difficult to distinguish in terms of funding allocations. (For example, prevention activities such as mitigation burning require firefighting vehicles, which are also required for response activities.)

More specifically, the Association of Volunteer Bush Fire Brigades considers that DFES does not allocate sufficient funding to bush fire brigades, stating that while ESL revenue has increased by 198 per cent between 2004-05 and 2015-16 (and DFES expenditure excluding grants for bush fire brigades and State Emergency Service has increased by 171 per cent), grant funding for bush fire brigades has only increased by 68 per cent over the same period.

The Association of Volunteer Bush Fire Brigades states that there are several emergency services that are not currently funded by the ESL – namely the Volunteer Marine Search and Rescue Services and the Surf Life Saving service. The Association of Volunteer Bush Fire Brigades is of the view that it may be possible to fund these services via the ESL within a few years by restraining DFES's spending on non-frontline services, but considers that this should not take place until the current issues addressed in the ERA's issues paper are resolved.

The Association of Volunteer Bush Fire Brigades also states that the ERA needs to obtain and publish detailed information on DFES's current expenditure to allow stakeholders to suggest how ESL funding should be reallocated.

Additionally, the Association of Volunteer Bush Fire Brigades considers that ESL boundaries, and how they are assessed, need to be reviewed to take into account the full range of prevention, preparedness, response and recovery needs of the community, rather than just response.

Design of the ESL

The Association of Volunteer Bush Fire Brigades considers that the current method for setting the ESL works efficiently in terms of collecting revenue. However, it says that there may be room for minor adjustments to the thresholds, as well as an opportunity to move from a response-based approach to a risk-based approach.

It also states that corporate group ratings needs to be reviewed to ensure the system is not being used to avoid full corporate contributions by grouping land holdings together for the purpose of the ESL.

Funding a rural fire service

The Association of Volunteer Bush Fire Brigades considers that the ESL should be used to fund the proposed rural fire services. It considers that the cost of funding rural fire services need not impose a significant burden on rate payers, stating that:

- such a service could be funded by cuts to DFES as it relinquishes its current responsibilities in the bushfire and volunteer sector;
- greater scrutiny and accountability for ESL spending will result in cost savings, which will release funding for the proposed rural fire service, and possibly also provide funding for increased mitigation burning.

The Association of Volunteer Bush Fire Brigades considers that a rural fire service should not be used as a vehicle to push for an increase in ESL revenue through higher charges. Rather, it expects the Government to ensure that ESL and DFES's expenditures are thoroughly and independently assessed to identify cost savings through the restructure, and through general efficiency gains in DFES's operations.

The Association of Volunteer Bush Fire Brigades requests that the ERA consults with itself and others with bushfire experience on any model it develops to be used to estimate the cost of the proposed rural fire service. The Association of Volunteer Bush Fire Brigades considers this is necessary to ensure that effort is not wasted on unnecessarily extravagant models and that the likely cost of the proposed service is not misrepresented to the ERA.

Governance arrangements

The Association of Volunteer Bush Fire Brigades is concerned that there is a lack of governance around spending of ESL within DFES, while funds spent by bush fire brigades and the State Emergency Service are micro-managed by DFES.

The Association of Volunteer Bush Fire Brigades states that the information provided in DFES's annual reports is not sufficiently transparent. It is of the view that DFES should release expenditure data at a more detailed level, such as reporting its direct career fire station staff and costs separate to its other activities, which should also be reported on as individual activity hubs. Furthermore, this detail should further be refined to show spending by geographical area. The Association of Volunteer Bush Fire Brigades proposes that DFES publish the following:

- expenditure information for individual sections of DFES;
- spending on specific projects;
- allocations to specific areas and services; and
- spending by function at a detailed level (such as mitigation spending by Local Government Area).

The Association of Volunteer Bush Fire Brigades says that there needs to be a mechanism in place that requires the Minister for Emergency Services to take into consideration the views of interested parties and the wider community, rather than relying only on DFES's budget proposals.

The Association of Volunteer Bush Fire Brigades proposes that:

- the Government transfer responsibility for allocation of ESL funding to a ‘disinterested third party agency’;
- this agency should take into account the views of a third party advisory body, comprising of representatives from emergency services funded by the ESL; and
- this advisory body should have recourse to the Minister for Emergency Services should it strongly disagree with the agency’s proposed ESL allocation.

The Association of Volunteer Bush Fire Brigades also states that simply moving the allocation process from one agency to another will not guarantee improved results, particularly if DFES continues to be the sole source of recommendations to that other agency. The Association of Volunteer Bush Fire Brigades considers that the allocation process should be akin to a budget process, whereby DFES is just one of several organisations submitting requests for ESL funding.

Australian Red Cross

The Australian Red Cross says that any future funding program for activities across prevention, preparedness, response and recovery should:

- support the community and non-government organisations in undertaking emergency planning and resilience building activities;
- provide for both preparedness and recovery activities that support the psychosocial impacts of disasters – not just physical loss; and
- provide for sustained resilience building and recovery activities, acknowledging that individuals’ recovery journeys can be long and complex.

Bayswater State Emergency Service

The Bayswater State Emergency Service receives ESL grant funding from the ESL through its local government. The Bayswater State Emergency Service expressed concern that they must spend the whole amount each year or risk having grants reduced by the unspent amount in subsequent years. As such, there is no incentive to be economical with the funds. The Bayswater State Emergency Service recommends a percentage of funds be permitted to be carried-over a three year period to allow units to balance their spending more effectively.

The Bayswater State Emergency Service considers the Manual for Capital and Operating Grants contains discrepancies and is confusing. DFES wrote the list of eligible and ineligible items that can be purchased using ESL grants without any consultation. This has led to situations where only one handheld compass may be purchased for each brigade or unit. The Bayswater State Emergency Service considers this to be ludicrous for a State Emergency Service unit that provides a search capability. The Bayswater State Emergency Service recommends that each group be invited to a yearly meeting to review and forward recommendations.

The Bushfire Front Inc.

Best practice management of natural hazards

The Bushfire Front has a long-held view that ESL funds are being mismanaged and that funds must be re-directed into bushfire mitigation, especially fuel reduction. The Bushfire Front considers fuel reduction will reduce damage caused by 'high intensity bushfires, saving multi-millions of dollars'.

The Bushfire Front notes DFES's operational priority is responding to urban structural fires, rather than bushfire mitigation and preparedness. DFES guidelines for the Local Government Grant Scheme prohibit the use of ESL funds for bushfire mitigation/fuel reduction burning. The Bushfire Front states that this flies in the face of good bushfire management and is not in the public interest.

The balance between prevention, preparedness, response and recovery activities will vary over time, according to priorities based on a State-wide risk assessment. However, there is a short term need to direct a major proportion of ESL fund to prevention and preparedness/damage mitigation to avert an immediate crisis.

The Bushfire Front says that there are opportunities for significant savings and improved efficiency in the use of fire response funds, especially in the exorbitant (and often ineffective) use of water bombers.

The Bushfire Front does not advocate any change in the scope of activities funded by the ESL, but rather to the priorities for expenditure.

The Bushfire Front considers the need to have an investment strategy setting out priorities for ESL funding. To assist in development of an investment strategy, the following are needed:

- (i) cost work programs with clear and achievable objectives based on risk assessment;
- (ii) transparent guidelines as to how ESL funds will be directed to high risk areas; and
- (iii) a requirement that recipients of ESL funds, particularly DFES and LGAs, account for funds received and how they are spent, with public reporting.

Funding a rural fire service

The Bushfire Front is of the view that a rural fire service must in part be funded from the ESL. In time, if the rural fire service is effective and there are fewer intense wildfires, money will increasingly become available from consolidated revenue that was previously wasted on fire suppression costs that could have been avoided. These earned funds should also go back to the rural fire service.

Governance arrangements

The Bushfire Front states that DFES do not appear to be subject to the sort of stringent financial controls experienced by other government agencies, nor have they recently been subjected to a serious functional review.

The ESL needs to be managed by an independent third party with input from DFES, the Department of Parks and Wildlife, local governments, the Economic Regulation Authority and the Department of Finance. An appropriate independent body would be the State Emergency Management Committee.

The independent body should provide a public annual statement on (i) the framework used to determine the level and allocation, (ii) the total funds collected, (iii) the bodies to whom the funds were allocated, and (iv) the programs on which the funds were spent. The public should be advised the degree to which funding allocation supports government objectives for bushfire management. ESL expenditure should be subject to an independent audit.

Cascade Scadden Fire Review Ltd

Best practice management of natural hazards

Cascade Scadden Fire Review Ltd (Cascade Scadden) considers that a greater proportion of ESL funds should be spent on prevention and mitigation activities, and notes that funds spent on mitigation activities 'provide a better return for the community than monies spent on response activities'. In its submission, Cascade Scadden states that use of ESL funds for these purposes is permitted under the terms of the *Fire and Emergency Services Act 1998*.

Cascade Scadden says that DFES's operating costs should not be funded by the ESL, and rather that they should be funded directly by the State Government. It also says that increases in the ESL have not resulted in commensurate increases of funding for prevention services and frontline services, and considers that this has occurred because the rise in ESL funding has been offset by a reduction in State Government funding.

Cascade Scadden also considers that a greater proportion of ESL funds should be allocated to local governments. In support of this, it states that DFES only allocated 8.26 per cent of ESL funds raised in 2015-16 to local governments, and that 70 per cent of firefighting is done by bush fire brigades funded through those local governments.

Funding a rural fire service

Cascade Scadden is of the view that if a rural fire service is established:

- all operating costs should be funded by the State Government;
- the rural fire service should be required to make an application for any funds to an independent body that administers ESL funding; and
- the funds provided to the rural fire service should cover the costs of prevention and mitigation activities.

Cascade Scadden also notes that DFES should be funded in the same way.

Governance arrangements

Cascade Scadden considers that rate payers are entitled to know exactly how and where ESL funds are spent. It states that the body charged with administration and distribution of ESL funds should be required to:

- report annually on how ESL funds have been allocated to specific services and regions;
- undertake activity-based costing, to allow for accurate reporting on the amount spent on various ESL-funded activities; and
- provide a greater degree of detail about ESL spending than what is currently seen in DFES's annual reports.

Cascade Scadden is of the view that an independent body should be appointed to allocate ESL funding, and that this would avoid the risk of any conflict of interest affecting the proper administration of ESL funding. DFES should then have to apply to this independent body to receive ESL funding, as should all other recipients of ESL funding. Cascade Scadden considers that the Department of Finance might be an appropriate body to independently administer the distribution of ESL funding.

City of Canning

Best practice management of natural hazards

The City of Canning is of the view that funding towards prevention should be a priority. Currently, funds from the ESL cannot be used for mitigation purposes, instead it should rely on local governments and State agencies to fund costly mitigation programs. Using ESL for mitigation purposes would result in a reduction in actual incidents and the ESL costs passed to each ratepayer.

The City of Canning is of the view that funding allocations should be risk-based. This would assist councils with fewer resources to implement effective treatments.

The City of Canning suggests that ESL funding be used to fund local government initiatives on prevention or preparedness activities. This will ensure ratepayers are not levied twice.

The City of Canning says that expenditures on emergency services are likely to increase with climate change and an increasing urban fringe as these properties are exposed to higher risk.

Design of the ESL

The City of Canning is of the view that an equitable method for setting ESL rates would need to ensure that the levy reflects differences in the ability of property owners (and their tenants) to pay.

The City of Canning suggests that fixed levies (charged by tables/bands) may be equitable, particularly given that a significant portion of inner metropolitan properties would already be charged the maximum residential rate (\$375). This could be supplemented by a fee for service approach.

The City of Canning notes that the blanket metropolitan area rate does not consider the riskier urban fringe and is of the view that more categories could be introduced to take this risk into account (for example, inner metro, rural, urban fringe).

The City of Canning also says that basing ESL rates on gross rental value bears no does not reflect service requirements.

Funding a rural fire service

On the matter of whether a rural fire service should be funded by the ESL, the City of Canning says that the principle consideration should be equitable access to emergency services by all Western Australians across the State. ESL rates will increase if an additional service, such as a rural fire service, is funded under the current funding model.

Governance arrangements

The City of Canning says that there needs to be better communication that the ESL is a state government charge. The current arrangements affect local governments, as rate payers only consider the total charge on their rate notice, not the contribution of different elements. The ESL reflects badly on the local government sector, particularly when the increase in ESL rates is greater than the local government component. The yearly increase in ESL rates should be clearly communicated to the community by a means other than the local government rates notice.

The City of Canning suggests accountability arrangements similar to those applied to specified area rates be applied to the ESL as the ESL is collected based on location with varying rates across categories.

The City of Canning is of the view that administrative costs could be reduced if the ESL was collected by the Department of Finance alongside land tax processes. This would reduce duplication across roles and systems. The City of Canning further notes that the State has a second property billing authority in the Water Corporation, which applies the same collection approach as local governments.

The City of Canning says that information has not been provided on how DFES determine the fees paid to local governments for collecting ESL rates. The City of Canning expresses concern that the City may receive less for its administrative efforts at the City's rate base grows and it collects more ESL revenue. The City of Canning is not aware of any consultation on these rates, but notes that this may be occurring through WALGA.

City of Gosnells

Best practice management of natural hazards

The City of Gosnells is of the view that the ESL should be used for a range of activities, including mitigation. It states that it is critical to discuss the capacity for [government] agencies to increase their mitigation efforts, particularly bushfire mitigation, noting that it is extremely rare for government agencies to meet their prescribed burning targets.

The City of Gosnells argues that few local governments would be in a position to increase their efforts around natural hazard mitigation, noting that local governments generally rely on volunteer brigades to undertake prescribed burns. It states that a rural fire service should therefore be established, whose role should include bushfire risk mitigation.

Funding a rural fire service

The City of Gosnells states that a rural fire service should be funded from the ESL, and is important for households in rural areas and on the outskirts of Perth. It argues that a more professional and coordinated service to undertake bushfire mitigation and to protect lives and property in rural areas is desirable.

Governance arrangements

The City of Gosnells notes that the ESL is a line item in a local government rate notice, so people believe that all the money is used by the local government – rate payers are not aware that the ESL is remitted to the State Government. It argues that the ESL notice should come from the State Government, as the ESL is a state government levy; and that to improve transparency and raise accountability, a separate bill should be issued for the ESL.

It suggests that if the local governments' rating system infrastructure is used by the State Government to send the separate bill, it can be sent with the local government's rates notice. It argues that this would need very limited administrative funding, clarify the body that is imposing the levy, and drive efficiencies within DFES as it would be the State Government justifying any increases in the ESL.

City of Greater Geraldton

Best practice management of natural hazards

The City of Greater Geraldton manages a Local Emergency Management Committee, thirteen bush fire brigades, supports the local State Emergency Service, and is home to the Geraldton Fire and Rescue Service and a Volunteer Marine Rescue Services group.

The City of Greater Geraldton says that it is struggling to cover the cost burden and expects that all of its costs should be covered by the ESL, which local governments collect.

The City of Greater Geraldton says that it is required to pay for site works for new buildings and facilities for local emergency services groups. This imposes significant costs on local governments, which also have to surrender land for the project and administer a loan through the Western Australian Treasury Corporation to finance the project. The City of Greater Geraldton is of the view that DFES should finance and manage building projects for emergency services, with limited local government support.

The City of Greater Geraldton notes that the salary costs of its staff, who respond to disasters in other jurisdictions at the request of DFES, are ineligible for ESL funding.

The City of Greater Geraldton says that it should be fully reimbursed for its actual costs for collecting the ESL.

The City of Greater Geraldton says that ineligible items listed in the local government grant scheme manual should be critically reviewed by volunteer emergency services and local governments. The list of ineligible items includes items that are critical during incidents (for example, mobile pump units, radio networks, defibrillators).

The City of Greater Geraldton says that transfer of responsibility for volunteer emergency services, from local governments to the State Government, would be more appropriate and transparent, and result in better value to the rate-paying community.

City of Swan

Best practice management of natural hazards

The City of Swan states that prevention is the emergency management activity the City subsidises most. The City is of the view that more money needs to be allocated to prevention, specifically noting that insufficient money is allocated to managing state and

federal land. The City of Swan says that the community expressed concern with the way the ESL is managed, particularly the low priority placed on fuel reduction across all tenures in bushland areas.

The City of Swan states that response is only a small part of the City of Swan's emergency management expenditures and that the proportion of its expenditure on prevention and preparedness will need to increase over time. The City of Swan is of the view that changes to population, population distribution, climatic changes and community expectations will increase the need for prevention and preparedness activities.

The City of Swan recommends the structure and size of DFES be reviewed to determine future emergency management needs.

The City of Swan's total expenditure is higher than the contribution from DFES, leaving a gap of around \$500,000 that the City meets through municipal funds. The City of Swan states that this is an equity issue as there are a number of items that should be claimable through The Local Government Grants Scheme and that more basic needs should be covered by the ESL. Furthermore, the City of Swan is required to pay half the costs of the Community Emergency Services Manager role through municipal funds, while the DFES share is paid by ESL revenue.

Design of the ESL

The City of Swan is of the view that the ESL categories should be re-examined, since the current method of categorising properties is inequitable – for example, many farmers are rated as 'commercial' and so face a higher maximum charge than other groups, such as absentee owners and hobby farmers. These absentee owners and hobby farmers are a higher risk group and more likely to require DFES services, but pay a lower rate. The City of Swan supports a higher ESL rate for higher risk areas.

Funding a rural fire service

The City of Swan supports the establishment of a rural fire service in principle. However, the City of Swan has reservations about the creation of another department to manage bushfires and the risk of multiple agencies in conflict. Community feedback is that a rural fire service should be funded from the ESL. This should occur at little or no extra cost with most resources being transferred from DFES to a rural fire service.

Governance arrangements

The City of Swan states that there is greater need for transparency and accountability in where ESL money is going, how it is divided up and how decisions are made. Information about ESL financial management and distribution should be made publicly available in a way that a layperson can make a reasonable judgement as to whether the funds are being appropriately managed.

The City of Swan says that a large number of residents do not understand that ESL revenue goes to the State government rather than to local governments. The City of Swan is of the view that ESL revenue should be collected separately from local government rates as a standalone bill.

The City of Swan is of the view that the Local Government Grants Scheme should be managed by an agency other than DFES because there is a conflict of interest in DFES allocating funding from which it benefits. The City of Swan does not have a view on which organisation allocates funding, provided it is not DFES.

The City of Swan is of the view that it should not be responsible for managing the finances for State Emergency Service units, which are DFES brigades. This is a historical administration role.

The City of Swan is collecting ESL revenue from more properties, but the amount the City of Swan can claim in administration fees has not kept pace. The City of Swan has to perform a number of additional tasks to process the ESL.

Commissioner of Police

Best practice management of natural hazards

WA Police says that the ERA may wish to consider recommendation that the ESL be extended to all hazards prescribed in the *Emergency Management Regulations 2006*, not just natural hazards.

Western Australian emergency management legislation defines 27 hazards, which are managed by eight different hazard management agencies. Each agency requires an allocation of expenditure to prevent, prepare for, respond to, and recover from hazards.

The Fire and Emergency Services Commissioner is designated as Western Australia's natural hazard risk management agency, but it is not the only agency responsible for natural hazard risk management in the State. Of the 27 defined hazards, eight may be considered natural hazards for which the Fire and Emergency Services Commissioner is responsible for six (cyclone, earthquake, fire, flood, storm, and tsunami).

Community and Public Sector Union/Civil Service Association

Best practice management of natural hazards

The Community and Public Sector Union/Civil Service Association raises concerns about the level of funding available for prevention, fuel management, and community and economic recovery. It notes that the Department of Parks and Wildlife, local governments, and other major land managers have major bushfire risk management roles, but currently have no access to ESL funding. In particular, it points out that the Department of Parks and Wildlife is reliant on Royalties for Regions funding to carry out its fuel management role, and does not have a stable funding base. Consequently, the Community and Public Sector Union/Civil Service Association recommends that the scope of the ESL be expanded to contribute to bushfire fuel management and mitigation in multi-tenured priority hazard reduction zones around town sites. The Community and Public Sector Union/Civil Service Association also recommends that any ESL funding contributions to fuel management by the Department of Parks and Wildlife and other land managers should be linked to outcomes and resource efficiency indicators on bushfire fuel management.

More broadly, the Community and Public Sector Union/Civil Service Association considers that the newly-established State Bushfire Coordinating Committee should develop a comprehensive bushfire policy framework for the State. (The Community and Public Sector Union/Civil Service Association understands that this is a priority for the Committee.) The Community and Public Sector Union/Civil Service Association states that this framework should identify the full suite of funding available for prevention, preparedness, response and recovery, as well as identifying any gaps, overlaps and opportunities for improvement.

