

8 March 2017

The Chair
Economic Regulation Authority
4th Floor, Albert Facey House
469 Wellington Street
PERTH WA.

Dear Ms Cusworth

SUBMISSION TO THE REVIEW OF THE EMERGENCY SERVICES LEVY.

I would like to submit to the ERA's review of the Emergency Services Levy my comments in response to the "Questions for Interested Parties" as listed in the discussion paper relating to the above review.

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

Prevention and preparedness (which go hand in hand), should be the key focus of the ESL funding. DFES and the future Rural Fire Service of WA (RFSWA) should be funded to enable them to assist the owners of risk or in the case of bush fires, fuel in reducing and managing the respective hazard. This would be done by community engagement activities and overall monitoring, the actual responsibility for hazard reduction should reside with the body or agency that owns the risk, for example, private land owners, government agencies such as Landgate, Parks and Wildlife, the Water Corporation and Western Power-each funding their own risk reduction programs. **Responders** such as DRES, RFSWA, SES and the Volunteer Marine Rescue Service (VMRS) must be fully funded by the ESL to enable each party to carry out its responsibilities.

With respect to **recovery**, this responsibility since the inception of the ESL in 2003 has always been excluded from it. Various welfare organisations and local government in conjunction with the National Disaster Relief (funding) Arrangements (NDRA) have traditionally handled this well.

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

The over-arching principle for the determination the levy should be based on risk identification reduction and the provision of an appropriate response to an emergency situation. The current system which utilises property GRVs is probably the best that can be used, however the manipulation of ESL boundaries, rates and categories is due for overhaul. The ESL should be determined on a needs basis rather than to fulfilling an ever increasing, largely un-budgeted spend by DFES. The growth in the number of properties and values should be the drivers for growth in the ESL. In 2003 the total amount collected by the ESL was in the order of \$120 million. Currently it is over \$300 million. This growth rate appears to be excessive and does not reflect the material increase in the number of properties or values.

3. *What emergency services expenditures should be funded by the ESL?*

The RFSWA (incorporating the Volunteer Emergency Service (VES)), DFES, Volunteer Fire and Rescue Service (VFRS), the Volunteer Marine Rescue Service (VMRS) and the SES.

4. *How are expenditures on emergency services likely to change in the future?*
DFES, RFSWA, SES and the VMRS would be funded on an equitable and needs basis. Provision for some risk mitigation would also be included. The allocation of funds would be carried out by the process outlined in Q7.
5. *How could the methods for setting the ESL be improved?*
By managing the ESL with an independent body which is not coupled to any one of the benefitting agencies. That body would receive submissions from the benefitting agencies/responders justifying their funding requirements.
6. *What information should be made public about the administration and distribution of ESL funding?*
Total transparency in its annual report detailing who contributed what and where the funds were spent. The Keelty and Ferguson reports on major fires both noted the deficiencies in the current ESL arrangements.
7. *What processes should be in place to ensure accountability in the expenditure of ESL funding?*
Accounting to commercial accounting standards and internal auditing with some overview by the Office of the Auditor General (OAG).
8. *Which agency should be tasked with distributing funding from the ESL?*
A new independent agency the operation of which is removed from responders benefitting from the funding. The new agency could also logically auditing roles and manage statutory and regulatory functions as outlined below.
 - A). All matters pertaining to the setting of policy, procedures, collection, distribution and utilisation of ESL funds.
 - B). Multiple audit functions, namely all matters pertaining to the ESL and the performance of the various responding agencies particularly in relation to the compliance with and maintenance of the recommendations made by such inquiries as Major Incident Reviews, reviews by the OAG and Coronial Inquiries. Please refer to the section "Recommendations 1 and 17, sub item 3" in my submission to the Department of Premier and Cabinet on the report of the Special Inquiry into the January 2016 Waroona Fire" which is appended to this submission.
 - C). Manage all statutory and regulatory matters pertaining to emergency management.
9. *If a rural fire service is established, should it be funded by the ESL?*
Yes.
There are sufficient funds in the current ESL arrangements to fund the transition to, adjust and operate the new RFSWA.
10. *How much would a rural fire service cost, and what effect would it have on ESL rates?*
There are sufficient funds in the current ESL arrangements to fund the transition to, adjust and operate the new RFSWA. Accepting that under the existing arrangements the ESL has not been efficiently utilised, savings could well be possible suggested revised arrangements. A

review of how emergency services operate in other states, particularly the Country Fire Service of South Australia would assist in clarifying this comment.

Yours faithfully

Eddie van Rijnswood

[REDACTED]
KALAMUNDA WA [REDACTED]

[REDACTED]
[REDACTED]

Attached: REPORT OF THE SPECIAL INQUIRY INTO THE JANUARY 2016 WAROONA FIRE.

