



11<sup>th</sup> August 2017

To The Economic Regulation Authority

I am a City Councillor for the City of Gosnells, and a Chief Executive Officer of a private company who works in multiple and varied industries, achieving better results in operational effectiveness, ethical behaviour, improve productivity and be more cost effective.

I have been following the ESL levy issue for some time and feel it is now time to speak out. If we don't speak out as a community then the tax paying community are going to have to dig deeper to pay for a DFES service that is currently effective in the urban areas, though, dysfunctional in the rural areas. It is evident DFES has been using the ESL for the benefit of its self and that of the United Fire Fighters Union, taking no consideration of the financial ramifications of tax paying Western Australians.

Simply put, the state of Western Australia cannot afford DEFS and a \$1.00 increase to its services is \$1.00 to much. A solution would be to dissolve DFES in its current structure and have them dedicate themselves what they were set up for. Currently DFES is trying to take control (at great expense to the WA tax payers) of areas that it simply does not have the expertise to be in.

It angers me to hear, "according to the ERA" there have been some discrepancies of expenditure to date in the ESL. This requires independent investigation. I do not think for one moment DFES has done anything criminal in nature with the ESL, however, it is evident it has been used to intimidate others as they hold the purse strings of the ESL. I believe having no need to fully report on the expenditure of the ESL, DFES has become a law in its own right.

I am also very disappointed that DFES and the United Firefighters Union suggested in the ERA review to have career firefighters in the regions at a cost of around \$560 million dollars, additional to the current \$400 million dollars which has been collected for the ESL currently. This demonstrates that they have no concern for the tax payers of Western Australia as DFES and the UFU who work closely together expect the community to keep putting their hands in their pocket, to front both organisations.

The state government is conducting a review of fire and emergency management, as in the grander plan, they have expressed a commitment to create a more effective public sector and delivery of better services to the community. One of those reviews is of DFES.

Where this has effectively failed already is the membership of the working group, which has been established for this purpose. The group consists of representatives from DFES, DPC, the Public Sector Commission, the Department of Biodiversity Conservation and Attractions, the Office of Bushfire Risk Management and the Department of Treasury, Planning, Land and Heritage. All these organisations in one form or another have been around for a very long time, and I cannot see them bringing together anything different than a name change and more expense to the W.A. community.

This group should include representation from community, local government and volunteers who make up 26,000 people and who are vital to the protection of our community in times of need.

We are at a very unique stage in regards to response to fire emergency within the State of Western Australia. I ask the ERA to urge government to take this time to commit to a professional and cost-effective response to emergencies within the state, by thinking outside of the box.

The establishment of a country fire service, in one form or another, should not cost the struggling West Australian taxpayer another cent. Out of the box thinking is required for a shared service model and asking each organisation to look after what it does best.

## *Response to ERA Recommendations*

KEY RECOMMENDATIONS	COMMENT	
<p><b>Recommendation 1</b> - Basic Structure of the ESL system should be retained. (Ch6)</p>	<p><b><i>Supported/Comment</i></b></p>	<p>The ESL must be retained there is no other realistic option. However, there needs to be significant changes made to support the tax paying community of Western Australia, Local Governments and volunteer's, particularly the volunteer bush fire brigades.</p> <ul style="list-style-type: none"> <li>- The management of the ESL cannot remain with DFES for obvious reasons, it has used the ESL for its own and the United Fire Fighters agenda by working aggressively against our hard working volunteers.</li> <li>- It has also used the ESL to grow into an ineffective financial government organisation.</li> <li>- Of most concern is that monies given to DFES, cannot all be accounted for. (NOTE; I am not suggesting criminal activity, just poor financial management and organisational patch protection over what is required.)</li> </ul>

<p><b>Recommendation 2</b> - Gross rental value should be retained as the basis for calculating ESL rates. (Chapter 6)</p>	<p><i>Supported/Comment</i></p>	<p>The GRV remains the most appropriate method. Though consideration should be given to those who hold multiple lots, though only pay one ESL levy.</p>
<p><b>Recommendation 3</b> - The agency that advises the Minister for Emergency Services on ESL revenue and rates should not benefit from the ESL. (Chapter 8)</p>	<p><i>Supported/Comment</i></p>	<p>Any organisation who manages the ESL must not be a beneficiary of the funding.</p> <p>This is common sense.</p> <p>Management of the ESL should involve a board from government, community and private enterprise. Happy to be involved to provide expertise and out of the box solutions.</p>
<p><b>Recommendation 4</b> - The Office of Emergency Management should be given the oversight functions for advising the Minister for Emergency Services on the amount of ESL revenue required, and the ESL rates.</p>	<p><i>Supported/Comment</i></p>	<p>This is supported as long as the Office of Emergency Management (OEM) assuming the role of advisory to the Minister for the ESL, confers with all state holders and not only those within state government. Funding must come from consolidated revenue and be totally independent from DFES. The group who advises government on the ESL must include stake holders, in local government and volunteering. And not just those volunteers from DFES brigades. Happy to be involved to provide expertise and out of the box solutions.</p>
<p><b>Recommendation 5</b> - The Office of Emergency Management should be made independent of the Department of Fire and Emergency Services. It should report directly to the Minister for Emergency Services rather than the Fire and Emergency Services Commissioner. (Chapter 8)</p>	<p><i>Supported/Comment</i></p>	<p>Yes, totally agree, there is no other way forward that could be credibly suggested.</p>