The Community and Public Sector Union/Civil Service Association also states that volunteer funding via the ESL has dropped from about 10 per cent to 6 per cent over the past decade.

It considers that the volunteer sector needs to be adequately resourced and that any funds allocated to agencies as an outcome of this review should not be at the expense of the volunteer sector.

Governance arrangements

The Community and Public Sector Union/Civil Service Association notes that, based on current levels of publicly available information, it is not possible to know whether the ESL is truly meeting its purpose, or to what extent it is subject to 'mission drift'. It states that it is essential that all major public levies collected for a specific purpose are publicly and transparently accounted, and recommends that the ESL revenue and expenditure should be reported in the State's annual budget processes, both for the agency tasked with administering the ESL and those agencies who receive funding from the ESL.

The Community and Public Sector Union/Civil Service Association also considers that the ESL should be distributed by an independent body. Specifically, it recommends that the Office of Emergency Management (currently a sub-department of DFES) be established as an independent statutory authority, and that it then become the body responsible for distributing and managing funds raised via the ESL.

Confidential submission

Best practice management of natural hazards

This stakeholder recommends that funds raised from a levy on rateable land, be used to prepare, prevent, respond and recover from emergencies that occur on and over land. This stakeholder is of the view that the ESL should fund land-based search and rescue organisations (that is, Volunteer Emergency Service, Fire and Rescue Service, State Emergency Service, Bush Fire Service or a rural fire service). Funding must be available for appropriate mitigation works, equipment and clothing, training, buildings and accommodation, victualling, maintenance, vehicles, travel and day-to-day expenses. This stakeholder is of the view that the ESL should also fund response expenses for operations and expenses for private contractors. This should include expenses for the Incident Controller and those reporting to the Incident Controller other than salary expenses.

This stakeholder recommends that public employees be paid from general government revenue, rather than ESL revenue. This stakeholder notes that when the ESL was introduced, it was promoted on the basis that it would enable volunteer organisations to obtain new equipment and buildings. However, this stakeholder notes that 51 per cent of ESL is disappearing into the public service. This stakeholder questions whether it is fair that only property owners pay the salaries and superannuation of DFES staff.

This stakeholder recommends that some portion of the ESL be set aside for prescribed-burning and be allocated to any department that has this role. This stakeholder notes that no ESL revenue is being spent on mitigation works, although it is the duty of the DFES Commissioner. ESL funding and training need to be provided to Bush Fire Service brigades and funding increased to the Department of Parks and Wildlife for prescribed burning.

Design of the ESL

This stakeholder is of the view that sea search and rescue should be funded from a levy raised from licenced ocean-going vessels. This stakeholder notes that, when the ESL was established, it was not deemed appropriate to use ESL revenue to fund sea-rescue. This stakeholder states that DFES now uses 10 per cent of its annual ESL revenue to fund the

Volunteer Marine Rescue Services. This stakeholder considers that it is inappropriate for property owners to pay through their rates, for a service which is highly-unlikely to be needed by the vast majority of Western Australians.

Funding a rural fire service

This stakeholder is of the view that a rural fire service should be funded by the ESL. A rural fire service would meet the requirements of the *Fire and Emergency Services Act 1998* because it would be directly, or indirectly responsible, for bushfire mitigation, response and preparation. This stakeholder is of the view that the current funding to bush fire brigades can be directly transferred from DFES to a rural fire service, provided that DFES no longer controls ESL distribution.

This stakeholder is of the view that ESL rates would not need to increase to fund a rural fire service, provided an authority other than DFES distributes the ESL, avoiding the 'enormous waste of public money'.

This stakeholder says that some personnel will need to be recruited to train and administer the rural fire service because DFES does not have employees that deal specifically with the bush fire brigades.

This stakeholder suggests that firefighting schools of excellence be established. These training centres would cater for a rural fire service, Department of Parks and Wildlife staff and volunteer bushfire fighters. This would ensure identical procedures will be learnt by the people who will be responding to wildfires in forest. This stakeholder notes this may increase expenditure by bush fire brigades as they currently do very little and very basic training.

Governance arrangements

This stakeholder says that the public needs to know not just how the money was divided, but how the spending relates to prevention, preparedness, response and recovery. This stakeholder provides an example that in Victoria (and potentially New South Wales) volunteers were flown in to respond to the March 2010 Perth storm. This stakeholder says that it is well known in State Emergency Service circles that these volunteers were taken to a BBQ dinner to thank them for attending and flown back to Melbourne that day, as there was no work for them to do. This stakeholder is of the view that such appalling waste of public money needs to be avoided with better training and public scrutiny.

This stakeholder recommends that DFES no longer be the entity responsible for distributing the ESL, so that any agency that can satisfy specific criteria related to ESL funding can apply for financial assistance.

This stakeholder also recommends that any brigade, unit or department that receives an ESL grant must keep financial records of how the money is spent and prove acquittal of the funds annually. (This stakeholder notes this process already exists for State Emergency Service units.) This stakeholder also recommends that DFES produce a definitive guide for all brigades and units, explaining how ESL money may be spent. This stakeholder provides anecdotal evidence from a Volunteer Fire and Rescue Services volunteer, that there is no requirement for each brigade to explain how ESL money was spent. One volunteer claimed that a brigade spent all of the money was on alcohol for socialising. The same volunteer claimed that another brigade banked the money and it has not been spent for years, with the brigade holding tens-of-thousands of dollars of public money in a trust account.

This stakeholder recommends that local governments no longer be required to administer funds for State Emergency Service units and bush fire brigades. Instead, ESL grants should be paid directly to brigades and units or their nominated DFES Manager.

Department of Child Protection and Family Support

Best practice management of natural hazards

The Department for Child Protection and Family Support says that the ongoing operational costs of the *Register, Find, Reunite* service be funded through the ESL. It is of the view that the program fits well within the ethos and parameters of the ESL because it is of benefit to the community and all hazard management agencies.

The *Register, Find, Reunite* is a service operated and managed by the Australian Red Cross on behalf of the federal, state and territory governments. The service is a means to register and reunite people after an emergency, and provides data for recovery purposes.

The Department for Child Protection and Family Support is the commissioning agency for RFR in Western Australia. The Department for Child Protection and Family Support activates the program on behalf of the relevant hazard management agency. Bushfire is the main cause of activation.

Western Australia's contribution to the *Register, Find, Reunite* operational costs will be \$48,228 per year till 2020 (when the funding arrangement will be reviewed). The Department for Child Protection and Family Support will fund this commitment in 2017-2018.

Department of Fire and Emergency Services

Best practice management of natural hazards

DFES considers that additional funding directed towards mitigation and preparedness activities would be highly beneficial for Western Australians. In making this point, it notes that:

- it remains essential that funding is allocated to ensure a 'ready state' of response capability, but states that 'this is a critical recurring investment and therefore should not translate to a consequential redirection of funding from preparedness and response to other activities';
- owners and occupiers of land have primary responsibility for fire prevention (including government agencies such as the Department of Parks and Wildlife, and local governments);
- additional funding for bushfire mitigation should be based on bushfire risk management assessments across the State (such as those performed as part of DFES's Bushfire Risk Management Planning Process); and
- the 'non-linear and unpredictable nature of recovery costs' means that they may be unsuitable for funding under the ESL model, especially given that they are already provided via other avenues, including the state and federal agencies.

DFES also notes that further investment in emergency services is likely to be required in the future, citing growth in urban and rural development, increased community expectations,

changing technologies, increasing frequency of severe weather events, changes in farming practices, changes in community composition and demographic changes in the volunteer workforce.

Design of the ESL

DFES is of the view that a 'current and future state needs analysis' is required, before the appropriateness of the current method for setting the ESL can be assessed. However, it comments that:

- legislative changes may be necessary, if a needs analysis identifies functions that fall outside the current scope of the ESL (given that the functions the ESL can support are determined by legislation);
- if the ESL is to be used as a primary funding source for a different service in rural areas, it may be necessary to review the ESL-setting methodology to reflect the types of service available in each location; and
- in making decisions about funding current and future requirements, all potential funding sources should be considered – not just the ESL collected from property owners.

DFES does not provide a specific recommendation on improving the current method for setting the ESL. However, it notes that any change to the approach should take into account the principles that underpinned the original design of the ESL and the effects of any departure from those principles.

Funding a rural fire service

DFES notes that the Government has yet to make a decision on the structure, form, and role of a rural fire service, and so it is difficult to estimate the future cost of such a service. It highlights the following issues that will inform the cost of a rural fire service:

- the extent of the need for any enhanced capability for rural fire management and bushfire risk management;
- whether a rural fire service will be an independent body, or a sub-department of another agency (thereby minimising costs by sharing existing corporate support services);
- whether funding for existing rural fire management and bushfire risk management services currently performed by other agencies will be consolidated and redirected to the new rural fire services; and
- the determination of an appropriate method to distribute ESL costs of a rural fire service.

DFES notes that (based on the current methodology and levels of service), the average residential charge for Category One properties will increase by approximately one dollar for every additional one million dollars of expenditure.

Governance arrangements

DFES states that 'all information regarding the administration and distribution of ESL funding is readily available to the public on the DFES website, and points out that audited

financial reports are also provided annually as a part of DFES's Annual Report. It further notes that DFES's budget papers are available on the Department of Treasury's website.

DFES also considers that the current controls and oversight arrangements 'ensure robust and transparent accountability for the administration of ESL funds, further noting that existing legislation ensures that ESL funding can only be used for the purpose for which it was raised.

DFES strongly supports the continuation of the current reporting and accountability processes.

On the matter of which agency should be tasked with distributing ESL funding, DFES states that this would depend on the activities funded by the ESL, and the agencies responsible for those activities. It is of the view that, should the activities currently funded by the ESL remain 'unchanged', then it is appropriate for DFES to continue to administer the ESL. However, it notes that if a number of agencies were to receive ESL funding, this arrangement should be reconsidered.

Department of Lands

Best practice management of natural hazards

The Department of Lands administers Western Australia's Crown land estate under the *Land Administration Act 1997*.

Western Australia has a land mass of 2.5 million square kilometres, of which 92 per cent is Crown land. Responsibility for managing Crown land is legally transferred to third parties via the grant of some form of land tenure. However, unmanaged reserves and unallocated Crown land comprise 38 per cent of Western Australia's land mass. The Department of Lands (and its Minister) is responsible for the on-ground management of fire and other risks on this land.

The Department of Lands has entered into long-standing agreements with DFES and the Department of Parks and Wildlife to manage fire risk on unmanaged reserves and unallocated Crown land, but only to the extent possible within the quantum of funding available.

The Department of Lands says that there has been a long struggle to attract adequate funding from the consolidated account for mitigation of fire risk on unmanaged reserves and unallocated Crown land. The Department of Lands receives \$450,000 a year (unindexed over the past decade) for fire mitigation, while the Department of Parks and Wildlife receives \$360,000 a year. The Department of Lands is of the view that a fully costed fire preparedness and prevention program on this land would cost \$5.56 million a year over a ten year period.

The State Government has approved an allocation of \$15 million to establish a Mitigation Activity Fund. This fund will be available to owner/occupiers of state-owned land to complement existing efforts to mitigate high priority bushfire risks. The Department of Lands says that these funds will be quickly exhausted within the four year period and is concerned that the pre-existing situation of inadequate funding will return.

The Department of Lands is of the view that the continued roll-out of the Bushfire Risk Management Process is absolutely critical to inform investment in on-ground mitigation.

The Department of Lands is of the view that a component of ESL funding should be used for prevention purposes. The Department says that it would be useful to remove any doubt as to whether the ESL may legally be applied to prevention, given conflicting views on this point.

The Department of Lands says that there is a need to model increases in demand for ESL funding in response to climate events, changes to the distribution of fire risk through-out Western Australia (for example, arising from increased development of bushland areas, and ageing population), and the increase in, and distribution of, rateable properties.

Funding a rural fire service

The Department of Lands says that it is difficult to conceive any argument against funding the proposed new rural fire service from the ESL, given the stated purpose of the ESL.

The Department of Lands is of the view that the cost of a rural fire service would depend on what the service is tasked to do, and whether it is formed from existing DFES staff. If staffing for a rural fire service comes from existing DFES, it should have minimal effect on ESL rates.

Governance arrangements

The Department of Lands says that there is very little public reporting about the distribution and use of ESL funding. Public confidence would be enhanced through more extensive public reporting on the total amount raised annually, the various groups to which it is distributed, and the manner in which the funding is applied in each case. The latter would ideally include some breakdown against the different categories of emergencies (fire, rescue, accidents, chemical spills, natural disasters et cetera) and the risks (to life, property, and environment).

The Department of Lands supports information being published on the amounts raised from each local government area and the amounts returned to each local government area to highlight the extent of cross subsidisation between metropolitan and rural areas.

The Department of Lands is of the view that the State Government's "direct contribution to the ESL from the consolidated account should be published given assertions that the government is seeking to transfer its own funding obligations to the general public". [Note: The Department of Lands' meaning here is not entirely clear, but appears that the Department of Lands is requesting disclosure of the amount of ESL paid by the State Government on its own land.] This should be complemented by additional information showing the State Government's contribution to the management of fire risk on state-owned and controlled land, from the range of different funding sources (consolidated account, Royalties for Regions, and other own-source revenues). This investment is typically embedded in the operating budgets of landholding agencies and utilities.

The Department of Lands notes that no entity in the State Government has a good grasp of fire-related investment across the Crown estate. The Minister for Emergency Services sought to quantify this expenditure through a bushfire stocktake, which was never made public. The Department of Lands says that the results of the strategic stocktake of bushfire related activity and investment across the public sector should be used as an initial baseline, and each Government agency/entity should be required to update this annually. Understanding the available funding is important to support the Bushfire Risk Management Planning Framework.

The Department of Lands is of the view that there should be up-front disclosure of the initial budget when the ESL rate is set, followed by the release of a more detailed report at the end of each budget period. The Department of Lands suggests this report could be circulated to each rate payer, similar to the practise used by the Australian Taxation Office to explain the use of income tax.

The Department of Lands is of the view that the Department of Treasury should receive initial ESL revenues from local governments and distribute the revenue in accordance with agreed instructions. The Department of Lands is of the view that the State Emergency Management Committee should have a clear and mandated role in advising the Minister for Emergency Services on the quantum of ESL to be collected and the manner in which revenues should be distributed. This advisory role would extend to the funding needs of a rural fire service.

The Department of Lands says that local governments that operate bush fire brigades should be able to put forward their annual funding requirements [to the body distributing ESL funding], to address concerns they receive insufficient funding.

Edwards, Mr Frank – Chair, State Emergency Management Committee

Mr Frank Edwards made a personal submission that does not represent the views of the State Emergency Management Committee and the Office of Emergency Management.

Best practice management of natural hazards

Mr Edwards is of the view that funding for the risks, for which the ESL is raised, should be allocated on the basis of risk assessment. Risk assessment will bring together the full range of risks and consequences into a hierarchy that will allow evidence based funding decisions to be made. These could be made public and could be used as an accountability mechanism to demonstrate the risk reduction component of funding allocation, separate from the response and recovery components.

The Office of Emergency Management is progressing a State Risk Project to determine and analyse the most significant risks across Western Australia (at State, district and local levels), including likelihood, consequences and treatment options. When this work is mature, it will provide a knowledge base that could contribute to funding decisions.

The Bushfire Risk Management Plans for local government can also provide risk and treatment data that can be used to make decisions on bushfire risk reduction or mitigation. Full funding of this project would assist understanding where best to spend funds and to achieve bushfire risk reduction.

An examination should be made of what risks local governments and other agencies (such as the Departments of Lands) “own” and should therefore be expected to fund as part of normal business. Consideration should also be given to whether funding options are needed to support particular local governments that face regular occurrences of high cost natural hazards (for example, cyclone, storm and flood).

The selected mechanism to allocate funding should consider risk and consequence profiles.

Mr Edwards says the areas of emergency services that are currently funded are accepted as valid and appropriate, and additional funding should be directed to fuel reduction burns in lands owned or managed by the State (including the Forestry Products Commission). The Department of Parks and Wildlife have recently received large injections of funding

from Royalties for Regions for prescribed burns. However, a significant and assured funding stream is needed to manage the risk of catastrophic bushfires as expenditure priorities and levels will change with contributing factors and the effectiveness of previous risk reduction actions. The State Risk Project (when complete) will facilitate annual reviews of the State risk profile and help inform future funding decisions.

Current indicators seem to be that bushfire risk will increase in the South West of the State and “wet” events (cyclone, storm and flood) will increase in the North of the State. Risk mitigation and emergency response will require additional funding if public expectation is to be met.

Design of the ESL

Mr Edwards notes that any method for setting the ESL will attract some criticism. He raises the following concerns:

- the fairness of property owners of high-rise buildings in the central business district and major suburban shopping malls contributing to sea rescue and bushfire response in rural and semi-rural areas;
- the possibility that property owners in Category Five areas may not receive any emergency response due to local factors such as availability of volunteers (but that there is no assessment of the risk of this happening until a response is needed);
- the effectiveness of the current model in producing equal value for money in terms of response across various geographical categories;
- whether it can be demonstrated that ESL revenue raised in each category is actually related to response in those category areas;
- the role of owner insurance in determining appropriate contributions;
- whether capital values may be better for assessing ESL rates than gross rental value; and
- whether the State should contribute to the ESL for large tracts of State-owned and managed land, which are subject to bushfires and impose risks on other properties.

Mr Edwards points out that, though the concept of an individual risk assessment of properties has been raised as a fair way to raise ESL revenue, the costs of such an assessment process would need to be balanced against the benefit of using those funds for mitigation or response.

Mr Edwards notes the current ESL system is based on general levels of response capability that are funded for locations. He states that a future system should take both risk and the consequences of various response levels into account when determining what level of capability should be provided in each location. However, he does note that this is a difficult task and it may have already been performed to some extent in the development of the current ESL model.

Funding a rural fire service

Mr Edwards is of the view that extra funding will be required if the rural fire service is going to add to existing capability.

While the concept of user pays for a rural fire service may appear attractive, the cost per property is likely to be excessive. A consideration is the State contribution as an owner of State lands, particularly given the known fuel loads and consequent risks to third party property. In some South West local government areas, up to 85 per cent of land is State managed forests with high fire risks. Mr Edwards questions whether, in these instances, whether the State will pay 85 per cent of the cost of response through an ESL type contribution or whether only private property holders will contribute.

Mr Edwards is of the view that any ESL cost imposition for a rural fire service must be equitable and affordable to land owners.

Governance arrangements

Mr Edwards says that sufficient information should be published to generally satisfy the public that an appropriate basis for administering and distributing the ESL funding exists.

In terms of accountability, the ESL should not be treated differently to other revenue raised for specific purpose. The accountability applied to DFES and the responsible Minister should provide the necessary accountability.

The portion of ESL funding that is distributed as grants and subsidies could be distributed by the Office of Emergency Management. The Office of Emergency Management has expert knowledge of emergency management and experience in grant administration. Conflicts of interest arising from the Office of Emergency Management's status as a sub-department of DFES can be minimized by reinforcing the recently enhanced independence of the Office of Emergency Management. The Office of Emergency Management has an assurance function with direct reporting responsibility to the Minister for Emergency Services. Additionally, the Office of Emergency Management is not funded by ESL. The State Emergency Management Committee has three members (including Chair, Deputy Chair and one other member) that are independent, which could constitute an oversight committee if required.

Emergency Services Volunteers Association

Best practice management of natural hazards

The Emergency Services Volunteers Association is of the view that ESL funding should be allocated across prevention, preparedness and response, based on analysis of the major risks across Western Australia. Recovery should be covered under disaster relief funding.

The Emergency Services Volunteers Association is of the view that bushfire is the greatest risk to Western Australian rural and urban interface communities. Prevention programs to protect those communities needs to be funded through the ESL. Emergency service organisations needs to focus more on prevention, preparedness and recovery so that communities can be better protected. The cost implications of response would be significantly reduced and emergency responders will be safer if there was a shift in focus to prevention. This would reduce the burden on ESL funding.

The Emergency Services Volunteers Association is of the view that all emergency services expenses should be covered by the ESL including: buildings refurbishment and rebuild, all emergency vehicles (supplied fit for purpose), personal protective equipment, personal protective clothing, training, logistics, information technology, administration, management, bushfire risk management planning, mitigation and prevention.

The Emergency Services Volunteers Association is of the view that climate change is already having a major impact on emergency services with increasing size, complexity and duration of incidents. These changes place a burden on emergency services in terms of prevention, preparation, response and recovery activities.

