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Kimberley Zone of WALGA and Kimberley Regional Collaborative Group

# Submission to the Economic Regulation Authority

Review of the Emergency Services Levy

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# Submission to the Economic Regulation Authority

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## 1.0 Submission

The Kimberley Zone of WALGA appreciates the opportunity to make a submission to the Economic Regulation Authority. The Kimberley Zone of 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.

All four Kimberley Shires appreciate the review process. We have taken this opportunity to provide our view and make our recommendations on the emergency services levy that we consider are both fair and equitable.

The Kimberley Zone is focused on delivering benefits at a regional level and trust that our recommendations help shape the Emergency Services Levy review.

This submission details the perspective of the Kimberley Group and incorporates their unique circumstances and geographical issues.

## 2.0 Overview of the Kimberley Local Government's

The Kimberley has a population of around 40,000 people, at least half of indigenous descent. During the tourist season, the resident population swells to over 50,000 people.

The main towns are Kununurra and Wyndham in the north, Derby and Broome in the south, with Halls Creek and Fitzroy Crossing inland on the Great Northern Highway. There are 218 remote Indigenous communities within the Kimberley of which there are 286 in Western Australia. The distance from Perth city to the nearest town, Broome, is 2,415km. The distance from Broome to Wyndham is 1055km via the Great Northern Highway.

The Kimberley region covers an area of 419,558km<sup>2</sup> which is one sixth of Western Australia's total land area. It is three times the size of England and approximately the size of California. It is one of the nine regions of Western Australia and is located in the northern part of the State.

The Kimberley is located north of the Tropic of Capricorn, so the climate is tropical monsoon, defined by a distinct wet season (November to April) and a dry season (May to October) with average temperatures generally above 30 °C. During the wet, monsoonal rains inundate the region, rivers flood, and most of the area is impassable.

The geography is one of contrasts - deep rocky gorges, limestone caves, pristine lakes and waterfalls, volcanic remnants, sandstone cliffs, grassy plateaus, and ancient mountain ranges and desert country. The Kimberley has large areas of crown land, two of Australia's largest national parks, along with smaller national parks and conservation areas, Aboriginal land and reserves, farming land and pastoral leases as well as many mining exploration leases.

The Kimberley has many challenges with its seasonal variations, geographically remote location, population disbursement, high proportion of Aboriginal and young people, high levels of social disadvantage and vast untapped resources that require a careful balancing act between development and environmental protection.

These factors make the communities in regional areas very different to those in urban areas. The resulting needs and requirements for goods and access to essential service are very different to those living in larger centres. These differences need to be recognised and any government responses and initiatives must be tailored to the regional environment.

As with many towns in the north, the Kimberley has very basic infrastructure such as roads, single lane bridges, airports and ports. Much of the infrastructure was built in the sixties and seventies and much of it at capacity, causing detrimental effects on development across the region and the ability of Local Government to provide a high level of service due to ever increasing maintenance costs.

## 3.0 Background

The State Government have endorsed recommendation 17 of the Special Inquiry into the Waroona Fire to undertake an independent review of the Emergency Services Levy (ESL).

The Economic Regulatory Authority (ERA) has been tasked with undertaking the review with a final report to be tabled to the Treasurer by no later than 29 September 2017.

The ERA has released a discussion paper to assist parties to make submissions to the review. Submissions are due by 4.00pm Friday 10 March 2017.

The ERA is interested in feedback on the following aspects of the terms of reference for the review.

- Is revenue from the Emergency Services Levy allocated among different activities in a way that best manages risks from bushfires and other hazards?
- Is the method used to set the Emergency Services Levy appropriate for meeting current and future needs?
- Are the governance arrangements for administering the Emergency Services Levy transparent and accountable?
- Should revenue from the Emergency Services Levy be made available to fund the administrative and operational costs of a rural fire service?

The Western Australian Local Government Association (WALGA) prepared a survey for all Councils to provide feedback to be included in the submission.

The Kimberley Zone are preparing a submission independently from WALGA on behalf of the Kimberley Local Government Authorities to inform the ERA in its report and recommendations to the Treasurer.

## 4.0 Current Arrangements

The Kimberley Zone have just entered a memorandum of understanding with the Department of Fire and Emergency Services (DFES) for the ongoing management and control of bush fire brigades and bush fire and emergency services in the Kimberley. This follows a successful three-year trial for the transitional arrangement to a centralised emergency management agency in the Kimberley.