<p><b>Recommendation 6</b> – the Office of Emergency Management should oversee how the Department of Fire and Emergency Services (and a rural fire service if established):</p> <ul style="list-style-type: none"> <li>a) Allocates ESL funds to stakeholders; and</li> <li>b) Spends its share of the ESL funds (Chapter 8)</li> </ul>	<p><b>Supported/Comment</b></p>	<p>No.</p> <p>This whole process needs to be supported by an independent body – co-ordinated by the OEM, with all stakeholders. The OEM can take the oversight role of the services managed by DFES and a new country fire service, however, I cannot support that any beneficiary of the ESL also has an independent decision-making role. This must be done by a board of stakeholders. Happy to be involved to provide expertise and out of the box solutions.</p>
<p><b>Recommendation 7</b> – The Office of Emergency Management should be the body of appeal for ESL related issues, and the Fire and Emergency Services Commissioner’s appeal role should be revoked. (Chapter 8)</p>	<p><b>Supported/Comment</b></p>	<p>Yes, this is supported. However, the “appeal board” should be made up of a small team of stakeholders. Happy to be involved to provide expertise and out of the box solutions.</p>
<p><b>Recommendation 8</b> – The Department of Treasury should undertake a review of the Department of Fire and Emergency Services’ structure, resources and administration costs to determine whether services are efficiently delivered. (Chapter 8)</p>	<p><b>Supported/Comment</b></p>	<p>This should be done by an independent body, who has the real power to investigate, who knows how to look for inconsistencies. Not Treasury. Treasury who is responsible for government spending has allowed DFES to expend the ESL as it see fits with little oversight. Treasury has dropped the ball here and an independent, transparency review would not be in the best interest of treasurer, therefore an independent review would not be supported if treasury completes such a task.</p>
<p><b>Recommendation 9</b> - The ESL should be used to fund prevention undertaken by the Department of Fire and Emergency Services, bush fire brigades and State Emergency Service units that have community-wide benefits or which involve coordination of prevention across land tenures. (Chapter 3)</p>	<p><b>Supported/Comment</b></p>	<p>DFES should not be conducting prevention in the ways of fire mitigation. This is a local government and DPAW issue and managed by them. Though they need to be better funded to complete such tasks, though the ESL. There is more than enough money to operate a true state-wide Fire and EM service from the current ESL, without additional cost to the community. Just need to be smart how it is achieved.</p> <p>Happy to be involved to provide expertise and out of the box solutions.</p>

<p><b>Recommendation 10</b> - The ESL should be used to fund the preparedness activities of the Department of Fire and Emergency Services, the bush fire brigades and State Emergency Service units that have community-wide benefits. (Chapter 3)</p>	<p><b>Supported/Comment</b></p>	<p>This is supported under a new Fire and EM model where there are specific accountabilities understood. Again DFES cannot continue as it is due to its significant high cost to operate and any spending of the ESL on preparedness needs to be smart. Happy to be involved to provide expertise and out of the box solutions.</p>
<p><b>Recommendation 11</b> - The ESL should be used to fund the response activities of the Department of Fire and Emergency Services, the bush fire brigades and State Emergency Service units. (Chapter 3)</p>	<p><b>Supported/Comment</b></p>	<p>YES – However the community of WA cannot afford a DFES in its current structure. A complete restructure of Fire and EM in WA needs to be undertaken, with the right people involved. The current review has the same old agencies involved and we as a community will get the same old result under a new name and structure. The community will be expected to support another bureaucratic institution at significant cost. Happy to be involved to provide expertise and out of the box solutions.</p>
<p><b>Recommendation 12</b> - The ESL should not be used to fund the costs of recovery. (Ch3)</p>	<p><b>Supported</b></p>	<p>Agreed – there is significant other funding for recovery, if conducted right.</p>
<p><b>Recommendation 13</b> - The ESL should be used to fund the administration costs of the Department Fire and Emergency Services. (Chapter 3)</p>	<p><b>NOT SUPPORTED</b></p>	<p>Administration has grown in DFES to be ineffective and too costly. With approximately 1.6 administration staff to 2 fire fighters, no organisation can support this ratio. DFES needs to be revamped into a learn firefighting regime and go back to its core Urban roots. If required can go into more detail.</p>
<p><b>Recommendation 14</b> – The ESL should be used to fund the full costs of the Community Emergency Services Managers in local government. However, it should not be used to fund the broader emergency service and management responsibilities of local government or the administration costs linked to bush fire brigades and State Emergency Service units. (Chapter 3)</p>	<p><b>Supported/Comment</b></p>	<p>This is supported to a degree, Not all local governments need EM Managers. This will need to be implemented under a shared services model with out of the box solutions. This could be more effective under a significantly different model. Happy to be involved to provide expertise and out of the box solutions. Being smart with our resources.</p>