Design of the ESL

The Emergency Services Volunteers Association says that the method for setting the ESL could be improved by charging according to the cost of the risk imposed in a geographical area, rather than the type of emergency response available in an area.

The Emergency Services Volunteers Association suggests introducing a new category for properties in designated “bushfire prone areas” (including some areas in Category Three). It says that a bushfire prone area in the urban metropolitan area is at higher risk than a regional city or a country town with good bushfire management strategies in place.

The Emergency Services Volunteers Association states that it may appear that the metropolitan area is funding country towns under the current system, but notes that the cost of a career fire station is considerably more than a station manned by volunteers in small towns.

Funding a rural fire service

The Emergency Services Volunteers Association is of the view that a rural fire service should be funded by the ESL. However, this would require better alignment between the costs incurred in an area and the revenue raised from that area.

The Emergency Services Volunteers Association (along with other peak bodies) proposes that a rural fire service use and share many services already within DFES such as Training Centre, State Operations Centre, Metropolitan Operations Centre and Administration.

ESL will need to be reviewed carefully when a rural fire service is established as there will be duplication arising from two emergency service management organisations and, therefore, extra costs.

Governance arrangements

The Emergency Services Volunteers Association is of the view that all information published about the administration and distribution of the ESL needs to be clear, transparent, and simple so all stakeholders can understand where the funding is being spent.

The Emergency Services Volunteers Association says that an appropriate risk to resource model needs to be implemented for funding allocations. DFES should disclose the breakdown of funding allocation in their Annual Report. This information should be audited by an independent authority. DFES need to undertake activity based costing for more accurate reporting.

Furthermore, as the hazard management organisation, DFES should distribute the ESL in line with these criteria. This would allay all fears that the ESL funding allocations are being managed inappropriately.

FireStorm Training

Governance arrangements

Mr Williamson, managing director of FireStorm Training is of the view that the current system for administering ESL funding allows a self-interested organisation to control hundreds of millions of taxpayers' dollars. This has resulted in a 'megalithic bureaucracy' that takes a 'one size fits all approach' to emergency services to the public that has let down rural and peri-urban communities and volunteer organisations.

Mr Williamson says that DFES is engaging in anti-competitive behaviour in the management of its training services. Mr Williamson approached DFES about providing nationally accredited fire training to volunteers for local governments. Mr Williamson was advised by DFES that only DFES Pathways courses could be claimed through the ESL and that DFES does not recognise national units because they are not part of the Pathways system. Mr Williamson says that local governments are responsible for creating, equipping and training volunteer bush fire brigades. DFES should not dictate that only its training services may be purchased.

DFES is a registered training organisation. As such, DFES is required to recognise nationally accredited qualifications as part of its registration. Mr Williamson says that DFES has a policy stating that they recognise nationally accredited qualifications, but considers this policy only exists to maintain compliance with registration requirements and is clearly not intended for use.

Mr Williamson says that DFES state they can issue national units if requested to do so. Mr Williamson advises that DFES cannot do this because the DFES course is not nationally accredited and DFES training is delivered and assessed by unqualified individuals. DFES could be deregistered if DFES attempts to issue nationally accredited qualifications.

Mr Williamson says that DFES qualifications have no value outside the DFES system. Potential employers and volunteer organisations want employees and volunteers to have nationally accredited competencies.

DFES could compete with private companies to supply training services to local governments for their volunteers. Mr Williamson is of the view that competition would deliver savings to ratepayers and a more efficient approach to training volunteers. Awarding volunteers with nationally accredited qualifications would show that their service to the community is valued.

Mr Williamson is of the view that the Department of Treasury should distribute ESL funding using a predetermined formula that takes into account how the ESL is currently collected. He notes that this would deliver most of the ESL to DFES for use in cities and also to local communities where DFES provides little service.

Mr Williamson is of the view that correct regulation would ensure local governments use the ESL to upgrade and maintain firefighting assets, deliver nationally accredited training to volunteers and develop mitigation processes. Any unused funds would be returned to the Department of Treasury, reducing the need to increase ESL rates.

Mr Williamson is of the view that local governments should control the use of the ESL to ensure brigades receive equipment designed to suit local terrain and conditions, and to promote local business. Allowing local governments to control the use of ESL funding would result in little or no additional administration costs. Mr Williamson is of the view that it would

alleviate the waste of time, resources and delays in replacing personal protective and other equipment, and deliver a more efficient system to the ratepayer.

Forbes, Mr Kevin – Chief Bushfire Control Officer, Shire of Plantagenet

Mr Kevin Forbes AM is the Chief Bushfire Control Officer for the Shire of Plantagenet.

Best practice management of natural hazards

Mr Forbes considers that more funding needs to be allocated to local government and other land holder government agencies to improve fire prevention, especially hazard reduction burning in rural areas.

ESL funding should cover all operational aspects of DFES and a rural fire service, except for a component of administration. Administration should be Government funded as all other Government bodies are.

Some appliances used by DFES could be redesigned to a more user friendly, fit for purpose, lower cost appliance.

Design of the ESL

Mr Forbes states that current method of setting the ESL Levy is appropriate but that it cannot keep increasing at the rate it has over the past 13 years. He notes that the rural levy has doubled over this period.

Funding a rural fire service

Mr Forbes considers that a rural fire service must be funded by the ESL. DFES is currently claiming funding to operate rural fire management and support local governments. Even though they have failed in this role, a huge amount of money has been absorbed by DFES that must be reallocated to a rural fire service. Local government grants also need to be extracted, along with truck replacement funding. This needs to be managed by a rural fire service.

Overall expenditure should not change greatly with the creation of a rural fire service, if the reduction of staff and assets of DFES is managed in an appropriate manner. Many current positions may not be able to justify their existence. There will be significant cost savings if expenditure on the operation of Cockburn Central office is reduced to an appropriate level.

The State Government may need to partially fund the administration of both DFES and a rural fire service. Mr Forbes is of the view that the ESL rate is currently high enough in rural areas where many people contribute thousands of dollars a year in labour to bush fire control.

Governance arrangements

Mr Forbes considers there is very little knowledge of how the ESL is distributed. Rural Shires have to justify every dollar they receive, whilst enormous amounts of money are wasted on unjustified positions in country and city offices of DFES. These offices should have a public budget to justify their existence.

There is very little accountability with DFES setting its own budget and receiving the ESL. DFES should have to apply to an external body for funding and justify its bureaucracy before receiving an allocation each year.

Mr Forbes considers that the distribution of ESL funding should be done by a board of knowledgeable people, or the ERA, or at worst the Department of Treasury. Responsibility for allocating funding must be removed from DFES immediately given the pending creation of a rural fire service to allow appropriate levels of funding to be set for each organisation. Staffing levels, offices and vehicles all need to be addressed with outside input.

Gidgegannup Progress Association

Best practice management of natural hazards

The Gidgegannup Progress Association is of the view that prevention should be given equal or greater resourcing than other emergency management activities. It says that ESL funds are primarily spent on preparation and response. Increased prevention should reduce costs of response and recovery.

The Gidgegannup Progress Association says that current resourcing for preparedness needs to be maintained in the short to medium term. All response activities need to be funded by the ESL, because a direct recovery process from affected property owners is not appropriate. Recovery costs that would not normally be expected to be covered by insurance arrangements should be funded by the ESL, subject to special alternative funding arrangements being available.

The Gidgegannup Progress Association is disturbed by a trend by all levels of Government to place too much reliance on response to incidents, and not enough on mitigation. It observes that private property owners have less experience and confidence in managing risk due to changing population demographics.

The Gidgegannup Progress Association says that there were few mega fires for a 40 year period following the 1961 fires due to a robust hazard reduction program including prescribed burning. From the early 2000s, Western Australia has experienced a large increase in the scale and intensity of bush fires, and an increase in property losses and loss of life.

The Gidgegannup Progress Association says that contributing factors include a drying climate, leading to longer bush fire seasons and limited opportunities for hazard reduction burning. There are also more people living "in harm's way" (tree change effect).

The Gidgegannup Progress Association is of the view that organisational changes have also contributed to risk not being appropriately addressed. The Bush Fires Board (abolished in the late 1990's) was very prevention focussed, but was replaced by FESA, which was more response focussed. The Bush Fires Board carried out extensive hazard management activities on State Government land and supported local governments in prevention activities.

The Gidgegannup Progress Association says that all those involved in hazard reduction need to be far better resourced and supported, either from the ESL or alternative Government funding. Using a remodelled ESL is the most equitable means of achieving the desired result.

The Gidgegannup Progress Association says that temptation should be resisted to centralise bush fire stations by establishing fewer, larger and more widely spread stations.

A prompt response to bush fire is critical to limiting the scale of an emergency. Centralisation can lead to a loss of community ownership and resilience.

Design of the ESL

The Gidgegannup Progress Association considers that the current method for setting raising emergency services funding is reasonably equitable and considerably better than the method it replaced.

The Gidgegannup Progress Association says that a risk-based levy would be problematic, given the administrative difficulty of determining risks posed to or by individual properties. It also states that risk is 'most tied to the land which we occupy', in support of maintaining the current system.

The Gidgegannup Progress Association believes that a small to moderate increase in the rate would be acceptable to most ratepayers provided there are substantial demonstrable prevention gains.

Funding a rural fire service

The Gidgegannup Progress Association is of the view that a rural fire service should be funded by the ESL. A rural fire service would be responsible for managing fire risk on most Western Australian government land and private land across all tenures outside the gazetted (urban) fire districts. Managing that risk benefits all communities and so should be supported by the community on the basis of shared responsibility. It says that the ESL is (subject to the outcome of this review), the most equitable means of securing the funding required.

The Gidgegannup Progress Association says that the cost of the rural fire service depends on the model. Most physical resources would be transferred from DFES to a rural fire service, except for Fire and Rescue Service stations and fleet, and a portion of administrative staff and premises. Overall, there should be no increase in staff employed by the Western Australian government to form the rural fire service. It is of the view that this may be an opportunity to reduce a bloated DFES bureaucracy.

The Gidgegannup Progress Association says that ESL funding should be available for local governments to employ hazard mitigation staff. This may increase initial costs, but this would result in net benefits in the long term.

Governance arrangements

The Gidgegannup Progress Association says that the community have a reasonable right to information about how ESL funds are managed, to provide assurance that funds are being used appropriately. It is of the view that published information should not be camouflaged in accountant speak.

Information should allow a layperson to be reasonably informed about how much is spent annually on buildings, fire units, equipment, other infrastructure, training, support for other agencies (such as local government), salary and wages. There should be a further breakdown into prevention, preparedness, response and recovery.

The Gidgegannup Progress Association says that entities receiving ESL funds should report on how those funds are spent, and whether KPIs related to these are being met.

The Gidgegannup Progress Association says that ESL revenue should not be distributed by an agency that receives or benefits from ESL funds. Distribution should be overseen by a body such as the ERA, or Public Sector Commissioner. DFES should not be in charge of managing funds, for which it is the prime beneficiary, and also for making decisions on distributions to local government, sometimes to the latter's disadvantage.

Grape Growers Association

Design of the ESL

The Grape Growers Association considers that the ESL rate for “Residential, Farming and Vacant Land” is reasonable. However, farmers in the Swan Valley are rated as “Commercial, Industrial and Miscellaneous” rather than as “Residential, Farming and Vacant Land”. It is of the view that this is inequitable, Swan Valley farmers do not receive the emergency services for which they pay, and that the aim of DFES is to maximise ESL revenue.

The Grape Growers Association further notes farmers as commercial is neither related to the cost of the DFES service provided, or the risk posed by grape growers in the Swan Valley. It states that grape growers are the least likely to need emergency services because vineyards do not burn. The highest risk groups in the Swan Valley are hobby farmers and absentee owners, but those in that group pay the lowest rate.

The Grape Growers Association also considers that the use of gross rental value is unreasonable. The Valuer-General calculates gross rental value of farm land as 5 per cent of the unimproved value – a return that cannot be achieved through leases. It is of the view that the State should declare an additional ESL category to be applied to farms in the Swan Valley to address this anomaly.

The Grape Growers Association proposes a review of ESL boundaries based on the services DFES will supply, rather than response time from the closest fire station. It notes that response time has been used to set the ESL Category One boundary, but on arrival the units require hydrant support at 200 metre intervals, which is not available in most of the Swan Valley.

The Grape Growers Association notes that the current use of grouped ratings is appropriate in an area where lot sizes are small, and that most farms consist of several lots. However, an inequity results when farmers have multiple lots that are not adjoining and are required to pay ESL on every lot, resulting in a higher ESL cost. It considers that farmers with multiple non-adjoining lots should also be able to pay a single ESL fee.

Governance arrangements

The Grape Growers Association says that the ESL must be managed by an independent body. Allowing DFES to set ESL rates is not in the best interests of those who have to pay the ESL. Discussions with DFES about the high cost of the levy have not been helpful and was met with the “we need the funding and can't help you” response.

Kimberley Zone of WALGA

Best practice management of natural hazards

The Kimberley Zone of the Western Australian Local Government Association (WALGA) group consists of four local governments comprising the Shires of Broome, Derby West

Kimberley, Halls Creek and Wyndham East Kimberley who work on strategic projects that will assist the region.

The group is of the view that the current ESL arrangements are effective, but could be improved by providing more funding for prevention and preparedness. The amount of levy and proportion of expenditure on prevention, preparedness, response and recovery should take into account:

1. Differences in population and geographic area of local government areas
2. Nature of hazards
3. Risk exposure and effective measures to mitigate risk

The group says that Kimberley Shires are characterised by small scattered populations in a vast geographical area that has a significant fire and flooding risk. In this context prevention (fire bans, breaks and controlled burns) and preparedness are more effective than a heavy investment in response.

The group is of the view that the need for, and cost of, prevention (controlled burns, fire bans, fire breaks) and preparedness will increase in future should there be increased wet season rainfall leading to more fuel burn.

Governance arrangements

The Kimberley Zone of WALGA group advises it recently entered a memorandum of understanding with DFES for the ongoing management and control of bush fire brigades and bush fire and emergency services in the Kimberley. The group says that this arrangement follows a successful three-year trial to a centralised emergency management agency in the Kimberley.

The trial involved DFES taking overall responsibility for all bushfire response activities across the region, including day to day management of bush fire brigades and volunteers from Kimberley local government authorities.

The Kimberley Zone of WALGA group says that it has experienced the following successful outcomes from the trial.

- Brigade volunteers advise they now receive ongoing training and incident support deemed necessary to manage complex and sometimes long duration bushfire incidents.
- Consistent and effective mobilisation of all firefighting resources across the region direct from DFES Communication Centre after a triple zero call has been received and single reporting processes thereafter.
- Clear advantages of a single agency to manage all fire incidents from their inception, thus allowing an effective and graduated incident response across the region. Additionally, Incident Management Teams do not have to transition from a local government management incident(s) to DFES.
- Community warnings, including a telephone warning system, to advise the community of impacts of bushfire is a critical success due to the streamlined processes with single agency management and reporting lines.

- Local government, partnered with DFES, are now able to undertake fire prevention inspections and administer the part of the *Bush Fires Act 1954* that relates to the mitigation of bush fire hazards across all land tenures with greater effectiveness.

The group is of the view that information should be published on the breakdown of expenditure per local authority area, and the split within each local authority area between prevention, preparedness, response and recovery.

The Shire of Halls Creek receives \$4,000 each year from DFES for collecting the ESL. This amount has remained the same over the last 10 years and not kept pace with actual costs. The actual cost of providing this services is estimated to be approximately \$15,000.

Hawke, Mr Alan

Best practice management of natural hazards

Mr Hawke says that the lack of any significant change in operating grants to State Emergency Service units since 2004 suggest that there has been no real effort to match operating expenditure to managing natural hazard risks.

Mr Hawke is of the view that there has been a consistent reduction in the proportion of available funds for operational purposes for State Emergency Service units relative to ESL revenues over the past thirteen years. Effectively, State Emergency Service units have to make do with the same funding, without regard to their changing local, demographic, environmental, social or economic conditions.

Mr Hawke attributes the lack of growth in State Emergency Service funding to insufficient insight into the real needs of the State Emergency Service compared with other forms of emergency services.

Mr Hawke recommends that the Local Government Grants Scheme Manual be rewritten to better define ineligible and eligible operational expenditure in terms that can be consistently and equitably applied to all State Emergency Service units. This process should involve meaningful collaboration with State Emergency Service units or their Volunteer Association.

Mr Hawke also suggests that the manual provided for a dispute resolution process focuses on interpreting what is and is not an eligible operational expenditure. Mr Hawke is of the view that there be an independent body (such as the Department of Finance) to which there can be an appeal of decisions by DFES on contentious items.

Mr Hawke says that local governments can adversely affect the grant allocation to local State Emergency Service units. State Emergency Service units are wholly staffed by volunteers who have limited resources to contribute to grant allocation processes (particularly for capital grants). State Emergency Service unit management must educate local government staff about how the State Emergency Service contributes to resilience in the local community. The lack of appeals process for disagreements between local governments and State Emergency Service units may mean that needs for local emergency services may not be satisfied.

Mr Hawke recommends that the State Emergency Service units:

- (or their representative association) should be allowed to take an active part in negotiating their ESL grant funding. Negotiations should have a right of appeal to an independent person, such as the Director-General for Finance.

- should be allowed to underspend their annual grant allocation without affecting the following years' allocation, and possibly allowing the use of a debit and credit system over a rolling five year period.
- be allowed a discretionary component of the ESL grant that can be spent at the discretion of the State Emergency Service local manager on emergency service related items for local requirements.

Mangini, Mr John

Best practice management of natural hazards

Mr Mangini is of the view that prevention should be given higher priority than preparedness, response and recovery. Prevention is recognised as the cornerstone of risk management by reducing the long term impact of emergencies on communities. This will have the flow on effect of reducing the costs of response and recovery.

The abolition of the Bush Fires Board led to a dramatic reduction in hazard reduction efforts on Crown land. It also resulted in the support provided by the Bush Fires Board to local government in hazard reduction efforts largely disappearing. Local governments reduced their focus on fire management and hazard reduction. The Department of Parks and Wildlife's burning effort has also suffered in the last 15 to 20 years, with fire management staff nearly halved since the 1990s.

Mr Mangini is of the view that prevention activities, in particular fuel load management, need to be substantially increased across all tenures. All those involved in hazard reduction need to be better resourced and supported. The Department of Parks and Wildlife's fire management capacity needs to be rebuilt. The part of the Western Australian government estate not under control of the Department of Parks and Wildlife needs to have its bushfire hazard more effectively managed. Local governments need to be better supported and devote significantly more resources to managing risks and supporting private landholders.

Mr Mangini says that volunteers, which make up over 80 per cent of Western Australia's emergency response capacity, need to be well supported, encouraged and valued. The inequalities in what DFES may supply from ESL funds and what local governments can fund from ESL must be removed.

Mr Mangini notes that response and recovery are an unpredictable expense due to the high variability in emergencies from year to year. A financial buffer or reserve is required, which needs to be continually adjusted to due to changes in population demographics and as a result of climate change.

Mr Mangini notes that local governments can be hit hard by recovery expenses. Current state and national disaster funding arrangements cover some of this expense. Changes to ESL funding should be made to allow local governments to more effectively access funding. Mr Mangini says that a potential change would be to remove the requirement on local governments to use contractors rather than their own staff and equipment to carry out recovery works where the cost will be above a certain limit. Mr Mangini considers this requirement to be ridiculous when local government staff may be available at the time.

Design of the ESL

Mr Mangini considers that the current method for setting raising emergency services funding is reasonably equitable and considerably better than the method it replaced.

Mr Mangini is of the view that a risk-based levy would be problematic, given the administrative difficulty of determining risks posed to or by individual properties. He also states that risk is 'most tied to the land which we occupy', in support of maintaining the current system.

Mr Mangini believes that a small to moderate increase in the rate would be acceptable to most ratepayers provided there are substantial demonstrable prevention gains.

Funding a rural fire service

Mr Mangini is of the view that a rural fire service should be funded by the ESL. A rural fire service would be responsible for managing fire risk on most Western Australian government land and private land across all tenures outside the gazetted (urban) fire districts. All of the communities in areas covered by this rural fire service would benefit from managing fire risk. Therefore, the responsibility for supporting a rural fire service should be shared by these communities. Mr Mangini states that the ESL is (subject to the outcome of this review), the most equitable means of securing the funding required.

Mr Mangini says that the cost of a rural fire service depends on the model. Most physical resources would be transferred from DFES to a rural fire service, except for Fire and Rescue Service stations and fleet, and a proportion of administrative staff and premises. Overall, there should be no increase in staff employed by the Western Australian government to form the rural fire service.