5 August, 2016

Department of Premier and Cabinet
Dumas House
2 Havelock Street
West Perth
Western Australia 6005

Dear Sirs,

REPORT OF THE SPECIAL INQUIRY INTO THE JANUARY 2016 WAROONA FIRE.

In response to the abovementioned report I offer some comments based on my personal experience of bush fires in Western Australia.

1. Since 1951 I have experienced many bush fires in the Perth Hills and I have observed in more recent times their increased intensity, frequency and impact on the community.
2. Firsthand experience of bush fire mitigation and response has been acquired as a member of the Kalamunda Volunteer Bush Fire Brigade where I attended over 250 fires over the last 25 years. As well as being the secretary of the Association of Volunteer Bush Fire Brigades of WA for eight years, I have been a FESA Board member for eleven years, representing Bush Fire Service volunteers.
3. Extensive experience in group dynamics and community engagement over forty years has been gained via an active membership of various school, community, youth groups and fire education organisations.

I fully support the recommendations made in Mr Ferguson's report to Government. Reference is also made to a letter to you from the Gidgegannup Progress Association, a copy of which has been sent to me recently. This letter discusses many important issues that have required consideration and remedy for many years and those matters are also supported by me.

Comments.

Recommendation 15: the creation of a Rural Fire Service, (RFS). The full implementation of this recommendation is absolutely critical if the State is to move forward and become appropriately prepared and to avoid the disasters that occurred in recent years. The reasons for the creation of an RFS include:

1. The State simply cannot afford to replace the current community based volunteer Bush Fire Service. Government has valued the service provided by these volunteers at around \$600m per year.
2. The scale and geography of Western Australia requires a distributed, decentralised community based response to the threat of bush fires. Local knowledge, experience and rapid response times can only be given by locally based units.
3. Such an RFS will have some paid staff but will be predominantly comprised of community based volunteers who must be able to carry out their duties without any influence what so ever from any union. Career and volunteer aspirations are fundamentally different, each requiring its own operating environment. Career Station Officers, UFU members, have personally expressed to me that every volunteer firefighter represents a potential career

position. The UFU has over a long period demonstrated its position on volunteer Bush Fire Service members with open hostility towards them with denigrating comments and refusing to take any instructions from volunteers. The two organisations have their own specific roles, can co-operate in the field but must have their separate management command and control structures.

4. Fire stations located in rural areas operated wholly by career personnel would be extremely inefficient as most of the time the fire fighters would be on non-operational duties. Furthermore, the shift roster, fiercely protected by the UFU consists of two days, two nights on shift followed by four days off. This roster is very expensive. It is also extremely and unfairly beneficial to career fire fighters in that most of them are from a trade background and they generally have another day job or business. The four days that can be dedicated to the second job can, be extended to six if the two nights on shift have been quiet and spent sleeping at the station. There was a time when government employees were not permitted to have second jobs or conduct their own business. This arrangement shows several areas of conflicts of interest and propriety. This form of high cost operation cannot be sustained in a community based emergency service.
5. In order for Recommendation 15 to be implemented as swiftly and as efficiently as possible, Mr. Ferguson should be invited to establish and operate the new rural fire service during its formative years. (Additional comment, January 2017: It is understood that Mr Ferguson is not available due to other business interests. Another highly suitable contender would be Mr Craig Nettleton who is currently the Chief Officer of the SA Rural Fire Service. He has extensive experience with our FESA and the Rural Fire Service in the NT. He established the current model that operates in SA).

Recommendations 1 and 17. This recommendation is supported and leads to the discussion of the opportunity to establish independence of operations and responsibilities in certain areas, leading to significant improvement in governance issues.

1. **History of failing to learn from experience.** An analysis of post incident reviews, royal commissions and senate inquiries that have been carried out over the last two or three decades will confirm that we are not learning from past experiences and errors. Recommendations from all levels of inquiry may or may not be implemented depending on the whim of agency officials. Those recommendations that have been deemed to have been implemented in some cases only partially comply with the relevant recommendation or worse, the compliance has been allowed to lapse or to be forgotten. The Office of the Auditor General (OAG) has on several occasions identified such failings. There is a compelling case for the establishment of an independent functional and performance audit role. The OAG is not resourced to carry out this function but should be able to provide a part time link to the independent audit group as it does for agency's Finance and Audit Committees.

2. **The management of legislation and regulation.** This matter has not been handled efficiently and in the best interest of the community by FESA and DFES. A review of legislation commenced in 2005 has not been completed. It is recognised that such matters are to a certain degree influenced by political and parliamentary pressures but in cases where public safety are concerned, an independent, non-operational body, with input from all of the relevant response groups, planners and stakeholders would be much more capable of carrying out this responsibility in a more transparent and efficient manner.