<p><b>Recommendation 15</b> - The Office of Emergency Management should compensate local government for the cost of collecting ESL revenue (including the costs of recovering unpaid debts and any ESL revenue that cannot be recovered).</p>	<p><b>Supported/Comment</b></p>	<p>The ESL collection should be collected by Local Governments; however it should be called a tax as this is what it is. Local Governments need to be compensated for this service, however under a shared services model significant savings can be achieved here. Happy to be involved to provide expertise and out of the box solutions.</p>
<p><b>Recommendation 16</b> - If a rural fire service is established, the ESL should be used to fund the efficient costs of:</p> <ul style="list-style-type: none"> <li>a. response activities;</li> <li>b. prevention and preparedness activities that have community wide benefits; and</li> <li>c. the administration costs of the rural fire service.</li> </ul>	<p><b>Supported/Comment</b></p>	<p>I support this recommendation in part, where all admin services for DFES should come out of General Revenue under its current structure. I am sure the admin roles would change significantly then, and not from the ESL. However under a smart process DFES admin could come out of the ESL, however DFES would need to significantly change, for the community.</p>
<p><b>Recommendation 17</b> – New emergency services legislation should clarify the extent to which the Department of Fire and Emergency Services and local governments are obliged to undertake prevention activities, and whether these activities may be funded from the ESL.</p>	<p><b>NOT SUPPORTED</b></p>	<p>DFES should not be in the game of rural or urban fire mitigation in bush land, and should only concentrate on its core business of structure and facility prevention.</p> <p>This recommendation needs to be though through carefully as legislation changes as they are currently mooted are going to cost community a significant amount of money that we cannot afford. Happy to be involved to provide expertise and out of the box solutions.</p>
<p><b>METHOD FOR SETTING THE ESL</b></p>		
<p><b>Recommendation 18</b> - Grouping of properties should be discontinued for the purpose of calculating the ESL.</p>	<p><b>Supported/Comment</b></p>	<p>Yes</p>
<p><b>Recommendation 19</b> - A levy on boat registrations should be introduced to fund the direct costs of the Volunteer Marine Rescue Services.</p>	<p><b>NOT SUPPORTED</b></p>	<p>Not supported in total. A minimal increase in boat registrations of approximately \$10.00 per vessel for small craft and going up to \$100 per vessel for larger craft.</p>

<p><b>Recommendation 20</b> - Road crash rescue services should continue to be funded from the ESL.</p>	<p><i>Supported/Comment</i></p>	<p>Yes</p>
<p><b>Recommendation 21</b> - Landgate should conduct another review of land classifications in the Swan Valley to ensure that vineyards are classified appropriately.</p>	<p><i>Supported/Comment</i></p>	<p>YES</p>
<p><b>DECISION MAKING FRAMEWORK</b></p>		
<p><b>Recommendation 22</b> - The Department of Fire and Emergency Services should implement activity based costing to allow for robust analysis.</p>	<p><i>Supported/Comment</i></p>	<p>This is supported with additional transparency and accountability of the expenditure of the community's taxes.</p>
<p><b>Recommendation 23</b> - The Department of Fire and Emergency Services should use its cost and incident data to determine the direct costs of providing emergency services to each of the five ESL categories.</p>	<p><i>Supported/Comment</i></p>	<p>This should apply to all ESL participants who receive funding.</p>
<p><b>Recommendation 24</b> - The Department of Fire and Emergency Services should implement the ISO 31000 standard across its business activities.</p>	<p><i>Supported/Comment</i></p>	<p>This surprises me this is not the case already. This should not only apply to DFES but all Risk to Resource (R2R) process currently being used.</p>
<p><b>Recommendation 25</b> - The Department of Fire and Emergency Services should finalise and implement the Capability Framework.</p>	<p><i>SUPPORTED with qualification</i></p>	<p>DFES should not be conducting this work as it is well understood this work is to benefit itself and that of the UFU. This should be conducted independent. Happy to be involved to provide expertise and out of the box solutions.</p>