Mr Mangini says that the preferred model is for a rural fire service to be independent of DFES. Some personnel with extensive and credible bushfire management experience would be expected to transfer from DFES to a rural fire service. Mr Mangini considers that most DFES staff would not meet that test, resulting in significant redundancy costs to reduce the DFES management structure to reflect its reduced roles and responsibilities.

Mr Mangini is of the view that ESL funding should be available for local governments to employ hazard mitigation staff. This may increase initial costs, but this would result in net benefits in the long term.

Governance arrangements

Mr Mangini says that the community has a right to information about how ESL funds are managed to provide assurance that funds are being used appropriately. He says that published information should not be camouflaged in accountant speak.

The information should allow a member of the public to be reasonably informed about how much is spent annually on buildings, fire units, equipment, other infrastructure, training, support for other agencies (such as local government), and salary and wages. There should be a breakdown of the amount spent on prevention, preparedness, response and recovery.

Mr Mangini is of the view that entities receiving ESL funds should report on how those funds are spent and whether the key performing indicators related to these are being met.

Mr Mangini is of the view that ESL funds should not be distributed by an agency that receives or benefits from ESL funds. Distribution should be overseen by a body such as the ERA, or Public Sector Commissioner. DFES is a beneficiary of ESL funds and so, should not be in charge of managing these funds. DFES should not be responsible for deciding on the distributions to local government, sometimes to the latter's disadvantage.

McDougall, Mr Ross – Chief Bushfire Control Officer, Shire of Denmark

Mr Ross McDougall is the Chief Bushfire Control Officer for the Shire of Denmark.

Mr McDougall considers the allocation of ESL funding between various volunteer emergency services to be inequitable. There are severe restrictions on what the Bush Fire Service³ (which are managed by local governments) can purchase using ESL grants. There are no such restrictions on the Volunteer Fire and Rescue Service (which is managed by DFES).

For example, Bush Fire Service volunteers have to personally purchase, or seek funding from local governments to purchase dress uniforms to attend official functions, conferences and parades. Volunteer Fire and Rescue Service volunteers are automatically provided these clothing items regardless or request or need. Both types of volunteers should be provided these items on a need basis from ESL funds.

The list of items that are eligible or ineligible for purchase by the Bushfire Service using ESL grant funding is published on the DFES website in the Local Government Grants Scheme Manual. There is not a publically available list of items that are eligible and ineligible for purchase by the Volunteer Fire and Rescue Service. This differential treatment of two volunteer services, both funded by ESL, is inequitable and contributes to the wide held belief that the Bush Fire Service is treated as the poor country cousin.

Office of Emergency Management

Best practice management of natural hazards

The Office of Emergency Management is of the view that ESL expenditure should have closer alignment with recognised risk management processes. Expenditure should be directed towards the most productive treatments and controls and therefore cover treatments ranging from prevention and preparedness, to response and recovery.

The Office of Emergency Management says that the main difficulty is identifying the varying risk burden across the state and developing a suitable mechanism to distribute funding. Ideally, each local government area would have a fully developed emergency management risk plan, including costed treatments. This plan would be the basis of a business case for ongoing funding support. Base funding for each local government would be based on population, land use or land value (or a combination of these), with an emergency management risk plan forming the basis for additional funding.

The Office of Emergency Management recognises that this approach would take years to reach maturity and so a stage response would be required. This could begin by explicitly permitting prevention/mitigation expenditure. Local governments would need base level funding to ensure service viability, but district and local funding distribution could be prioritised based on more rigorous risk-based methods.

The State Bushfire Coordinating Committee will provide a mechanism to distribute funds for bushfire mitigation based on a risk methodology.

³ The Bush Fire Service are also known as the bush fire brigades.

The Office of Emergency Management is of the view that the services that should be funded by the ESL are those delivered by DFES, local governments and potentially a rural fire service.

Land managers (such as the Department of Parks and Wildlife, and Botanical Gardens and Parks Authority) should remain responsible for funding direct land management responsibilities related to emergency risk (for example, bushfire), but provisions should be made for extraordinary expenses (for example, major bushfires).

Expenditures on mitigation and prevention should be permitted under the ESL, but should not replace a land holder's responsibility for managing their risk.

The Office of Emergency Management is of the view that ESL funding should be available for planning and preparing for tenure-blind risk mitigation and ensuring organisational capacity to deliver risk treatments.

Design of the ESL

The Office of Emergency Management considers that there are some problems with the current method for determining ESL rates.

The Office of Emergency Management states that the assumptions underpinning each category are too broad and lead to anomalies. For example, Category Five (a flat levy) is applied to some country towns and also to pastoral properties in remote areas. The local government bush fire brigade services available in each of these types of area are vastly different, but the levy per property and linked service are the same. Similarly, Category Four services are categorised together regardless of the nature of the risk or the capability within the serviced area.

The Office of Emergency Management also notes that the State Emergency Management Committee recommended (as part of an examination of bushfire related expenditure) that consideration be given to basing the ESL on the improved capital value of the relevant property. This is used in other jurisdictions and is arguably a better financial risk indicator than gross rental value.

Funding a rural fire service

The Office of Emergency Management is of the view that a rural fire service should be funded from the ESL.

The Office of Emergency Management says that it is not in a position to quantify the likely cost of a rural fire service, but envisages the sum of all ESL grants provided to local governments (for their bush fire brigades) would be a suitable start point. The Office says that additional costs would include a proportion of all DFES activities that provide bushfire-related services to local governments and their brigades, and to clients outside current ESL one, two, and four areas.

Pastoralists and Graziers Association

Best practice management of natural hazards

The Pastoralists and Graziers Association is of the view that prevention is the most important activity to fund from the ESL, followed by preparedness and response. It considers that proper prevention reduces the likelihood of fire or the intensity, velocity and longevity should a fire occur.

The Pastoralists and Graziers Association says that effective prevention and response depends on preparation, so adequate funding needs to be directed to fit for purpose equipment and training.

The Pastoralists and Graziers Association questions whether the ESL should be used to fund recovery activities. It expresses concern that funding of recovery could reduce incentives for people to engage in activities that reduce the need for recovery activities and taking out insurance.

The Pastoralists and Graziers Association says that subsidiarity, self-interest, self-reliance and volunteerism should be encouraged and protected to reduce the amount of public funds that may be required to meet fire and emergency needs. This will reduce the amount of ESL that needs to be collected in the first place.

Design of the ESL

The Pastoralists and Graziers Association is of the view that a comprehensive, independent audit of fire and emergency risks across Western Australia, and the current capacity to manage those risks, should be undertaken as a starting point for setting the ESL. It states that this should occur across all land tenure types and across all governance jurisdictions (government departments and local governments).

The Pastoralists and Graziers Association says that the audit entity must be independent given the numerous vested interests involved in the managing fire and emergency risks, and that an audit is essential to differentiate between 'needs' and 'wants' of stakeholders.

The Pastoralists and Graziers Association says that a comprehensive audit would help to identify and clarify complex land ownership arrangements. This is crucial issue for Pastoralists and Graziers Association members, as their properties may be bounded by a number of different land tenure types, each with a different responsible entity, which may or may not have sufficient budget and resources to manage fire.

Funding a rural fire service

The Pastoralists and Graziers Association supports the establishment of an independent rural fire service, with an independent chief officer and a rural-based independent administration, training and communications centre. The Pastoralists and Graziers Association envisages this would be a relatively small administrative 'hub', with most rural bushfire fighting capacity dispersed across rural landscape.

The Pastoralists and Graziers Association is of the view that most equipment and bushfire fighting personnel should be locally supplied, consistent with its principles of subsidiarity, self-reliance and volunteerism. If adopted, this model could result in the ESL rate being significantly reduced without compromising the quality of fire and emergency outcomes.

Governance arrangements

The Pastoralists and Graziers Association considers the current level of reporting on the ESL to be unacceptably opaque and that the rigor and quality of reporting needs to be dramatically improved. It says that reporting should include detailed breakdowns for:

- allocations to specific services, organisations, regions and activities;
- actual expenditures by specific services, organisations, regions and activities; and

- meaningful performance metrics.

The Pastoralists and Graziers Association is of the view that other government agencies with fire and emergency responsibilities (for example, the Department of Parks and Wildlife, Forests Commission and Department of Lands) should be encouraged or required to report allocations, costings and expenditures to a similar standard as required for the ESL.

The Pastoralists and Graziers Association says that the goal of transparency and accountability should be to ensure the ESL system is as lean as possible, translating to minimal collections from ratepayers and maximum benefit in terms of management of fire and emergency risks. It considers that detailed reporting will allow analysis of the effectiveness of expenditure and to design and implement improvements.

The Pastoralists and Graziers Association recommends that a new reporting framework be established by a government entity that is independent of the entity responsible for administering and distributing ESL funding. The new framework should stipulate required levels of detail and performance metrics that need to be reported on. The Pastoralists and Graziers Association is of the view that suitable independent entities could be the Departments of Treasury or Finance, or the ERA, if DFES were to continue to administer and distribute the ESL. The Office of Auditor General could also periodically assess ESL funded organisations to ensure that they are meeting the improved reporting requirements. The ERA and Office of Auditor General would be potential independent bodies, if the Departments of Treasury or Finance were responsible for administering and distributing the ESL.

The Pastoralists and Graziers Association says that current arrangements, whereby DFES is responsible for administering and distributing the ESL while also being the main recipient of ESL funding, do not meet best practice standards of governance and need to be changed.

The Pastoralists and Graziers Association is of the view that responsibility for managing the ESL should be moved from DFES to the Department of Finance. Local government could continue to collect revenue on behalf of the Department of Finance, as this is an efficient collection mechanism.

President of WA Self-Funded Retirees

Best practice management of natural hazards

Mr de Gruchy notes that the ESL is not designed to purely cover the cost of fighting fires. The ESL also covers road crashes, hazardous and toxic spills, storms, cyclones, floods, earthquakes, searches for missing persons, possibility of terrorist attacks, civil disturbances *et cetera*. Mr de Gruchy says that there is a danger in only focusing on fighting fires.

Design of the ESL

Mr de Gruchy says that the Government should not use a levy to fund emergency services. He says that it is tantamount to impose a levy to fund other government departments (such as health and education).

However, if the ESL is to remain, Mr de Gruchy considers that a rate in the dollar applied to gross rental value is a flawed approach for collecting revenue, because gross rental value does not reflect the ability of a land owner to pay a higher premium. Many wealthy homeowners live in modest dwellings that have low gross rental values. In contrast, there are elderly homeowners who have lived in their house for 30 to 40 years who do not enjoy

a high income, but have experienced significant increases in the gross rental value of their property. These people do not have a greater ability to pay than others.

Mr de Gruchy is of the view that it is inappropriate to vary the amount property owners pay in ESL rates purely on the proximity of a residence to a fire station. He states that 'most fires are located in the country where the cost of helicopters and water bombers is much higher than a firetruck in the suburbs'. He considers that the burden of funding emergency services should be shared equally by everyone residing in Western Australia (that is, everyone pays the same amount).

Mr de Gruchy says that if there is no political will to abolish the ESL, then a possible alternative would be to implement a levy like the Medicare levy, which is imposed on income tax. He considers that this will ensure that all taxpayers contribute, and that people on high incomes pay more than people on low incomes. Mr de Gruchy notes that this would require the Australian Government to collect the tax and remit it to Western Australia. This would involve an administrative cost, but he notes that the State is already incurring a cost in paying 138 local governments to collect ESL revenue.

Mr de Gruchy says that alternative approaches could include:

- levying a flat amount on each household, similar to the flat rate applied by local governments for rubbish collection; or
- replacing the four categories for domestic residences with a single flat residential charge. Under this approach, the fixed charges for Category 5 (pastoral/rural areas) and mining tenements, and the charges for commercial and industrial premises should remain unchanged.

van Rijnswoud, Mr Eddie

Best practice management of natural hazards

Mr van Rijnswoud is of the view that prevention and preparedness should be the main focus of ESL funding. DFES and a future rural fire service should be funded to assist owners of risk or fuel to reduce and manage the respective hazard. This should occur through community engagement and monitoring. The responsibility for reducing hazard should reside with the agency that owns the risk and each agency should fund their own risk reduction programs.

Recovery has always been excluded from ESL funding. Recovery has been handled well by welfare organisations and local government. This has been in conjunction with the national disaster relief funding arrangements.

The ESL should fund a rural fire service (incorporating the Volunteer Emergency Service), DFES, Volunteer Fire and Rescue Service, the Volunteer Marine Rescue Services and the State Emergency Service.

Funding a rural fire service

Mr van Rijnswoud says that there is sufficient ESL funding to fund the transition to, and operate a rural fire service. The ESL has not been used efficiently and so savings could be possible under the revised arrangements.

Governance arrangements

Mr van Rijnswood is of the view that the ESL should be managed by a new independent agency that is not related to an agency that benefits from the ESL. That agency would receive submissions from agencies to justify their funding requirements.

Mr van Rijnswood says that transparency is required in annual reports. Annual reports should detail who contributed funds and when and where the funds were spent. Accounting should be conducted to commercial standards, with internal auditing and oversight by the Office of the Auditor General.

The new agency could conduct auditing roles and manage statutory and regulatory functions relating to emergency management. The new agency would be responsible for the setting of policy, procedures, collection and distribution and utilisation of ESL funds. The agency would monitor the performance of response agencies and compliance with recommendations from major incident reviews.

Shire of Augusta-Margaret River

Best practice management of natural hazards

The Shire of Augusta-Margaret River is of the view that the ESL should continue to fund preparedness and response activities.

Local governments with assistance from the State Government should continue to be responsible for recovery activities in the event of an incident.

Preparation or mitigation activities have been the responsibility of private and public property owners and land custodians including local government and State Government agencies. Increased funding is likely to be needed for preparation activity to prevent fire incidents. However, the Shire of Augusta-Margaret River says that the ESL should not be used as the funding source as this may have a detrimental impact on the preparedness and response activities of emergency services. Increasing the ESL to fund activities in addition to preparedness and response activities will affect the financial capacity of property owners to fund prevention or mitigation.

The Shire of Augusta-Margaret River supports increased funding being allocated to prevention activities, but this should not reduce ESL funding for preparedness and response activities. If prevention activities are to be funded from the ESL, there needs to be a commitment that funding for preparedness and response activities is not reduced as this would risk the safety of our communities.

The Shire of Augusta-Margaret River says that there is likely to be greater emphasis upon bushfire prevention or mitigation activities in the future particularly given the Shire's recent experience with loss and damage of property arising from the 2011 Margaret River bushfires event. The community has a strong desire to protect the environment and recognises that the Shire of Augusta-Margaret River is in a bushfire prone area.

The Shire of Augusta-Margaret River is of the view that it is essential that the ESL continue to provide funding support for voluntary bush fire brigades and other voluntary emergency services as regional communities are dependent upon these services when an emergency arises. In 2016-17, the Shire of Augusta-Margaret River received \$0.247 million in operating grants for bush fire brigades, but collected \$0.788 million of ESL. The proportion of operating grants for bush fire brigades received by the Shire of Augusta-Margaret River as a percentage of ESL revenue collected has been declining.

Design of the ESL

The Shire of Augusta-Margaret River considers that it is not possible to specifically comment on whether the current method is appropriate for current and future needs. However, it notes that the calculation method used for property is reasonably straightforward and similar to that used for local government property rates and water rates, and that there is no concern with this calculation method.

Funding a rural fire service

The Shire of Augusta-Margaret River is of the view that a rural fire service should be funded by the ESL if this service is to be responsible for volunteer bush fire brigades. This would be consistent with current arrangements.

The Shire of Augusta-Margaret River says that it would be concerned if another bureaucratic structure similar to DFES is created. Such a service should be part of DFES, rather than a separate entity, and this would allow synergistic benefits to be obtained with respect to resourcing, governance frameworks, policies and operational procedures.

Governance arrangements

The Shire of Augusta-Margaret River of Augusta-Margaret River says there is a need for greater transparency. The Shire says that increased information about the administration and distribution of ESL funding should be publicly available. The cessation of the ESL information leaflet has reduced transparency about the ESL levy. The ESL questions and answers publication, available on the DFES website, contains limited information.

The Shire of Augusta-Margaret River recommends that DFES's proposed determination of the ESL and how it is to be distributed be considered and approved by an independent arbiter such as the Auditor General. Alternatively, the ESL could operate in a similar way to the Salaries and Allowances Tribunal which determines salary increases for parliamentarians, the judiciary, senior public servants, local government councillors and CEOs.

The Shire of Augusta-Margaret River notes that the ESL is currently distributed by DFES. The Shire says that the governance frameworks, policies and operational procedures are presumably in place and operating appropriately as the Shire is receiving the operating and capital grant funds that are requested each financial year through the Local Government Grants Scheme. However, the Shire of Augusta-Margaret River says that greater transparency is required and improvements can be made to the information provided to local governments when preparing submissions for funding. Improved feedback on the reasons for excluding requests from grant submissions or reducing grant submission amounts is also required.

The Shire of Augusta-Margaret River says that improved transparency and communication is needed on how rates and charges are determined because there is a lack of publicly available information. The Shire considers that it is not possible to specifically comment on whether the current method is appropriate for current and future needs.

The Shire of Augusta-Margaret River receives advice from DFES in May or June each year advising the ESL rates and charging parameters for the new financial year. No reasons or justification are provided for the changed rates or information provided on the process followed to determine the new rates. The Shire notes that the fixed charge has increased from \$30 when the ESL was first introduced to \$71 now, reflecting an average annual increase of 7 per cent.

The calculation method for properties is reasonably straight forward and similar to that used for local government property rates and water rates and there is no concern with this calculation method.

Shire of Harvey

Best practice management of natural hazards

The council for the Shire of Harvey is of the view that ESL funding should primarily be allocated to frontline services, including mitigation and response.

The Shire of Harvey considers that DFES employment costs (including the operations of the Office of Emergency Management and Office of Bushfire Management) should be funded from general government revenue, rather than from the ESL.

The Shire of Harvey considers that less than 10 per cent share of ESL revenue returned to local governments via grants to be inadequate and inconsistent with the original intention of the ESL. The Shire notes that \$58 million in ESL revenue was raised from the South West in 2015-16, but only \$2.3 million was returned in grant funding.

The Shire of Harvey says that government agencies that own land (and hence the risk associated with that land) are reluctant to fund mitigation. These agencies (including Main Roads WA, Railway Reserves, Water Corporation, Department of Lands) should be included in the ESL categories and levied to fund mitigation programs. There should also be a strategy for fire mitigation works on Australian Government land such as defence reserves and airports.

Design of the ESL

The Shire of Harvey does not comment specifically on the method used to calculate the ESL. However, it does note that the amount collected by the ESL should be able to grow 'as subdivisions and a greater land bank eventuates through natural growth'. It also states that any growth in ESL revenue should be used to respond to demand for frontline services resulting from greater occupied area and population, rather than being 'siphoned off to administration or non-frontline areas'.

Funding a rural fire service

The Shire of Harvey supports the establishment of a rural fire service as a separate entity from DFES, with adequate resourcing. An equitable funding source will need to be established for a rural fire service. The ESL was not set up to fund a rural fire service.

Governance arrangements

The Shire of Harvey says that the process for collecting and distributing ESL funds should be completely public, with data published indicating where funds are sourced from and where funds are allocated. The entire process should be open to scrutiny by all stakeholders, including local governments and members of the community.

A transparent process would identify any leakages from the ESL and highlight what services are funded through the ESL. In this context, the Shire of Harvey notes that marine rescue would be better funded through a levy on boat registrations, rather than the ESL which is a property based levy.

ESL contributions for property owned by government agencies and government trading enterprises should be reported to ensure full transparency in the process.

The Shire of Harvey notes that the contribution by the government from the consolidated account has decreased from \$40 million in 2003-04 to \$5 million in 2015-16, despite a commitment to continue this funding. This decline in funding should be examined.

The State Government should make it clear that the ESL is not part of local government rates. This perception remains because local governments collect the ESL on behalf of the State Government.

The Shire of Harvey says that the administration fee paid to local governments for the collection of the ESL should at least meet the cost of the collection process and be indexed. The administration fee is around 30 per cent less than what it was in 2004-05, despite the quantum of ESL revenue significantly increasing over this time.

Currently, local governments are responsible for any defaults on ESL rates by ratepayers. This is fundamentally wrong as the local government is the collection agency only and should have no exposure to bad ESL debts.