3. **Financial management and control.** The Emergency Services Levy was introduced in 2003 under the slogan "A Fairer System for All". Prior to the introduction of the levy, metropolitan fire services were funded from treasury and some contributions from the insurance industry. The background to the ESL can be found in the FESA documents "A Proposed New Funding System For The

Provision Of Emergency Services Through FESA”, April 2001 and “A Replacement Funding System for Emergency Services”, 2002. At the time of its introduction, the ESL proposal had some detractors but succeeded with the unanimous support of both houses of parliament in response to the lobbying carried by the Association of Volunteer Bush Fire Brigades of WA Inc. The levy was accepted by the community with the view that it was not a perfect system and that adjustments would be deemed necessary later. The levy has been most successful in collecting funds from the whole of the community via local government-more than \$1.3 billion has been collected since the ESL’s inception in 2003. The funding of volunteer bush fire brigades improved considerably compared to pre 2003 conditions, however, the process was haphazard and still lacks a great deal of transparency. A disproportionate proportion has been allocated to the urban response to the point of it being wasteful. Since the Waroona fires however, there has been an arbitrary but noticeable shift in this situation in that offers to pay for expenses that were previously deemed to be eligible for funding from the ESL. Mr. Keelty in his report identified the weaknesses in the current management structure and recommended that the ESL management responsibility be transferred to State Treasury. He was correct in that the function should be transferred but not with regard to the role of Treasury. He had not been made aware that this proposal had been examined some years ago, and it was determined that Treasury could not carry out this role. The need for transparency remains. The major stakeholders in the levy issue are: the community, local government and the volunteer and career response organisations. It is not appropriate for the management responsibility of the ESL to be held by an organisation whose primary role is response. Full transparency and equity can only be attained if the ESL is managed by a fully independent body. This need is highlighted by the increased pressures for mitigation work to be carried out and the changing scenario of bush fires. Rural communities have not been receiving a fair share of the ESL under the present arrangements.

The separation of operational responsibilities and regulatory and licencing responsibilities in the State’s electrical and gas businesses some years ago to form the Office of Energy could be used as a model for the design of the required independent performance audit, statutory and financial functions in the emergency services environment.

Recommendations 16 and 17. It is recognised that some progress has been made with regard to the recognition and worth of the volunteer component of the State’s emergency response arrangements. A great deal more effort is required however to improve the level of support and recognition afforded to the members of the volunteer Bush Fire Service who provide the bulk of the response in rural areas. The occasional word of praise and the odd medal do not assist much in the demands of a rural fire service. Some examples of the disparity between career and volunteer Bush Fire Brigade members include: shift arrangements and fatigue management, uniform and protective equipment standards, presumptive health issues, (currently these are biased towards career fire fighters whereas the situation should be reversed*) and the discriminatory over-emphasis in the media of the effort given by paid staff when the most significant component of the response at bush fires is being given by volunteers. This inequity is primarily due to senior career officers directing media liaison staff to stage manage the media on the fire ground and any comments made to the news media.

The legislation enabling the creation of the rural fire service must include, amongst others, provisions to:

1. Provide a meaningful consultative framework for volunteers to interact collaboratively with the corporate component of the service.
2. Include a division or branch within the service dedicated to youth and volunteer matters and policy. It will be caring for 26,000 unpaid workers.

3. Formally recognise and support the relevant association that represents the volunteers.
4. Provisions to isolate the volunteer workforce from any industrial issues and actions that may arise from within the industrial relations system.
5. Protect volunteer bush fire fighters with an easy to access and comprehensive system of insurance.
6. The establishment of the RFS will be optimised if the volunteers are afforded the opportunity to contribute and participate to the process in a full and meaningful manner.

* For many years career fire fighters have carried out their duties with the benefit of high levels of protective clothing, equipment and breathing apparatus as a standard practice. In contrast, bush fire brigade volunteers originally worked in basic work clothes and more recently level 1 PPE- boots, overalls, gloves and helmet. Yet, they were often confronted with such hazards as toxic rubbish hidden in bush fires, chemicals associated with agricultural work, car fires and the smoke from grass trees which is carcinogenic. Every fire fighter, career or volunteer must be afforded the **same** level of protection and support. The present system is discriminatory. In an industrial relations environment this would be illegal.

Financing the rural fire service.

When responding to the proposal that a rural fire service be established in Western Australia as referred to in Recommendation 15 in Mr Ferguson's report, when it was first released, the first reaction by some senior officers was that the State could not afford it.

As discussed briefly earlier in this response, the ESL collects a very significant amount of money from the community and a more equitable distribution of it would go a long way towards funding an RFS. Currently, only about 10% of the ESL finds its way back into the community that contributes the funds. Government needs to restore its commitments that were made to protect its assets as determined when the ESL was first established in 2003. As there is now appropriately a much greater emphasis on prevention or mitigation work, largely in regional areas, it would be logical for a share of the funds that are allocated to "Royalties for Regions" to be allocated to mitigation activities. This proposal is further supported by the fact that contributors to the ESL in regional areas pay the minimum rate.

Yours faithfully

Eddie van Rijnswood

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KALMUNDA WA ██████████