<p><b>Recommendation 26</b> - The Department of Fire and Emergency Services should require cost-benefit analysis to be prepared for all major funding allocation decisions.</p>	<p><b><i>SUPPORTED with conditions</i></b></p>	<p>DFES should be a stakeholder only. This needs to be completed by an independent body, comprising local government. Happy to be involved to provide expertise and out of the box solutions.</p>
<p><b>Recommendation 27</b> - The Department of Fire and Emergency Services should require post-project cost-benefit reviews to be presented to senior decision-makers to enable assessment of the effectiveness of past decisions.</p>	<p><b><i>SUPPORTED with extra recommendation</i></b></p>	<p>This is a greed but needs to be communicated. Too much patch protection currently from DFES.</p>
<p><b>Recommendation 28</b> - Grants manuals should be made consistent between all volunteer organisations where it makes sense to do so.</p>	<p><b><i>SUPPORTED</i></b></p>	<p>Yes supported but take out the words “where it makes sense to do so”.</p>
<p><b>SETTING ESL RATES</b></p>		
<p><b>Recommendation 29</b> - The Office of Emergency Management should consult stakeholders when:</p> <ul style="list-style-type: none"> <li>a. determining the ESL revenue to be allocated to stakeholders; and</li> <li>b. advising the Minister for Emergency Services on ESL revenue and rates.</li> </ul>	<p><b><i>SUPPORTED</i></b></p>	<p>We need to increase transparency and accountability of the process.</p>
<p><b>Recommendation 30</b> - The Office of Emergency Management should prepare a report to the Minister for Emergency Services recommending total ESL revenue and rates. The Minister should table the report in Parliament within 28 days of receiving it.</p>	<p><b><i>NOT SUPPORTED</i></b></p>	<p>This needs to be completed by all stakeholders. Happy to be involved to provide expertise and out of the box solutions.</p>

<p><b>Recommendation 31</b> - The Department of Fire and Emergency Services (and a rural fire service if established) should provide a report to the Office of Emergency Management explaining how it has spent ESL funds and the rationale for this expenditure. (Chapter 8)</p>	<p><b>Supported/Comment</b></p>	<p>This is obvious under a shared services model.</p>
<p><b>TRANSPARENCY</b></p>		
<p><b>Recommendation 32</b> - The Office of Emergency Management should prepare and publish an annual report on the ESL.</p>	<p><b>Supported/Comment</b></p>	<p>Yes, to provide independence and transparency and accountability of the collection and allocation of the ESL.</p>
<p><b>Recommendation 33</b> - The Office of Emergency Management should prepare a brochure on the ESL and provide it to local governments to distribute with rate notices. The brochure should explain the purpose of the ESL and that it is a State Government levy, and describe how ESL revenue is raised and spent.</p>	<p><b>Supported/Comment</b></p>	<p>Yes on full transparency</p>
<p><b>Recommendation 34</b> - The Office of Emergency Management should prepare annual estimates of the funding required by the Department of Lands and the Department of Parks and Wildlife to conduct prevention activities on their estates. These estimates should be published in the annual report of each agency, along with the amount of funding provided by the State Government.</p>	<p><b>NOT SUPPORTED</b></p>	<p>We need to be smart here and more thought is required here. Happy to be involved to provide expertise and out of the box solutions.</p>

<p><b>Recommendation 35</b> - The Department of Fire and Emergency Services should publish data in accordance with the State Government's <i>Whole of Government Open Data Policy</i>.</p>	<p><b>Supported/Comment</b></p>	<p>Yes</p>
<p><b>Recommendation 36</b> - The Office of Bushfire Risk Management should require LG BFBs to publish their bushfire risk management plans and treatment strategies.</p>	<p><b>Supported/Comment</b></p>	<p>This is not a good recommendation, so much more can be included here. Though in general this is supported.</p>
<p><b>Recommendation 37</b> - The Department of Fire and Emergency Services should publish a capital grants manual for volunteer organisations it manages (for example the Volunteer Fire and Rescue Service).</p>	<p><b>Supported/Comment</b></p>	<p>Yes, but this must be consistent, and no longer held and conducted by DFES. The fox cannot run the chook pen.</p>