Shire of Manjimup

Best practice management of natural hazards

The Shire of Manjimup, via its Bush Fire Advisory Committee, makes the following recommendations regarding the allocation of ESL funding:

- Prevention and preparedness should receive a high level of importance and be funded appropriately.
- All costs of response should be fully funded by the ESL.
- A large percentage of the ESL should be allocated to appropriate fleet construction and maintenance.
- The recovery costs of high impact incidents should be funded from State and/or Australian Government revenue.
- The proposed rural fire service should have a strong role in mitigation and be funded adequately to manage mitigation programs, with a focus on constructing and maintaining urban interface low fuel buffers and access.

The Shire of Manjimup notes that local governments are currently responsible for any site costs associated with new capital works for bush fire brigades or State Emergency Service. It raises two concerns regarding this, being:

- the ability of small local governments to meet these costs; and
- the risk that local governments will select sites for capital works based on the cheapest site costs, rather than the most appropriate location.

The Shire of Manjimup says that the ESL should be used to fund new capital and infrastructure works, rather than local governments being responsible for these costs. It also considers that the following costs should be covered by the ESL:

- the cost of operating local government fire safety and community awareness forums;
- the cost of purchasing and maintaining catering and welfare trailers;
- the costs of cleaning and maintenance of co-located facilities;
- the cost of contractor machine hire, and local government machine and staff costs associated with bushfire response;
- purchase costs for Permit to Burn books; and
- the insurance and maintenance costs associated with self-funded fire appliances (that is, those funded by the Shire or bush fire brigades).

The Shire of Manjimup further notes that brigade-owned slip-on units are not funded by the ESL. While it is recognised that these units form an integral part of bushfire response, there is also an inherent safety risk. The Shire recommends that operation guidelines for the use of slip-on units be developed, and that the capital and operating costs of slip-on units be funded by the ESL.

The Shire of Manjimup also considers that State Government employees, other than career fire fighters, should be funded from general revenue, rather than from the ESL.

Design of the ESL

The Shire of Manjimup considers that the current method for setting the ESL is appropriate.

Funding a rural fire service

The Shire of Manjimup states that it is difficult to assess whether a rural fire service should be funded by the ESL, in the absence of a more detailed model of that service. However, it makes the following recommendations, based on the assumption that bush fire brigades will remain the responsibility of local government:

- All State Government employees' salaries should be funded from general revenue, rather than by the ESL.
- Career Fire and Rescue stations and employment costs should be funded from the ESL.
- If the Community Emergency Services Manager program is retained, the employment cost of that program should be funded by the ESL.
- If a new headquarters is constructed for a rural fire service, the construction cost should be funded from general revenue, and ongoing maintenance should be funded by the ESL.
- If a new training facility is constructed for a rural fire service, the construction cost should be funded from general revenue, and ongoing maintenance should be funded by the ESL.
- Any mitigation activities performed by a rural fire service should be funded by the ESL.

The Shire of Manjimup notes that, in the absence of a model for the proposed rural fire service, its likely costs cannot be quantified. However, the Shire contends that there should be no rate increase in the ESL as a result of the introduction of a rural fire service.

Governance arrangements

The Shire of Manjimup is of the view that each local government should be required to complete an annual return of expenditure for brigades funded by the ESL. It further recommends that a spot audit of local government's returns should be carried out on a three year rotation cycle. As with the current system, it considers that any requests to cover over-expenditure for any year should be made in writing, and be supported by appropriate evidence.

The Shire of Manjimup considers that the Department of Finance should administer ESL funding. It notes that clear parameters should be established, stating what the ESL funding is for, and how it is to be distributed. Under this model, it recommends that both the proposed rural fire service and DFES should make annual applications for funding, which should then be distributed based on a clear needs assessment.

Shire of Mundaring

Best practice management of natural hazards

The Shire of Mundaring is of the view that funding should be allocated to provide for prevention, preparedness, response and recovery activities, with a view to minimise the cost of emergencies to the community and state. The Shire currently applies funding from all sources of revenue to the full spectrum of these activities, but may only apply ESL funding to preparedness and response activities.

Funding for recovery would ideally provide for the development of recovery arrangements and capability. The Shire of Mundaring says that funding could also be used to establish a reserve fund that local governments could access following a significant incident.

The ESL grants for local governments are too restrictive in how they may be applied and do not properly fund the legitimate costs of bush fire brigades. The ESL funds are unfairly and inequitably distributed.

The ESL should cover costs associated with:

- the local government share of the Community Emergency Services Manager;
- development of Bushfire Risk Management Plans;
- preparedness and community engagement costs;
- bushfire mitigation costs;
- the development of Local Emergency Management Arrangements and community emergency risk assessment processes;
- unfunded aspects of the volunteer bush fire brigades (such as medical assessments and police checks); and
- recovery costs.

Design of the ESL

The Shire of Mundaring says that the ESL should be set so that the cost burden to the community is distributed according to risk, rather than according to the provision of emergency services.

Funding a rural fire service

The Shire of Mundaring is of the view that a rural fire service could be partly funded by the ESL.

The cost of a rural fire service is largely dependent on the structure of such a service. It is reasonable to conclude that such a service could consist of emergency service resources already in place in the areas concerned.

Governance arrangements

The Shire of Mundaring says that the ESL should be distributed according to a transparent and responsive methodology.

The ESL should be subject to a comprehensive acquittal procedure, be subject to an appropriate audit regime and public reporting. This should include the amount collected and details as to the recipients of disbursements and the amounts concerned.

The ESL should be distributed by an agency that is not directly or partly funded by the ESL funds.

Shire of Murray

Best practice management of natural hazards

The Shire of Murray notes that legislation requires the Minister to consult with local governments on amendments to the guidelines for the local government grant scheme. The Shire says that there is no real evidence to demonstrate that an inclusive consultation process is being conducted at a local level. The guidelines suggest consultation with volunteer advisory groups, but local government input into this process is not apparent or understood.

The Shire of Murray says that the guidelines for the allocation of funds are considered restrictive, but these restrictions do not seem to apply to DFES.

The Shire of Murray is of the view that the guidelines appear to be response focussed and do not provide funding for prevention, preparedness or recovery activities. The Shire says that it can only access funding for these activities from local government rates and ad hoc grants from Australian and State Government programs. Despite the guidelines being response focussed, the Shire says that there are significant response items for which local governments are ineligible (for example, traffic management and machinery hire at DFES managed incidents).

The Shire of Murray notes that the Council of Australian Governments agreed to adopt a whole of nation resilience based approach to disaster management in 2009. The national partnership agreement on natural disaster resilience provides funding to States to increase community resilience, including through mitigation work. The Shire of Murray says that a similar model needs to be implemented in Western Australia to include prevention and

preparation, rather than being solely response focussed. The Shire recommends that a high level State based cost-benefit analysis needs to be undertaken to determine the financial savings and benefits to community safety.

The Shire of Murray is of the view that ESL funding should be provided to develop local risk plans (that is, Bushfire Risk Management Plans, Emergency Risk Management projects), that feed into a State Risk Register. This register should be used to prioritise the treatment of risk irrespective of tenure.

Design of the ESL

The Shire of Murray is of the view that the current system of ESL collection, based on six categories and a gross rental value is appropriate. It notes that the rate in the dollar requires review to accommodate greater expenditure on prevention and preparedness activities, but this may be offset by a reduction in local government rates to the extent that local governments currently fund ineligible items (that is, activities that cannot currently be funded via DFES grants) through rates.

The Shire of Murray says that a separate user-pays funding model should be developed to fund the Volunteer Marine Rescue Services, and road crash rescue by Career and Volunteer Fire and Rescue Services. This could be based on vehicle and boat registration licence levies.

Funding a rural fire service

The Shire of Murray is of the view that the ESL is the appropriate mechanism for funding a rural fire service, with additional funding, should it be required, provided by the State.

Governance arrangements

The Shire of Murray says that changes have been made to eligible expenditures in the local government grant scheme guidelines without consultation with local governments as required by legislation. There appears to be no transparency in how decisions about eligibility across current agencies are made and this needs to be addressed. The Shire says that changes to the disbursement of the ESL and items that are ineligible for funding should be publicly disclosed along with the reason for the change.

The Shire of Murray recommends the following structure to improve accountability.

- Establishment of an ESL Management Group to determine eligible expenditures, with all stakeholders being represented.
- Establishment of a Risk Management Group under the Office of Emergency Management to determine appropriate mitigation programs for risks identified in the State Risk Register and to monitor implementation and completion of treatment projects.
- Establishment of an Audit Committee to provide mechanisms for the distribution of ESL funds and to audit annual acquittals.

The Shire of Murray is of the view that the Department of Finance, with input from the ESL Management Group should be responsible for distributing ESL funding.

The agency tasked with the distribution of ESL should provide an annual report to Parliament to ensure transparency and accountability. The Shire of Murray says that all

matters about the collection, disbursement and expenditure of the ESL should be publicly disclosed to ensure transparency and good governance.

Shire of Plantagenet

The Shire of Plantagenet states that the ESL was set up to provide equity of funding for emergency services between the metropolitan area (serviced by career firefighters) and regional/rural areas (serviced by volunteers using outdated machinery) – therefore, frontline services including preparedness and response should continue to be funded from the ESL, and any rural fire service should also be funded by the ESL.

The Shire argues that the cost-benefit of investing in prevention is proven and that more ESL funds should be allocated to prevention; or that prevention and recovery activities should be funded from other sources dedicated for these purposes.

This Shire argues that scrutiny is needed over the community benefits of the present DFES structure, and in particular that:

- The current financial reporting system does not provide a breakdown of employment costs to gauge where the ESL is expended, and whether it is being used consistent with its original intent.
- The ESL should be administered and distributed by an independent organisation. There is a conflict of interest with DFES distributing ESL funds and deriving 96 per cent of its budget from the ESL. The ESL should be distributed by an independent agency that does not derive its budget from the ESL, such as the Department of Treasury.
- Providing a clear definition between administration and operation expenses will improve transparency and accountability of the ESL. Similarly, the ESL should be appropriated into the four functions of emergency management: prevention, preparedness, response, and recovery. This will allow better planning and assessment of funding needs.

The Shire states that a rural fire service should not duplicate the current DFES structure, noting that if administration can be undertaken by an existing organisation, this may provide economies of scale – in turn, the cost of establishing a rural fire service would have little effect on the ESL.

It argues that emergency services costs are increasing due to the additional financial costs of servicing more updated equipment, insurance costs, and the effects of climate change on weather patterns, and that these increasing costs should be considered in assessing the current method of setting the ESL.

State Emergency Service Volunteers Association

Best practice management of natural hazards

The State Emergency Service Volunteers Association is of the view that ESL funding should be allocated according to a risk rather than response.

The State Emergency Service Volunteers Association notes that DFES does very little to engage the community (that is, preparation) unless there is an imminent threat. The Fire and Emergency Services Authority formerly undertook considerable work preparing the community (in the form of school based programs and attending community meetings).

Preparation of the community appears to have decreased, endangering the community and increasing the cost to the State during a disaster.

The State Emergency Service Volunteers Association says that delivery of training by DFES in many areas is virtually non-existent and volunteers are left to their own devices for specialised training in other areas. In 2000, a decision was made to conduct nationally accredited training so all volunteers could have transportable skills. It says that this was abolished for most State Emergency Service volunteer courses along with the State Emergency Service training group. Now the training courses are basically designed by fire based people and done in the context of fire.

The State Emergency Service Volunteers Association says that there is no consultation with itself or its volunteers' advisory committee (State Emergency Service Volunteer Association Committee) on the Local Government Grants Scheme Manual, including items ineligible for ESL funding. It says that there are misleading comments in the manual about consultation. The State Emergency Service Volunteers Association Committee may have provided input, but this does not constitute consultation in any collaborative sense.

The State Emergency Service Volunteers Association says that urgent review is required of how ineligible items are determined as the continual denial of required equipment or services is unfair on the communities and State Emergency Service volunteers. In 2016, the Local Government Grants Scheme Manual stated that a review would be conducted in 2016 for the 2017 manual. This did not happen and the review is now off the agenda.

The State Emergency Service Volunteers Association says that funding is denied for meals and water for operations that are not managed by DFES. The State Emergency Service units pay for meals out of their own pockets or through fundraising.

The State Emergency Service Volunteers Association reports inconsistencies across the State and State Emergency Service units. The local government grant scheme manual indicated that a large State Emergency Service unit may only have three computers. The State Emergency Service Volunteers Association states that seven is the minimum amount of computers required. Some State Emergency Service units have many more than the three required and provided by DFES. This inconsistency is unfair.

Funding a rural fire service

The State Emergency Service Volunteers Association support a model whereby DFES has one commissioner with three separate service units (rural fire service, State Emergency Service, and Fire and Rescue Service) each with their own chief reporting to the Commissioner. All current support services based at Cockburn, Forrestfield and O'Connor would provide shared services. Shared services would include administration, state operations centre, metropolitan operations centre, communication centre and training academy.

Governance arrangements

The State Emergency Service Volunteers Association report problems with the administration of grants by DFES and local government, which have led to inefficiencies and poor outcomes.

The State Emergency Service Volunteers Association says that some local governments insist State Emergency Service units use their contractors or workshops. This may result in poorer service or higher cost, to the detriment of the State Emergency Service unit. One

local government partially repaired a State Emergency Service vehicle and then left it out of service because the rubbish truck was a higher priority.

The Mandurah State Emergency Service unit was officially opened in June 2016, but the State Emergency Service unit were unable to move in until 1 January 2017. The State Emergency Service Volunteers Association says that the unit is still not finished and DFES project management of this facility was very poor.

The State Emergency Service Volunteers Association says that a new State Emergency Service general rescue truck was fitted out for service, then left at Fleet Services (DFES) until it was out of its new motor vehicle warranty. This was because no-one had written a training resource kit on how to operate it. Questions raised by a volunteer who found the vehicle sitting out in the open triggered a DFES District Officer to prepare a vehicle familiarisation document to allow the truck to be put into service (but not until after the truck was out of its new vehicle warranty).

The State Emergency Service Volunteers Association recommend that each State Emergency Service unit be permitted to use a bottom line accounting method, after the essentials have been allocated, to purchase items required to deliver service in line with their unit profile (which is set by DFES in consultation with the State Emergency Service unit.)

United Firefighters Union

Best practice management of natural hazards

The United Firefighters Union is of the view that more resources need to be allocated towards mitigation and prevention, and additional operational personnel and equipment for outer metropolitan and country areas. It states that additional resources should be allocated on the basis of risk and should include professional fire officers with established operational competencies, including structural response.

The United Firefighters Union says that there should not be any reduction in funding available for response effort. It also states that recovery operations need to be better coordinated and resourced. The United Firefighters Union notes that funding recovery through the ESL would require a significant increase in the amount of ESL collected.

The United Firefighters Union says that expenditures on emergency services are likely to change in the future due to climate change, expansion of infrastructure and population, ageing of the volunteer population, the need to resource isolated communities instead of relying on crews from other towns, the need to protect ports and marinas, and the cost of technology.

Design of the ESL

In considering the method for collecting the ESL, the United Firefighters Union is of the view that detailed consideration needs to be given to the history of funding for bush fire brigades and the creation of legislation for collecting and disbursing ESL. It notes that a number of principles underpin the design of the ESL, including: cost neutrality, application of funds only to purposes for which the ESL was designed, efficiency and accountability, maintenance of existing service levels and fairness and equity.

Funding a rural fire service

The United Firefighters Union strongly opposes the establishment of a separate rural fire service on the basis that it will duplicate bureaucracy rather than maximising economies of scale and efficiency.

The United Firefighters Union estimates that establishing a separate rural fire service will cost \$400 million, and annual operating costs will be tens of millions of dollars. The United Firefighters Union notes that ESL Category One rates will need to increase by one dollar for every \$1 million raised. As such, ESL rates would need to increase by \$400 per property in Category One to fund the establishment of the rural fire service. The United Firefighters Union is of the view that this cost would be unreasonable and untenable for many families and businesses.

The United Firefighters Union says that all existing areas of responsibility should continue to be funded from the ESL and additional services should be funded through an increase in ESL charges to regions receiving those improved services. It says that this would require significant legislative change and stakeholder consultation.

Governance arrangements

The United Firefighters Union supports the full disclosure of information on the administration and distribution of ESL funding, including how much is collected and spent in each local government area.

The United Firefighters Union supports more detail being released on bureaucratic expenditure, including the cost of external consultants and external service providers used by DFES and local governments. It supports sharing of operational knowledge and experience between jurisdictions, but does not support travel and expenditure to support non-operational matters, like human resources. On this basis, the United Firefighters Union is critical of administrative civilian staff participating in forums coordinated by the Australasian Fire Authorities Council.

The United Firefighters Union says that DFES is best placed to distribute ESL funding given its operational expertise in fire prevention, fire safety, mitigation, bushfire fighting, structural firefighting, rescue and the management of hazardous material incidents. The United Firefighters Union does not support the ESL being administered by the Department of Treasury or another agency without underlying operational competencies, knowledge and experience.

The United Firefighters Union says that there is scope to reduce administrative constraints without detracting from sound accountability procedures. It notes that complex structures and processes established by DFES detract from successful procurement of the best and safest equipment and personal protective clothing for professional and volunteer personnel.

WAFarmers Federation

Best practice management of natural hazards

The WAFarmers Federation (WAFarmers) states that the current system of ESL is distributing funds on a response based mechanism, as opposed to a risk based system, which neglects the requirements of mitigation. WAFarmers considers mitigation a highly important aspect of emergency management.

WAFamers says that DFES needs to separate the gazetted fire districts and the ESL boundaries. This will allow funding to be allotted to high risk areas as well as meet the future needs of emergency management.

WAFamers is of the view that current arrangements do not result in a great return to rural and regional areas. This is of particular concern as the peri-urban and remote areas carry some of the highest risk of emergency events occurring, particularly with bushfire and cyclones. Local government must apply for funding via a grant process. This does not ensure that funding is allocated where it is needed because of the competitive processes or because local governments may not apply. WAFamers says that this piecemeal approach has potential to leave particular communities under-resourced and vulnerable should an emergency event occur.

WAFamers says that DFES should receive funding from the consolidated account to pay for administration costs.

WAFamers says that efficiencies can be made on machinery and equipment expenditures. Many new fleet land cruisers having very minimal firefighting capacity; an example of an expensive asset not being fit for purpose.

Volunteers and farmers have a raft of firefighting equipment that they bring during an emergency. DFES or the Rural Fire Service does not need to purchase new equipment on every occasion. WAFamers states that asset management and asset preservation could involve equipment being rotated from the metropolitan area into rural brigades. There is no requirement for each piece of equipment to be straight off the production line as this leads to fiscal wastage.

WAFamers is of the view that the ERA or the Auditor General should conduct a stocktake of the fire and rescue function throughout Western Australia. It provides anecdotal evidence that a metropolitan fire station with full-time staff supplying a 24 hour service is only attending to approximately 50 call-outs per year. If correct, it does make it difficult to justify this service into the future.

Design of the ESL

WAFamers considers that the current way in which ESL is set, and collected alongside rates, is sound.

Funding a rural fire service

WAFamers is of the view that a rural fire service may require a one-off payment from consolidated revenue for its establishment. Once established, the operational costs of the rural fire service should be funded through the ESL.

WAFamers is of the view that Category Three, Four and Five levy payers will receive most benefit from the rural fire service. WAFamers says that a review should be undertaken of these categories to ascertain how much funding they raise through ESL. A portion of this funding should be quarantined solely for the rural fire service.

WAFamers anticipates that a rural fire service will have shared services with State Emergency Service and Emergency Services. As such, it is acceptable that remaining revenue from these categories be used to assist with shared services (for example communications centre and training facilities).

WAFamers says that ESL revenue does not need to grow. Rather, revenue needs to be divided and distributed more effectively given there appears to be significant wastage.

Governance arrangements

WAFamers says that there should be full disclosure of how ESL has been allocated. The annual report for ESL should clearly outline a breakdown of how funds have been spent within each individual emergency service. Each emergency service should report expenditure on mitigation, response and training, as well as expenditure on equipment, uniforms, wages and salaries.

WAFamers says that the Auditor General should conduct a full audit and review of how ESL is collected, distributed and accountability measures.

WAFamers states that Office of Emergency Management should be responsible for holding and distributing the levy. The Office of Emergency Management should be setting benchmarks so that each individual emergency service is spending ESL as effectively and transparently as possible. Funding should be allocated on a risk-based or needs system, rather than the current response mechanism being employed.

Western Australian Local Government Association

Best practice management of natural hazards

The Western Australian Local Government Association (WALGA) has based its submission on a survey sent out to its members across Western Australia. The views of respondents appear to vary significantly, and as such, the submission does not make specific recommendations across all areas raised in the ERA's issues paper.