The trial involved DFES taking overall responsibility for all Bushfire response activities across the region, inclusive of day to day management of our Bush Fire Brigades and Volunteers from the respective Kimberley Local Government Authorities (LGA), as defined under and pursuant to the Western Australian Bushfires Act 1954. We believe the trial was, in effect, a State based trial to test the ability of DFES and Local Government to work within its remit across the breadth of Western Australia. Additionally, the Zone openly saw this initiative as a unique opportunity to inform LGA's and the department on both the resourcing and political implications should similar arrangements be entered into elsewhere in the State.

The Kimberley Zone applaud the commitment of DFES in establishing the first centralised emergency management agency in Western Australia. We applaud the three-year bushfire management trial, noting the successes that have ensued from the transfer of authority including improved resources, better coordination of responses through a dedicated agency, improved mitigation and a regional approach to urban and bushfire management.

The Zone has made a conscious decision, to date, not to enter into any State or agency post incident reviews conducted during this time to allow for our centralised Bushfire Management Trial to evolve through its full three year term and for the Zone to fully evaluate outcomes. Whilst we are aware of recent major incident reviews being run and related to fire management namely; Esperance district fires conducted by NOUS Group, and more recently the Ferguson enquiry currently underway. We now feel it is very necessary to share with you the successful outcomes of the Trial;

- Brigade Volunteers advise they're now receiving ongoing training and incident support they/we deem necessary to manage these complex and sometimes long duration bushfire incidents. You would be aware it's essential that these incidents are afforded the highest level of management expertise and furthermore are coordinated to maximise the resources available.
- 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, inclusive of the telephone warning system in advising the community of impacts of bushfire is also 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 this party of the Bush Fires Act 1954 that relates to the migration of bush fire hazards across all land tenures with greater effectiveness.

The four Kimberley Councils are united in what we believe is a positive alternative model and natural progression forward, particularly as it relates to developing a centralised emergency management agency.

## 5.0 Survey Results

**Question 1. How should funding be allocated across prevention, preparedness, response and recovery activities?**

- Nil response.

**Question 2. What should the ERA consider in assessing whether the current method for setting the ESL is appropriate for current and future needs?**

- 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

For example, the Kimberley Shires are characterised by small scattered populations in vast geographical area with 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.

**Question 3. What emergency service expenditures (response) should be funded by the ESL?**

- All Prevention, Preparedness, Response and Recovery.

**Question 4. How are expenditures on emergency services likely to change in the future?**

- Should seasonal weather become increasingly extreme, having increased wet season rainfall, there will be more fuel burn which will increase the need and cost of prevention (controlled burns, fire bans, fire breaks) and preparedness.

**Question 5. How could the method for setting the ESL be improved?**

- Nil response.

**Question 6. What information should be made public about the administration and distribution of ESL funding?**

- The breakdown of expenditure per local authority area.
- The split within each local authority area between prevention, preparedness, response and recovery.

**Question 7. What processes should be in place to ensure accountability in the expenditure of ESL funding?**

- Auditing of financials.
- Reporting mechanisms.

**Question 8. Which agency should be tasked with distributing the ESL?**

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- **DFES**
- **Department of Treasury**
- **Local Government Grants Commission**
- **Other**
  
- At the SHC, the current fee received from DFES for collecting the ESL is \$4000 per annum. This 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. This financial year the SHC has invoiced approximately \$55,000 in ESL. Approximately \$10,000 is of this is doubtful debt.

**Question 9. If a Rural Fire Service is established, do you think it should be funded by the ESL?**

- Insufficient information and / or knowledge to comment.



## 6.0 Recommendations

In the Shire of Halls Creek (SHC) and Shire of Derby West Kimberley (SDWK), DFES is the primary response unit to fires and other emergencies. This has been the case, even before the three-year transfer of control to DFES was trialled. The SHC own only two fire trailers, and their support to fire control is only minimal, as is their financial expense, likewise the SDWK.

The Shire of Broome (SOB) are the first point of call for small town based fires, thus have more equipment for fire response.

All the Kimberley Shires are happy with the current arrangements with the continuation of ongoing management and control of bush fire brigades and bush fire and emergency services in the Kimberley being conducted by DFES.

All the Kimberley Shires agree that the ESL remain to be collected by the Local Government Authorities and then distributed to DEFS.

As far as analysis on whether the costs incurred by DFES are sufficiently covered by the ESL, this was outside the scope of this submission.