WALGA notes that, based on survey results, there is a perception of over-spending on response activities at the expense of all other activities, in both regional and metropolitan areas.

Additionally, WALGA states that, while DFES provides funding to local governments in return for administering ESL collection, this funding is generally not sufficient to offset the costs incurred by local government. WALGA suggests that this has resulted in a funding gap of \$1.7 million that is borne by the local government sector.

WALGA considers that the function of the Local Government Grants Scheme is to enable DFES to fund the costs of providing and maintaining an effective bush firefighting and state emergency capability for local governments. WALGA states that a major challenge for local government is that many of the emergency services activities it undertakes are not eligible for ESL funding through the Local Government Grants Scheme. WALGA also notes, for example, that local governments are required to administer State Emergency Service capital and operating grants, even though they have no legislative responsibility for the State Emergency Service, creating a further administrative burden. Local governments are also responsible for State Emergency Service facilities site costs, with no recourse to recover these costs through the Local Government Grants Scheme.

WALGA considers there is a need for a comprehensive review to consider the expansion of the ESL to include access to funding for items not currently deemed eligible for funding, and that fall into the prevention and preparedness aspects of emergency management.

Design of the ESL

WALGA considers that the ESL, as it currently stands, meets the taxation principles of equity, efficiency, and simplicity outlined by the ERA in its issues paper. However, it notes that this does not mean that the current arrangements are working effectively from the perspective of local government.

WALGA states that members are concerned that the current level of funding generated by the ESL is not sufficient to cover all emergency services now or into the future. It notes that this is raising pressure on the local government sector to contribute additional funding to ensure that there is a suitable level of service for the community.

WALGA also states that members have raised concerns about the fairness of the system in the current economic climate, to the extent that it does not take into account individual circumstances and capacity to pay – particularly in an environment of rising unemployment.

Additionally, WALGA is concerned that emergency services are funded by a mix of hypothecated revenues (the ESL) and other sources (for instance, general revenue). It contends that the ESL is intended to fund all emergency services in Western Australia and states that in practice this does not occur. WALGA's concern is that the benefits of hypothecation are diluted by this mixing of revenue sources, since rate payers do not receive a clear signal about the true cost of providing emergency services.

Funding a rural fire service

WALGA states that the most local governments surveyed considered that the proposed rural fire service should be funded by the ESL. Most respondents also considered that this would require an increase in the ESL.

WALGA is of the view that, if it is determined that a rural fire service will assume responsibility for bush fire brigades (with local governments transferring this responsibility to the State Government), the Local Government Grants Scheme would need to be reviewed. It considers that the Local Government Grants Scheme could be expanded to focus on prevention and mitigation activities, which are not currently eligible for funding under the Local Government Grants Scheme.

Governance arrangements

WALGA states that its survey respondents overwhelmingly supported greater transparency around the administration and distribution of the ESL, with many believing that all information should be made public.

WALGA did not take a position on which agency should be responsible for distributing ESL funds, noting that surveyed members tended to prefer DFES or the Department of Treasury. WALGA notes that the rationale given for DFES maintaining this function was its expertise in operational matters and ability to provide advice on equipment.

WALGA notes that there is a fundamental need for a transparent process for distributing ESL funds, and this should inform any decision as to the agency responsible for allocating and administering the ESL.

3 Submissions to the draft report

Anonymous submission

This stakeholder considers that the ESL is “a crazy way” of funding a government service, and that if it remains, an independent organisation should manage it.

They state that the ERA’s first rural fire service model is preferred, because having career firefighters would be a huge and unnecessary expense.

Association of Volunteer Bush Fire Brigades

Best practice management of natural hazards

The Association of Volunteer Bush Fire Brigades argues that cost-benefit analysis should be prepared for all ESL funding allocation decisions, and that post-project cost-benefit reviews should be made more widely available than to just senior decision-makers.

It agrees that DFES should implement ISO31000 across its business activities, noting that the decision matrix should be entirely based on physical risks, not political risks. It suggests that the finalisation and implementation of DFES’s capability framework should be undertaken by an independent organisation.

What the ESL should fund

The Association of Volunteer Bush Fire Brigades argues that the ESL should fund prevention and preparedness, but that if DFES continues to ignore its prevention obligations, it should not receive funding for prevention and preparedness. It states that the ESL should fund response.

The Association of Volunteer Bush Fire Brigades argues that applications for ESL funds should be assessed based on return to the community.

It states that the ESL should be available fund Community Emergency Services Manager positions, as well as positions that perform the same functions. Applications for funding for these positions should be assessed on a case-by-case basis based on return to the community.

Design of the ESL

The Association of Volunteer Bush Fire Brigades states that the grouping of properties should be discontinued; and that there should be an investigation into whether there will be additional costs to the landowner, and if so consideration of transitional arrangements.

The Association of Volunteer Bush Fire Brigades argues that DFES should use incident cost data to determine the direct costs of providing emergency services to each of the five ESL categories, and that this should apply to all agencies in receipt of ESL funding. It argues that there should be a review of data sharing in the emergency services sector.

Governance arrangements

The Association of Volunteer Bush Fire Brigades agrees that the Department of Treasury should review DFES’s structure, resources and administration costs, and notes that this

should include an assessment of the efficiency, and costs and benefits, of those functions previously undertaken by other agencies and volunteers but which are now managed by DFES.

The Association of Volunteer Bush Fire Brigades supports greater transparency. However, it does not support the Office of Emergency Management consulting stakeholders when determining the ESL revenue to be allocated to stakeholders and advising the Minister on ESL revenue and rates — it believes that consultation may act as a disincentive for the Minister to be kept informed about ESL matters.

It argues that the recommendation that DFES and a rural fire service should provide a report to the Office of Emergency Management explaining how they have spent ESL funds and the rationale for this expenditure should apply to all organisations that receive ESL funds.

It says that a more flexible, fit-for-purpose method of determining funding on a case-by-case basis is needed over prescriptive grants manuals. If grants manuals continue to exist:

- DFES should publish a capital grants manual for the volunteer organisations it manages, including Surf Life-Saving and the Volunteer Marine Rescue Services; and
- manuals should be made consistent between all organisations.

It notes that the wording in the recommendation that the Office of Bushfire Risk Management should require local governments to publish their bushfire risk management plans and treatment strategies should be amended to clarify that publishing is the responsibility of local governments, not their bushfire brigades.

It argues that the Office of Emergency Management should prepare a brochure on the ESL and provide it to local governments to distribute with rates notices. Any promotional material should be funded from consolidated revenue and developed in consultation with WALGA and the Association of Volunteer Bush Fire Brigades.

Baker, Mr Terry

Mr Baker states that the Volunteer Marine Rescue Services has moved from a volunteer based, community funded organisation to a “bloated, government run organisation” that requires a levy to maintain its services. He says that the magnitude of costs is not sustainable.

Mr Baker argues that imposing a separate boat levy across all users discriminates against those that prepare well, use a suitable vessel, have the appropriate experience and training, and regard key warnings such as the weather forecast. He states that these type of boat owners/users have a low demand for marine rescue services.

Mr Baker suggests that the ERA should use the yearly data on recreational marine accident statistics published by the United States Coast Guard when considering a levy linked to vessel length or type. He says that the data shows that small open craft vessels operating in the ocean are significantly more likely to require marine rescue services than well-founded offshore sailing vessels. He argues that while there is little difference between assisting a small craft and a large vessel, a large vessel is more likely to be able to assist in a rescue effort, and that charging big vessels a higher levy is similar to charging larger houses more for using an ambulance service.

The Bushfire Front

The Bushfire Front strongly supports the following recommendations:

- The ESL should be more transparent and independently managed, and accountability arrangements clarified.
- An independent agency should advise the Minister for Emergency Services on the value of the ESL collected, and develop a framework for how ESL funds should be spent.
- The Office of Emergency Management should oversee the ESL and be separate from DFES.
- The ESL should not fund recovery.
- The ESL should fund the frontline services of DFES, the Bush Fire Brigades, and SES units, as well as Community Emergency Services Managers.

The Bushfire Front is disappointed the ERA did not recommend that the ESL should fund prevention (specifically, fuel management), because it considers controlling fuel loads to be the most important way to reduce the impact of bushfires. On this basis, it argues that using the ESL to fund prevention (especially on private and miscellaneous public reserves) is reasonable.

The Bushfire Front considers that there should be a functional and financial management review of DFES and its use of the ESL, because taxpayers have the right to expect that Government agencies are using limited resources efficiently.

Cascade Scaddan Fire Review

What the ESL should fund

Cascade Scadden states that the Department of Parks and Wildlife (now the Department of Biodiversity, Conservation and Attractions) should receive ESL funds specifically for prevention. It states that the former Department of Lands has delegated some of its prevention activities — consequently, the Department of Biodiversity, Conservation and Attractions is responsible for prevention on 90 per cent of land in the state, but only receives \$360,000 a year from consolidated revenue for prevention.

Cascade Scadden notes that DFES considers that it does not have any responsibilities for prevention, even though it does have responsibility for prevention. Cascade Scadden argues that if DFES does not accept this responsibility, it should not receive any funds for prevention activities.

Cascade Scadden does not support the ESL funding DFES's administration activities. It states the following:

- In 2015-16, DFES administration expenses were \$112 million, which represents one third of the ESL collected; and that the contribution from consolidated revenue decreased 55 per cent from 2008-09 to 2015-16.
- The ESL was not established based on an “expectation of service” principle, and even if it was, the ESL should pay for frontline firefighting and prevention, not administration. Provision of emergency services is no different to provision of education and health services, which are funded through the tax system.

Cascade Scadden argues that the recommendation that the ESL should fund Community Emergency Services Manager positions, but not broader local government emergency services and management activities, or local government administration activities, is inconsistent with the analysis in the report. Cascade Scadden states that the ESL should be allocated to local governments to fund the full costs of bush fire brigades and SES units for response, prevention and preparedness activities as these all have community wide benefits; but that the ESL should not be used to fund brigade administration costs.

Governance arrangements

Cascade Scadden states that DFES should not have any responsibility for administering the ESL as it is in a position of conflict. It says that the Office of Emergency Management should do more than just oversee DFES's administration of the ESL — it should have total responsibility for administering the ESL. Cascade Scadden considers that having financial management experience and adhering to state financial controls are in no way relevant to determining who should administer the ESL.

Cascade Scadden states that the appeals process should be similar to the Freedom of Information process, and that there should be an initial internal review by the Office of Emergency Management, followed by an external review undertaken by a department outside the Office of Emergency Management. Cascade Scadden says that the appeals process should be fully independent and transparent, and that there is a conflict of interest if the body distributing the ESL is also a recipient of funds and assesses appeals.

Cascade Scadden says that there should be a review of the emergency services legislation.

Chambers, Mr Martin

Mr Chambers says that the cost of marine rescue services should not be recovered on a user pays basis by a levy on boat owners. He notes that marine rescue service groups participate in coastal searches for missing bushwalkers or fishermen, and similarly, that land rescue groups are deployed to respond to a boat that washes up on shore and helicopters are used to assist in all kinds of emergency services. He argues that society benefits from an effective emergency services sector, because timely rescue reduces the overall costs to society.

Mr Chambers says that a more reasonable change to the current system than applying a levy on boat owners is to fund all emergency services from general tax revenue.

City of Gosnells

The City of Gosnells argues that prevention activities funded by the ESL should include prescribed burns, and chemical and mechanical clearing.

It states that a consistent approach should be taken to funding administration costs — local government provides essential emergency services, yet the ERA recommends that their administration costs not be funded by the ESL.

It says that it employs its own Emergency Services Coordinator whose role is almost identical to that of a Community Emergency Services Manager; and that DFES treats this officer like a Community Emergency Services Manager, but will not enter into a funding arrangement with the City.

The City of Gosnells says that there should be an external review of DFES because the lack of transparency around setting and distributing the ESL leads to a lack of incentive for DFES to operate efficiently.

It says that bushfire risk management plans and treatment strategies should be published, but only for local government-owned land. It states that preparing tenure-blind bushfire risk management plans is flawed as many state government departments and private land owners are not interested in participating in the process and there is no capacity for local governments to enforce their participation.

The City of Gosnells states that while the current method of distributing the ESL is efficient, payments should be remitted directly to the State Government because the ESL is a State Government levy, and collecting and remitting the ESL is a cost to local governments.

The City of Gosnells states that its position on the new emergency services legislation largely depends on the responsibilities assigned to local governments and whether those responsibilities will be funded through the ESL.

City of Swan

The City of Swan states that the ESL should not fund recovery, but that clear pathways are required for local governments to gain rapid state and federal government funding and support during the recovery process.

It says that the Community Emergency Services Manager is fundamentally employed for preparedness and response activities, so it should be fully funded by the ESL.

The City of Swan undertakes to conduct a review of the Unimproved Value of properties within its local government area for the 2017-18 financial year.

It argues that rates notices should clearly define the monetary portion and purpose of ESL collection.

It says that local governments should be required to publish their bushfire risk management plans and treatment strategies; but that DFES must continue to support and upgrade the existing bushfire risk database and systems to assist local governments prepare bushfire risk management plans.

Department of Biodiversity, Conservation and Attractions

The Department of Biodiversity, Conservation and Attractions says that while it supports the shared responsibility concept for prevention, there are wider issues that merit further consideration. These include that:

- few landowners/managers have the technical expertise or resources to engage in prevention, volunteer brigades do not have the resources, and DFES staff (including the Career Fire and Rescue Service) do not have the expertise;
- while the proposed amendments to the emergency services legislation will provide relevant authorities with the necessary powers to undertake prevention, the protections from liability for damage/loss from “good faith” prevention that the state and local government will enjoy may not be extended to other landowners; and
- the ESL should be available to support prevention in a manner that supplements rather than supplants individual landowner/manager responsibility — other

Government support/subsidy mechanisms create incentives for individuals to take action that would otherwise be beyond their financial and other resources.

The Department of Biodiversity, Conservation and Attractions says that the two models of a rural fire service put forward by the ERA have focused attention on issues that are highly unlikely to arise, and that a more sophisticated treatment and consideration of middle ground operations would be more helpful. It says that a rural fire service could function effectively with the same capacity and budget as the Department of Biodiversity, Conservation and Attractions' prescribed burning and fire management branch (approximately \$50 million a year). It argues that some resources should be diverted from DFES so that the net additional cost of a rural fire service is relatively low.

Department of Fire and Emergency Services

Best practice management of natural hazards

DFES states that it currently complies with the Department of Treasury's cost reporting guidelines. It says that while activity based costing might increase transparency, significant resources may be required to deliver on reporting outcomes that meet multiple stakeholder and compliance needs — there are complexities involved in separating costs in a multi-hazard and multi-dimensional, regional service delivery model.

DFES states that formal evaluation techniques, which are consistent with State Government practice across agencies, are used for significant investment projects. It argues that cost-benefit analysis may not be the most appropriate technique to evaluate the provision of state government services — alternatives include cost-effectiveness analysis, risk-benefit analysis, economic impact analysis, fiscal impact analysis, and social return on investment analysis.

DFES states that it is in the process of developing an evaluation framework that mimics the Evaluation Guide developed by the Program Evaluation Unit within the Department of Treasury — that this guide has been designed to provide consistency across evaluations, improve the cost effectiveness of programs, promote accountability, and provide a platform for continuous learning.

DFES says that it has a Risk Management Framework that supports processes that are aligned to AS/NZS ISO 31000:2009. DFES's intention is to expand the application of the ISO 31000 across all business decisions, including business plans and budget allocations, and implement this along with the Strategic Planning and Capability frameworks.

DFES notes that its Capability Framework was finalised and published in September 2015, and that it is working to implement the framework. It states that the Capability Framework will assist in capability planning and improving transparency around funding decisions, specifically the allocation process and links between capability planning and the DFES Strategic Plan. It says that implementing the Capability Framework will support an integrated approach to planning and resource allocation that:

- clarifies roles and responsibilities assigned to DFES under legislation;
- prioritises funding and resourcing based on risk assessment;
- supports equitable resourcing decision-making based on capability required versus who administers the personnel providing the service; and

- improves transparency in financial reporting, specifically funding allocation, by aligning projects to community outcomes, performance measures and service activity.

DFES notes that it continues to work closely with the Government Chief Information Officer to ensure data published aligns with the State Government's Whole of Government Open Data Policy; and that all information relating to DFES's operations and the ESL is readily available on its website.

What the ESL should fund

DFES states that there are currently 29 Community Emergency Services Manager officers operating in Western Australia, and that funding the full cost of Community Emergency Services Manager officers would increase the ESL funding requirement by approximately \$1 million a year. It states that this is counter to the "shared responsibility" principle that underpins the current cost sharing arrangements between DFES and local governments.

DFES states that:

- the fee paid to local governments for administering the ESL is funded through the ESL and therefore directly affects ESL rates — local governments have been consistently advised that they may submit a business case for a fee increase if it can be established that the additional cost in administering the ESL exceeds the fee; and
- there are few cases of unrecovered debts — where a debt is unrecoverable, procedures are in place to enable local governments to apply to the Fire and Emergency Services Commissioner to write-off an ESL debt. Out of pocket expenses associated with ESL debt recovery are funded by DFES, while other non-legal costs are covered by the annual fee paid to local government for administering the ESL. DFES says that it has never received a claim from a local government to recoup out of pocket expenses associated with ESL debt recovery.

DFES says that in 2003-04, the state government decided to maintain a Consolidated Account appropriation in support of services provided by the Volunteer Marine Rescue Services. It says that this was first, because the cost of administering a separate vessel levy to raise approximately \$2 million was too expensive, and second, due to the view that Volunteer Marine Rescue Services costs should not be attributed to property owners. DFES argues that the approach to funding the Volunteer Marine Rescue Services should consider:

- the percentage of Volunteer Marine Rescue Services' response incidents to boat owners versus non-boat owners (e.g. fishermen, surfers, swimmers, etc.);
- whether any additional costs that will be generated, such as administration and collection costs, can be justified to raise a relatively small amount (approximately \$6 million); and
- whether reverting to funding the Volunteer Marine Rescue Services from the consolidated fund is appropriate.

DFES states that road crash rescue services should continue to be funded from the ESL as the service is one of a range of emergency services delivered by the fire and rescue services — it would therefore be difficult to cost separately.

DFES says that other agencies' funding requirements are matters for those agencies, the Department of Treasury, and the State Government, as is how funding for prevention activities across government agencies is reported.

Design of the ESL

DFES states that gross rental value should not be used for Category Five or Mining Tenements.

It says that the classification of vineyards in the Swan Valley is a matter for Landgate and the Valuer-General — DFES has received advice that all vineyards in the Swan Valley with a commercial property use classification are commercially operating businesses, hence they are subject to the maximum ESL charge.

DFES says that group valuation determinations are also a matter for the Valuer-General under the *Valuation of Land Act 1978*. It states that when the ESL was introduced, a key principle was that the ESL would follow the billing and collection practices applicable to Council rates — if the ESL was to be separately assessed for each grouped property, it would lead to unnecessary complication and confusion for property owners as the method for calculating the ESL and Council rates would differ. It states that separating 12,000 group valuations would involve significant effort and costs.

Funding a rural fire service

DFES says that a separate rural fire service should not be established, but more resources should be allocated to prevent and prepare for fire and emergencies in rural areas.

It states that if a separate rural fire service is established, the current ESL model cannot simply be extended, as this would increase the responsibility of metropolitan property owners to subsidise rural property owners. It says that this would be contrary to the current principles of the ESL.

Governance arrangements

DFES states that the existing level of oversight provided by the Minister, Cabinet, and the Department of Treasury through the state government budget process is appropriate. It says that further disclosures could be included in the Annual Report to improve transparency, and that a Department of Treasury-led organisational review of DFES's structure, resources and administration costs could alleviate perceived conflicts of interest.

DFES argues that the financial responsibilities of the Fire and Emergency Services Commissioner should not be viewed in isolation of its responsibilities for emergency services under the emergency services acts.

It states that ESL administration responsibilities could be transferred to an independent agency, however that:

- adding an additional layer of oversight and bureaucracy by transferring responsibility to the Office of Emergency Management is “an excessive and unnecessary[ily] costly approach to address a perceived rather than real conflict of interest”;
- separating the Office of Emergency Management from DFES is counter to the State Government's Machinery of Government changes;

- a conflict of interest could arise if the Office of Emergency Management were to set the priorities for emergency management and also allocate funding — that is, the Office of Emergency Management could advise the Minister to direct funds to what it considers a priority, rather than matters the Fire and Emergency Services Commissioner or local governments believe are a priority.

DFES suggests that extending the role of the Volunteer Advisory Committee to advising any independent authority on strategic sourcing matters would address stakeholders' calls for more involvement in the process for sourcing additional funding.

DFES says that it allocates all approved Local Government Grant Scheme funding, but that there are issues with the ability of the current level of Local Government Grant Scheme funding to meet greater and increasing stakeholder demands. It states that current governance arrangements (committees, appeals) could be strengthened to support greater stakeholder interest.

DFES states that:

- the Volunteer Fire and Rescue Service and Volunteer Fire and Emergency Service provide services that are directly funded by DFES — they therefore do not receive grants;
- the majority of operating expenditure for the Volunteer Fire and Rescue Service and Volunteer Fire and Emergency Service is incurred directly by DFES on behalf of the brigades or units — property, plant, and equipment valued greater than \$5,000 is recorded as a DFES asset and included in DFES's Strategic Asset Plan for future replacement;
- local governments ultimately control and own assets acquired through capital grant funding provided to local governments for the bush fire brigades and State Emergency Services assets;
- there is a grants manual for the Volunteer Marine Rescue Services, which is consistent with the Local Government Grant Scheme manual;
- additional funds would be required to make grant manuals consistent between all volunteer organisations; and
- there may continue to be variations in allocations due to the nature of the respective services and roles each volunteer group performs.

DFES acknowledges the opportunity to equalise minor grants to support volunteer services and notes that it has already agreed to expand operational efficiency payments to the State Emergency Services.

DFES says that the ESL brochure could be re-introduced, but notes the information is now reported on the DFES website; many local governments supported ceasing the brochure in 2013; and there are very few inquiries about the ESL.

DFES states that the Office of Bushfire Risk Management endorses publishing local governments' bushfire risk management plans and will include the recommendation in the upcoming review of the Guidelines for Bushfire Risk Management Planning.

Dewhurst, Mr Glenn

Best practice management of natural hazards

Mr Dewhurst argues that:

- all Resource to Risk processes currently used should be ISO 31000 compliant;
- the Capability Framework should be developed by an independent body as it is currently perceived to only benefit DFES and the United Firefighters Union; and
- a cost-benefit analysis for funding allocation decisions should be conducted by an independent body, including for the funding allocation decisions of local governments.

What the ESL should fund

Mr Dewhurst notes that DFES has very high administration costs and has grown to be “ineffective and too costly” — on this basis, the ESL should not be used to fund DFES’s or a rural fire service’s administration costs.

Mr Dewhurst argues that Community Emergency Services Managers should be funded by the ESL, though not all local governments need Community Emergency Services Managers. He says that funding Community Emergency Services Manager positions under a “shared services model” would generate significant savings.

Mr Dewhurst says that DFES should not be conducting prevention on urban or rural bushland – this is the responsibility of the Department of Parks and Wildlife (now called the Department of Biodiversity, Conservation and Attractions) and local governments. He states that these organisations should receive ESL funds for prevention.

Mr Dewhurst states that there should not be a separate levy for the Volunteer Marine Rescue Service.

Design of the ESL

Mr Dewhurst is of the view that gross rental value remains the most appropriate basis for setting the ESL rate, but that consideration should be given to those who hold multiple lots and only pay one ESL charge.

Governance arrangements

Mr Dewhurst says that DFES has used the ESL for itself and the United Firefighters Union agenda, and is working against volunteers. He says that more support is needed for the Western Australian community, local governments, and volunteers, particularly the bush fire brigades.

Mr Dewhurst says that the community cannot afford the current DFES structure, and that a complete restructure is required — an independent review of DFES should be undertaken, provided it is not undertaken by the Department of Treasury. The organisation that undertakes the review should have “real power” to investigate.

Mr Dewhurst argues that any organisation that manages the ESL must not benefit from its funding, and that management of the ESL should involve a board from government, community, and private enterprises.

Mr Dewhurst is of the view that the Office of Emergency Management:

- should have an oversight function of advising the Minister on the ESL, provided that it: consults with all stakeholders (e.g. local governments and volunteers); is totally independent of DFES; and is funded by consolidated revenue;
- should not make decisions about how the ESL is spent, because the Office of Emergency Management is funded by the ESL and not independent; and
- could undertake the appeals role – however the appeals board should be made up of a small team of stakeholders.

Mr Dewhurst argues that the capital grants manual for volunteer organisations must be consistent across organisations, and not be held by DFES.

Mr Dewhurst says that the recommendation that local governments should publish their bushfire risk management plans and treatment strategies is not a good recommendation.

He notes that the new emergency services legislation should be carefully considered so it does not cost a significant amount of money.

Gorham, Mr Geoff

Mr Gorham states that the Volunteer Marine Rescue Services has become a “bloated government-run organisation” and that this is not sustainable. He argues against a separate levy on boats, on the basis that:

- while there is little difference between assisting a small craft and a large vessel, most rescue operations involve small craft, with a basic level of safety gear — members of the boating public that sail with sufficient experience and a ‘well-found boat’ have very small demand for marine rescue services; and
- the levy would discriminate against vessels that are well equipped, and sailed by experienced and trained persons that have regard to key warnings such as the weather forecast.

Mr Gorham notes that boat registration fees have been increasing substantially. He notes that this is partially to fund more facilities for public boat owners, which larger vessels generally do not use.

Howe, Mr Jeff – Volunteer Marine Rescue Western Australia

Mr Howe puts forward his submission as the Commander of the Volunteer Marine Rescue Western Australia (Inc). He argues that a boat levy should not be applied to fund the Volunteer Marine Rescue Services because the Volunteer Marine Rescue Services is a community based service:

He notes that while the ESL is raised through a property levy and not every property has a boat, ESL rate payers enter the water and engage in recreational water activities regardless of boat ownership. He also notes that many people who may not be property owners (for example hikers, campers) use other emergency services that are funded through the ESL.

Mr Howe argues that the Volunteer Marine Rescue Services’ commitment to the community is not purely marine-based – they rescue people trapped by fire (for example Yarloop and Northcliffe fires), rescue rock fisherman and save assets (for example the Carnarvon jetty). He notes that the cost of these activities, and body recovery (that is not necessarily linked

to marine activities) is huge, and that the Volunteer Marine Rescue Services saves the State hundreds of millions of dollars providing these search and rescue tasks.

Mr Howe states that the State and Federal Government imposes increasing costs on the Volunteer Marine Rescue Services, and that a sustainable funding source is needed. He notes that currently to access more funds, the Volunteer Marine Rescue Services must submit a Business Case to DFES.

Howlett, Mr Ian

Mr Howlett questions why the boating community should fund the large number of false callouts from the general public and call outs to rescuing unlicensed water craft (e.g. canoes, surf skies, surfcats, and dinghies). He also queries whether a cost-benefit analysis has been performed on introducing a levy on boats, because the cost of implementing a separate levy for marine rescue services would be unlikely to outweigh the \$3-5 saving on the average residential charge calculated by the ERA.

Jones, Mr Colin

Mr Jones is of the view that a separate levy on boats should not be applied because the rationale that most property owners are not boat owners is inconsistent with the fact that fuel used in boats is taxed the same as fuel used on roads, but boats don't use roads. Mr Jones says that fuel taxes should be redirected.

Mr Jones argues that there is no incentive for Government to reduce costs when they can increase compulsory levies, because users have no option but to pay. He says that the funding mechanism should be open to public scrutiny.

Klaka, Mr Kim

Mr Klaka argues against a separate levy on boats. He states that the Volunteer Marine Rescue Services provide services that are directly used by those who do not use registered boats; and that nearly a quarter of the Western Australian population benefit from the Volunteer Marine Rescue Services, but only about 10 per cent of the population are registered boat users.

Mr Klaka says that non-registered boat owners are overrepresented in marine incident statistics, and that a property-based levy is appropriate given that these users store their vessels on their property.

He notes that most registered boats are small, open boats with outboard motors, costing less than the average second-hand car, and that the households that own them are not wealthier than the median Western Australian household. He argues that these people will be disadvantaged greatly by the ERA's recommendation.

Mr Klaka says that if there is an increase in registration fees, the boating community will be less inclined to donate, and this will leave the Volunteer Marine Rescue Services under-resourced.

He argues that the user-pays principle is fundamentally flawed, and that rescue services would not check a database to see whether a person has paid the levy before rescuing them.

Landgate (Valuer-General)

The Valuer-General states that discontinuing the grouping of properties:

- is a decision for the Valuer-General;
- is not practical as there are more than 12,000 gross rental value assessments that comprise multiple lots;
- is inconsistent with provisions in the *Valuation of Land Act 1998*, legal precedent, and the Valuer-General's policy;
- will lead to unnecessary complication and potential confusion; and
- will involve significant effort and cost as physical inspections would be necessary.

The Valuer-General provides the following examples of groupings that would be impractical to assess individually:

- buildings that straddle boundaries
- a house on one lot which only has access from a driveway over another lot
- a house on one lot and a swimming pool or tennis court on another lot
- farm houses, sheds and other outbuildings located across various lots

The Valuer-General states that Landgate's 2013 review has sufficiently enhanced the fairness and accuracy of property classifications in the Swan Valley, and that further reviews are not proposed. The Valuer-General says that queries concerning the property classifications should be referred to DFES.

Lyon, Mr John

Mr Lyon states that he was not aware that the property levy was contributing to boat rescues, and agrees that a user-pays system should be applied in the same way as for the ambulance service.

Macbeth, Mr Jim

Mr Macbeth argues against a separate levy on boats for the following reasons:

- Western Australians already pay exorbitant registration fees compared to Victoria.
- The ERA has not undertaken any social analysis — the Volunteer Marine Rescue Services provide a social function that is expected in an advanced western society, and all members of society are recipients of their services. There are therefore good ethical and moral reasons why all members of society should pay.
- A levy on boat registration will change behaviour, which goes against the principle of efficiency stated in the draft report — this is because the recommendation would decrease donations by at least 80 to 90 per cent.
- A separate levy is not economically rational or efficient — the costs of setting and administering the levy are greater than the savings in the average residential charge calculated by the ERA.

- The progressive nature of the levy is not equitable across different types of vessels, because larger vessels do not necessarily have more call on emergency services — if the levy must be user pays, it should be assigned by type of vessel based on emergency and rescue data.
- The Fremantle Sea Rescue responds to more incidents involving open, half-cabin boats, or vessels under eight meters — yachts should not pay the levy if this observation is consistent across the State.

Mr Macbeth is concerned that the ERA made its recommendations with so little data and recommends that emergency and rescue data by size and type of vessel be obtained.

MacPherson, Mr Steve

Mr MacPherson is of the view that the assumptions behind the proposed levy on boat registrations are unfair and flawed, and imply that because a rural fire service would be used by only a minority (such as property owners located in the Perth Hills) there should be a special levy for these users for a rural fire service.

Mangini, Mr John

Mr Mangini states that management of bush fire brigades should remain with local government, but a rural fire service should have an oversight role to ensure there is a consistent approach to training, access to appropriate equipment, and meeting local needs.

He says that a rural fire service would not be expensive as DFES staff would be reduced, with some transferred to a rural fires service and others being made redundant — while some new facilities would be required, others could be shared with DFES.

Mr Mangini argues that there is a need for much more quality control by a rural fire service and that ISO31000 should be applied consistently across all tenures.

He says that the ESL should fund the costs to local government of administering bush fire brigades.

Office of Emergency Management

The Office of Emergency Management restricts its submission to factual errors in the draft report. These errors largely relate to the way emergency management activities are undertaken, for example the responsibilities of organisations and the content of legislation.

Pastoralists and Graziers Association of Western Australia

The Pastoralists and Graziers Association states that it is important that implementing the ISO standards, or any management system, does not lead to a gold-plated system that causes new operational and financial inefficiencies. It says that DFES's cost-benefit analysis of all major funding allocation decisions should be subject to a detailed reporting framework to ensure transparency to stakeholders.

The Pastoralists and Graziers Association considers that the ESL exists to fund emergency services and not administrative costs. It says that DFES and a rural fire service should be funded from general government revenue like all other state government departments. It argues that if the ESL is used to fund the administrative costs of DFES, it should only be:

- after a rigorous review by the Department of Treasury (or the ERA);

- after recommendations to improve DFES's administrative structures and efficiencies are implemented; and
- if there is a periodic review of DFES to ensure efficiencies are maintained.

The Pastoralists and Graziers Association argues that the role and management of Community Emergency Services Managers needs significant improvement. It says that Community Emergency Services Manager should:

- be fully employed by the proposed rural fire service to undertake fire management related activities across a number of rural local government jurisdictions;
- help coordinate planning across a large number of rural bushfire brigades; and
- liaise between bush fire brigades and local governments to identify and fill any capacity gaps through capacity building in volunteers.

The Pastoralists and Graziers Association agrees that local governments should be compensated for the cost of collecting ESL revenue, but notes that due process is needed to ensure their funding claims are legitimate.

The Pastoralists and Graziers Association suggests that the Office of Emergency Management should develop a detailed stakeholder engagement framework to ensure that engagement is properly planned, undertaken, and reported on. It states that:

- the annual report on the ESL should have a detailed reporting framework to ensure all critical information is transparently available to all stakeholders; and
- the report to the Minister for Emergency Services should include detailed planned expenditures and measures to keep planned activities efficient.

The Pastoralists and Graziers Association states that any changes to the existing emergency services acts should be undertaken with caution, so the critical elements that establish, define, and protect the role of volunteer bushfire brigades are not lost.

Poole, Mr Daryl

Mr Poole argues that there should be more support for Sea Rescue Groups, but does not support the separate levy on boat owners. He argues that the Government is focused on revenue raising, while its focus should be on marine safety. He does not believe that a flat levy on vessels would depart from the principle of progressivity. He notes that some boats are well equipped with safety equipment.

van Rijnswood, Mr Eddie

Mr van Rijnswood says that the cost range for a rural fire service does not recognise the existing resources available, and that the equipment and human resources required to establish a rural fire service already exist in 530 volunteer bush fire brigades and 26,000 volunteer fire fighters.

He argues that a rural fire service only requires some reorganisation costs and costs to employ supervisory and managerial staff with a strong bush fire background. He says that there are sufficient funds in the ESL for the proposed organisational change as the current allocation arrangement for the ESL is grossly disproportionate to the requirements and efficiencies of the current emergency management arrangements.

Mr van Rijnswood states that the Office of Emergency Management should manage the ESL, but that this must be in full consultation with all stakeholders. He says that the Office of Emergency Management could be given a technical or performance auditing role to ensure compliance with the ERA's recommendations and for greater efficiency.

Mr van Rijnswood states that the Fire and Rescue Service, a rural fire service, and the State Emergency Service should not be responsible for the management of statutory matters, such as legislation and regulation. He argues that their primary roles are in preparedness and response. The Office of Energy Safety is provided as an example to demonstrate the effectiveness of having these functions separated.

Rotheram, Mr Ian

Mr Rotheram is of the view that there should be a limit on use of the ESL to fund DEFS's administration costs. He states that at least 77 per cent of the ESL should be spent directly on prevention, preparedness, and response in the coming years. He says that this goal can be achieved with a rigorous and accurate system of activity based costing.

Shire of Corrigin

Best practice management of natural hazards

The Shire of Corrigin supports extending ISO 31000 to the Resource to Risk process used by DFES for allocating funds under the Local Government Grant Scheme.

What the ESL should fund

The Shire of Corrigin is of the view that the ESL should fund local government prevention, preparedness, and response activities. It states that:

- local governments carry out a significant amount of prevention work without using their bush fire brigades — this work should be eligible for ESL funding;
- preparedness activities undertaken by local government, including community safety programs, should be funded by the ESL;
- local governments should be able to claim the cost of machinery for fires that does not meet the criteria of the Wildfire Assistance Funding in the Local Governments Grant Scheme; and
- a separate grants program should be set up to fund these prevention, preparedness, and response activities, similar to the All West Australian Reducing Emergencies grants.

The Shire of Corrigin says that the ESL should fund DFES's administration costs, provided that the Department of Treasury conducts a review of DFES's structure, resources, and administration costs to determine whether services are efficiently delivered.

Design of the ESL

The Shire of Corrigin considers that the basic structure of the ESL should be retained as it performs well. It acknowledges cross-subsidisation by metropolitan property-owners to rural property-owners, but says that the greater level of personal responsibility and commitment given by rural property-owners needs to be factored in the ERA's considerations.

It argues that the grouping of properties when calculating the ESL rate should not be discontinued.

It says that DFES needs to provide better information on the different 'ESL Property Use' classifications so property owners can understand their property classification, and notes that the issue of when a farming property becomes a commercial property is not limited to the Swan Valley.

Funding a rural fire service

The Shire of Corrigin states that if a rural fire service is created it would be a hybrid model of the ERA's proposed rural fire service models. It considers the high cost model to be unrealistic, because career fire fighters are not part of the existing bush fire brigades model; and because the model does not net out the savings from decreased DFES expenditure on equipment and relinquishing its regional responsibilities (including its need for offices).

Governance arrangements

The Shire of Corrigin says that the Office of Emergency Management should not be the body of appeal for ESL related issues, as this would mean that the Office of Emergency Management would be assessing appeals against its own determination. It states that other processes for appeals have an independent authority to hear and determine appeals — this ensures that the process is fully independent and transparent.

It states that the Office of Emergency Management should compensate local governments for the cost of collecting the ESL, but that the compensation fee should be regularly reviewed and indexed to an appropriate level to ensure the real costs to local governments can be recovered.

It states that there should be efforts to educate the community on the purpose of the ESL, but that any brochure should be funded by the State Government.

It says that full consultation, including with local governments, is required in developing the new emergency services legislation to clarify the extent DFES and local governments are required to undertake prevention activities.

Shire of Esperance

The Shire of Esperance states that there needs to be a shift in focus from response to prevention, because prevention provides significant social, economic and environmental benefits, compared to potentially uncontrollable incidents.

The Shire of Esperance notes that there is approximately 530 kilometres of unallocated Crown land and private property interface within its local government; and that the November 2015 fire started on unallocated Crown land. It says that the former Department of Parks and Wildlife is the best organisation to manage prevention on unallocated Crown land, but does not have sufficient funding or resources to do this.

It says that while there are benefits in publishing bushfire risk management plans and treatment strategies, many local governments do not have the skills to develop and implement these — funding should be available to enable local governments to access consultants to prepare these plans and strategies.

It also states that more items should be eligible for ESL funding — basic items, including a defibrillator, are not covered by the ESL. It argues that there should be a review of the

capital and operating grants manual. It also argues that the ESL should fund Community Emergency Services Managers.

The Shire of Esperance states that an independent Office of Emergency Management should manage distribution of the ESL.

It says that local contractors sometimes cannot be engaged in response due to a lack of funding or conflicts with pre-approved contracts, and that this is inappropriate. It argues that local governments should be able to access ESL funds in an emergency without constraints or limitations.

Shire of Manjimup

The Shire of Manjimup states that the Office of Emergency Management should manage the ESL, provided it is independent of DFES.

It argues that recovery should be funded by the State Government, including through the ESL where Western Australian Natural Disaster Relief and Recovery Arrangement funding is not available.

It states that the ESL should not fund state government administration costs, and that salaries of non-career fire fighter state government employees should be met through consolidated revenue, not the ESL.

It says that ESL funding allocations should be informed by risk-based analysis, with an emphasis on localised solutions.

It queries why the ERA has recommended publishing a brochure on the ESL, stating that DFES already does this.

Shire of Nannup

The Shire of Nannup says that local governments distrust the State Government.

It argues that the ESL should fund preparation, prevention and response, noting that some expenses within these categories are not currently funded, including IT devices. It says that a review of what items the ESL can be spent on is needed, and that it is inequitable that decisions around what items are eligible for ESL funding vary depending on whether you are a volunteer or in the Career Fire and Rescue Service.

It says that there is a need for greater transparency in administration of the ESL, and that the Office of Emergency Management should oversee collection and disbursement of ESL funds.

It argues that the ESL should fund all costs of implementing the Community Emergency Services Manager roles because the sole role of the Community Emergency Services Manager is to ensure volunteers have the resources and training needed for use in an emergency.

The Shire of Nannup also states that 87 per cent of its land is controlled by the State Government, and that this has a significant effect on its ability to collect rates to cover its expenditure. It notes that a significant portion of fires start on State Government land. It is of the view that landowners should be responsible for prevention and preparedness on their land.

Shire of Plantagenet

Best practice management of natural hazards

The Shire of Plantagenet says that the ISO 31000 standard should be complied with provided it does not have an adverse impact on volunteer time. It says that DFES has historically imposed compliance activities on local governments and volunteers without regard for the resources required to comply.

What the ESL should fund

The Shire of Plantagenet says that the ESL should fund prevention, but that clarity is needed over the extent of local government's responsibility for fire prevention. It says that:

- sufficient funding for prevention is needed for community safety; and
- in rural areas, volunteer fire fighters who are primary producers undertake prevention — this means they are leaving their livelihood, which is not a sustainable arrangement. It would cost \$50,000 a year if they were to employ staff to undertake prevention.

It says that the ESL should not fund DFES's or a rural fire services' administration costs.

The Shire of Plantagenet says that the ESL should fund Community Emergency Services Manager positions, but that local governments should be allowed to manage them and should be asked for input on their role within a rural fire service. It notes that local governments currently receive limited value from the Community Emergency Services Manager program — DFES transfers its responsibilities onto Community Emergency Services Managers instead of employing sufficient numbers of Regional Officers and Community Engagement Officers.

The Shire of Plantagenet says that the ESL should be allocated equitably where the ESL funds activities for both DFES and local governments. It notes that costs incurred by DFES to control fires are fully recoverable from the ESL, whereas costs incurred by local governments to control fires are not automatically recoverable from the ESL.

It argues that local governments should receive compensation for ESL administration and debt recovery – and that local government staff time in the application, collection, and recovery of unpaid ESL funds needs to be included in the compensation.

It states that marine rescue services should be funded through boat license fees as they are used by a discrete group of people; and that for consistency, road crash rescue should be funded by a levy on drivers licences.

Design of the ESL

The Shire of Plantagenet says that gross rental value should be retained, except for Category Five (rural areas) where unimproved value should be used. It argues that grouping of properties should not be discontinued for the following reasons:

- In rural areas, farming entities may be operated over several adjoining lots. The recommendation will create an increased financial burden on the Shire of Plantagenet's agricultural industry.

- The recommendation seems in conflict with the Valuer-General's 'Unimproved Values – Rural valuation policy 4.310', where it is a legal precedent for setting land rates.
- The method of calculation and application of multiple ESL rates on one land assessment could be complex and costly to implement for both Landgate and local governments.

The Shire of Plantagenet says that cross-subsidisation should take into account the ESL's original intent: to ensure equity of service provision, so "more populated areas have to subsidise the least populated areas". It says that until the value of volunteer time is fully costed, cross-subsidisation cannot be effectively measured.

Funding a rural fire service

The Shire of Plantagenet says that the final report should consider cost savings from a reduction in DFES personnel due to the rural fire service.

It is of the view that the ERA should further investigate "practical models of the service and true costs of implement[ing a rural fire service]" as the costs proposed in the draft report do not reflect the real costs of a rural fire service.

Governance arrangements

The Shire of Plantagenet states that transparency in decision making and allocation of the ESL is critical to regain the confidence of volunteers and the public.

It says that a review of DFES's structure will determine the cause of its increasing administration cost and whether the level of administration cost is appropriate.

It supports the Office of Emergency Management overseeing the ESL only if it is made independent of DFES. It says that the Office of Emergency Management must be independent from the ESL and from any agency that derives a benefit from the ESL to avoid a perception of conflict of interest — further, the Office of Emergency Management should not be funded by the ESL.

The Shire of Plantagenet suggests that the Department of Premier and Cabinet or Department of Finance are preferable agencies to have the oversight role for the ESL, and that expertise in emergency management can be gained through recruitment or through independent contractors.

It is of the view that Bushfire Risk Management Plans should be published provided that funding for them and treatment plans is made available. The Shire of Plantagenet says that the Office of Bushfire Risk Management should provide training and advice to local governments to ensure a consistent approach, and provide adequate resources to local governments to undertake the process.

Shire of Woodanilling

The Shire of Woodanilling considers that a broader range of items should be eligible for the ESL, and that restrictions on items are often unrealistic and inconsistent across agencies.

It says that ESL expenditure can be reduced by having bushfire fighting equipment that is fit for fighting bushfires, and reviewing the Pathway training program requirements.

The Shire argues that prevention should be prioritised in allocating ESL funding, particularly for reserves and unallocated Crown land in rural areas, because local governments have limited funds and resources to support mitigation. It suggests that instead of allocating a lump sum for a mitigation program in an area or site, local governments should submit an annual works plan to a governing body, with funding then allocated to individual, targeted areas.

The Shire states that the Community Emergency Services Manager program should be fully funded from the ESL as it has been valuable to local governments and bush fire brigades, and that the program should be extended to all areas of the state.

It suggests that Community Emergency Services Managers should join a rural fire service as the officers have local knowledge and community support.

Smith, Mr Ralph

Best practice management of natural hazards

Mr Smith states that the application of the ISO 31000 across DFES's business activities should be considered only if it is practical in its process and application. He argues that any requirement for prescribed burning processes to comply with ISO 31000 standard appears to be significantly flawed as it increases the level of bureaucracy and is impractical.

He says that DFES's Capability Framework should be critically reviewed and analysed as to its appropriateness with the introduction of a rural fire service, before it is finalised and implemented.

Mr Smith considers that the Office of Bushfire Risk Management should be reviewed as it is perceived to increase processes and does not "achieve the desired outcomes" — he says that a cost-benefit analysis should be undertaken to determine whether it should be retained or disbanded.

What the ESL should fund

Mr Smith states that a Perth-centric approach has coincided with a decrease in prevention and an increased focus on response. He says that reducing bushfire fuel loads is critical to decreasing bushfire intensity. He is of the view DFES's use of aircraft in fire suppression has limited success and is a significant response cost.

He argues that Western Australia appears to be losing technically competent personnel to undertake prescribed burning due to age and large staff turn-over within the Department of Biodiversity, Conservation, and Attractions (formerly Department of Parks and Wildlife), and the age of volunteer bushfire fighters.

He states that the Department of Biodiversity, Conservation, and Attractions achieved its prescribed burning target in Western Australia's south-west this year due to funding from the Royalties for Regions program, which indicates it requires more funding.

He notes that the draft report does not cover the departments responsible for the unallocated crown land and unmanaged reserves and other lands that make up 93 per cent of the state. He says that annual estimates of the funding required for state government agencies other than just the Department of Biodiversity, Conservation, and Attractions and the former Department of Lands should be published.

He says that while metropolitan property owners' ESL contribution to bushfire response is increasing, the State Government's contribution (through the ESL) is decreasing. Mr Smith questions whether this cross-subsidisation should be funded from consolidated revenue or royalty for regions instead of the ESL.

Mr Smith says that DFES's administration costs and the State Emergency Services should be funded from consolidated revenue, and marine rescue services should be funded through other means. He says that funding the administrative functions of DFES through the ESL is inconsistent with other State Government departments. He argues that there is a lack of funding consistency between DFES, volunteer bushfire brigades, and other State Government departments (e.g. Western Australian Police).

He states that the ESL should fund staff directly employed in bushfire prevention and response within local governments, and that the ESL should also fund prevention activities undertaken by volunteers within the priority zones.

Governance arrangements

Mr Smith is of the view there should be a review of ESL-funded departments and organisations. He strongly supports the Department of Treasury review of DFES, and notes that the review should also include an analysis of whether the recent bushfire inquiries have been successful to achieve beneficial long-term changes.

Mr Smith suggests that there is limited bushfire management experience within the Office of Emergency Management, so it should not be the body to oversee ESL allocation to stakeholders or the body of appeal for ESL-related issues. Mr Smith says that the Department of Treasury should fill these roles, "with support from specialists in the field".

Superannuated Commonwealth Officers Association Western Australia

The Superannuated Commonwealth Officers Association Western Australia says that:

- gross rental value does not reflect capacity to pay – many retirees have properties with high gross rental value due to increased house prices, but they do not have higher capacity to pay;
- only some retirees receive a 50 per cent discount on the ESL, and there is no guarantee this will continue;
- renters are not contributing to the ESL – an increase in ESL rates does not lead to increased rents, or vice versa;
- gross rental value does not reflect risk – the rate for Category One is double the rate of Category Three but the risk of a fire is the same;
- the cost of fighting a fire in the country is higher than in metropolitan areas; and
- proximity to a fire station is a factor in charging a higher ESL rate but it has no impact on the many other activities that DFES is responsible for.

It is of the view all residents in the State should contribute to DFES's costs by applying a fair charge on all employed adults in Western Australia. It states that:

- Categories One to Four should be amalgamated so there is only one rate;
- the fixed rate for Category Five and mining tenements should be increased; and
- there should be a flat fixed charge on all types of dwellings, similar to a Council rubbish collection rate.

The Superannuated Commonwealth Officers Association Western Australia considers it important that the review focuses on all of DFES's responsibilities, not just its responsibility for fire.

Thomas, Mr Matt

Mr Thomas disagrees that there should be a levy on boat owners, arguing that a separate levy is simply a revenue raising exercise. He says that the State Government has already increased boat registration fees by 20 per cent in the past two years, which is not in line with inflation, and that it now costs more to register a 7m yacht than a motor vehicle.

Mr Thomas says that the cost of marine rescue services is not always related to the area a vessel is moored at or where it is used, and that the Volunteer Marine Rescue Services is unlikely to be needed by vessels sailing on a river.

Turner, Mr Marcus

Mr Turner says there are already many government imposed costs associated with fishing out of boats – it is already one of the most governed and taxed recreational activities and to impose an additional levy on boat registration is “ridiculous”.

United Firefighters Union of Australia, Western Australian Branch

What the ESL should fund

The United Firefighters Union states that the administration of Bush Fire Brigades needs to remain with local government — it says that the ESL should not be available to fund administration of these brigades.

It is of the view that any ESL expenditure on prevention should deliver operational resources who can work with landowners, including Government departments. It states that there is little legislative support to penalise landowners and agencies that fail to undertake prevention activities, and that these landowners should be held accountable.

It considers there should be greater uniformity in the Community Emergency Services Manager role, more training, and a greater operational focus. It argues that these positions should come under DFES, but operate within the regions working closely with local governments and volunteer groups.

Funding a rural fire service

The United Firefighters Union says that the two models of a rural fire service are not realistic. This is because:

- the cheaper model is similar to the former Bush Fire Brigades Board, which delivered no additional resources to the regions and was just another level of a co-ordination in an already unwieldy system; and

- the expensive model is impractical, and does not reflect that total replacement of volunteer brigades would be unacceptable and unaffordable — it bears no relationship to operationally driven planning based on risk and resources.

The United Firefighters Union says that there should not be a separate rural fire service as it would duplicate training facilities, communications, administration and operational resources. It instead argues that more needs to be spent on training, equipment and supporting volunteers, with the Kimberley and Lower South West regions being argued to provide good precedents. It argues that there should be a small number of additional professional fire stations built in regional locations including Esperance and Karratha.

It says that if the ESL is used to fund a rural fire service, ESL rates in regional areas would need to increase, and that the metropolitan area cannot be “continually drained of resources” to deal with regional emergencies.

Governance arrangements

The United Firefighters Union says that the draft report suggests there is a lack of community confidence in the ESL without evidence that the management and distribution of the ESL by DFES is flawed.

It says that another agency should not oversee management and distribution of the ESL by DFES, because this would waste resources that could be better spent on communities that require additional personnel, equipment and training. It says it would also be inconsistent with the State Government’s initiatives to decrease the number of departments and agencies.

The United Firefighters Union says that if an enhanced reporting relationship is needed, this could be done through the Department of Treasury or the Office of the Auditor General. It says that a panel with representatives from the same organisations could undertake the appeals function.

Walker, Mr Michael

Mr Walker is of the view that the ESL is an appropriate source of revenue to fund the Volunteer Marine Rescue Services as Western Australia has high per capita boat ownership.

He suggests that the Volunteer Marine Rescue Services should be merged with the Department of Transport because it seems to be a waste of tax payer’s money having two organisations; where one enforces the law but is unable to help (the Department of Transport), and the other helps but is unable to enforce the law (the Volunteer Marine Rescue Services).

Mr Walker argues that those who choose to live in densely timbered and high risk areas should pay the full cost of the fire service to those areas.

WA Self-funded Retirees

WA Self-funded Retirees argues that ESL rates are inequitable for the following reasons:

- Gross rental value does not reflect capacity to pay – many retirees have properties with high gross rental value due to increased house prices, but they do not have higher capacity to pay. Only some retirees receive a 50 per cent discount on the ESL, and there is no guarantee this will continue.

- Renters are not contributing to the ESL – an increase in ESL rates does not lead to increased rents, or vice versa.
- ESL rates do not reflect risk – the Category One rate is double the Category Three rate even though the risk of a fire is either no different to or higher than in Category Three areas.
- ESL rates do not reflect the cost of providing services — the cost of providing services is much higher in the country than in metropolitan areas.

It recommends that, to improve equity, Categories One to Four should be amalgamated so there is only one rate; and the fixed rate for Category Five and mining tenements should be increased.

WA Self-funded Retirees considers it important that the review focuses on all of DFES's responsibilities, not just its responsibility for fire.

Western Australian Local Government Association

What the ESL should fund

WALGA says that landholders that have tenure should be responsible for that land. It notes that state government departments are not bound by the *Bush Fires Act 1954* or local government annual bush fire mitigation notices. It argues that the legislation should articulate clear responsibility for state government agencies.

WALGA is of the view the ESL should fund prevention and preparedness, but only if the Grants Manual is reviewed to reflect this. It says that further clarity on the organisations responsible for each activity is required. It notes that local governments are the custodians of tenure blind planning, and it is important that there is sustainable funding from the State Government to ensure local governments can undertake Bushfire Risk Management Planning.

WALGA says that what items are eligible/ineligible in the Grants Scheme Manual should be part of the Department of Treasury's review of DFES's structure. It says that in reviewing the Grants Scheme Manual, the prevention and preparedness activities the ERA recommends be funded by the ESL — but which are not currently eligible items in the Grants Manual — should be taken into consideration.

WALGA agrees that the ESL should not fund recovery; but argues that it should fund the development of local recovery plans.

WALGA says that if the ESL is to fund DFES's administration, for consistency it should also fund administration of Bush Fire Brigades. It says that the ESL should fund Community Emergency Services Manager positions, but that there is a need for local governments that have other positions undertaking Community Emergency Services Manager functions to be included as well. WALGA states that there is also a need for clarity on the reporting relationships of the Community Emergency Services Manager, with the position currently being weighted towards reporting to DFES.

It argues that Financial Assistance Grants should not be quarantined for emergency management activities as this would see a reduction in other key services. It says that the terrain disability has some influence on the outcome of the distribution between local governments, but is not a direct source of funding for emergency management activities.

WALGA supports the ESL funding a rural fire service.

WALGA supports the draft recommendation that a levy on boats should be imposed to cover the costs of the Volunteer Marine Rescue Services.

Design of the ESL

WALGA is of the view gross rental value should be used for Categories One to Four and unimproved value should be used for Category Five.

It argues that this will address the grouping inequity issue. It says that there are many single farming entities that comprise properties in different ownerships — the removal of grouping would result in substantial increases to ESL rates for these landowners, so the properties should therefore be able to be grouped.

WALGA says that precedent is set in the *Valuer General's Unimproved Values – Rural Valuation Policy 4.310* on the rating of contiguous land; and notes that local governments already use unimproved value for rural properties so this shouldn't create an additional administrative burden.

Governance arrangements

WALGA states that there is overwhelming support for increasing transparency and giving the Office of Emergency Management responsibility to oversee administration of the ESL. It agrees that it is important any organisation that administers the ESL does not benefit from the ESL.

WALGA says that additional investigation is necessary to ensure that the required level of revenue set by DFES is appropriate, because it is unlikely that revenue is currently appropriate.

It is of the view DFES should not continue to manage the Local Government Grant Scheme – this should also transfer to the Office of Emergency Management. It argues that investigating how ESL funds are allocated to local governments is a critical body of work.

WALGA states that the Department of Treasury review should also include consideration of resource to risk models and procedures to allocate ESL funds to local government. It argues that the ISO31000 standard should apply to the resource to risk process used by DFES to allocate appliances under the Grants Scheme.

It says that the State Government should fund the publication of any ESL brochure.

WALGA says that local governments prefer not to collect the ESL, but understand there are significant efficiency gains from them doing so. WALGA notes that the ESL should fund the cost of ESL collection and debt recovery.

Western Australian Volunteer Fire and Rescue Services Association

Best practice management of natural hazards

The Western Australian Volunteer Fire and Rescue Services Association states it strongly supports the recommendations about ISO 31000, the capability framework and activity based costing.

It says that any cost-benefit analysis of major funding allocation requests must be open, transparent, and easily accessible by all. It says that any post-project cost-benefit analysis should be undertaken by an independent body or individual to ensure an open and transparent process.

What the ESL should fund

The Western Australian Volunteer Fire and Rescue Services Association says that funding for Community Emergency Services Managers must be used for this specific purpose — if a local government does not appoint a Community Emergency Services Manager, the local government should forego the allocated funds.

It agrees that landowners must continue to be responsible for prevention on their own land, but says there should be a way to assist local governments to undertake prevention when a land-owner fails to.

It agrees that the ESL should not fund recovery.

It says that further discussion with stakeholders is required prior to the introduction of a levy on boat registration; but agrees that the ESL should continue to fund road crash rescue services.

Design of the ESL

The Western Australian Volunteer Fire and Rescue Services Association says that the current method for setting the ESL is sound, however, the ERA should consider how increasing ESL rates to cover the costs of prevention in rural regions affects metropolitan local governments.

It says that DFES should use its cost and incident data to determine the direct costs of providing emergency services to each of the five ESL categories with assistance from the Office of Emergency Management to ensure transparency.

It says that the basic ESL structure and use of gross rental value should be retained, but that property grouping should be discontinued. It argues that land classifications in the Swan Valley should be reviewed, but that vineyard owners or operators must undertake appropriate prevention activities where required.

Funding a rural fire service

The Western Australian Volunteer Fire and Rescue Services Association says that a rural fire service should be created within DFES as this will increase interoperability at incidents, ensure consistency in training, and promote cost efficiencies when sourcing appropriate vehicles, equipment, and personal protective clothing.

It argues that the ESL should fund the efficient costs of prevention and preparedness that have community-wide benefits; response; and the administration costs of a rural fire service.

Governance arrangements

The Western Australian Volunteer Fire and Rescue Services Association agrees that the agency advising the Minister for Emergency Services on ESL revenue and rates should not benefit from the ESL.

It says that if the Office of Emergency Management oversees the ESL, the Fire and Emergency Services Commissioner must continue to have operational control of how the ESL is used, to prevent further confusion in emergency management.

It states the State Government must determine DFES's compliance with State Government Acts, policies, procedures, and key performance indicators and targets.

It only supports a review of DFES's structure if real efficiencies can be achieved.

It says that any revised processes for the distribution of ESL funds need to be open, transparent, and easily accessible by members of public. It states that relevant stakeholders, such as local governments, must submit their application for ESL funding to the Office of Emergency Management — the Office of Emergency Management must discuss the application with the appropriate stakeholders prior to any recommendation being provided to the Minister. It is of the view local governments should consult with brigades and units when making funding requests.

The Western Australian Volunteer Fire and Rescue Services Association says that there must be a pathway for an applicant to appeal a decision should they believe that their submission has not been given due consideration by the Office of Emergency Management.

It argues that the report on ESL funding should be open and transparent, and include basic details of funding applications received. It says that DFES must also provide more detailed financial reporting on its operational and non-operational expenditure.

Williams, Mr Derek

Mr Williams states that big and uncontrollable fires often start in national parks, undeclared Crown land and reserves. He argues that the longer it takes to control, respond, and suppress an accidental fire in rural areas, the longer it is allowed to burn and the more difficult it is to control.

Mr Williams says that local residents are not allowed to actively suppress fires occurring on Crown land, despite having the best knowledge of the local area, and that local residents should be allowed instant access to Crown land for early suppression. Mr Williams says that fires on local land and private property are quickly extinguished once detected and local residents are diligent in their efforts to prevent and suppress bushfires.

Mr Williams argues that the same level of diligence is not reflected by the State Government, providing the Esperance and Yarloop fires as examples of uncontrollable fires that originated in state government-managed land.

Mr Williams states that reducing the fuel age in National Parks is imperative to protect wild life, encourage tourism, and make bushfires easier to manage.

Wright, Mr Eric

Mr Wright disagrees that a levy on boat registration should fund the Volunteer Marine Rescue Services, noting that private boaters assist with marine rescue when out at sea and that it is difficult to recover the response costs from those rescued. He states that the Western Australian marine rescue plan that was completed in 2016 covers the resourcing of these marine emergency incidents.