

EMERGENCY SERVICES LEVY

Motion

MS M.M. QUIRK (Girrawheen) [4.00 pm]: I move —

That this house condemns the Barnett government for misappropriating funds collected by the emergency services levy for purely administrative purposes instead of for frontline emergency needs, and calls for a system of independent allocation of ESL funds to be implemented as recommended in the first Keelty inquiry.

There are a number of reasons for moving this motion today. I will outline what they are and then flesh out some of those issues. Firstly, under the current budget, the emergency services levy impost on households has risen by 81 per cent since the government came to office. That is pretty unfortunate when combined with the other imposts of taxes and charges, and it creates a real problem for some households. Because the levy is included in people's local government rates, however, there is a tendency to blame local government for this price hike, which I also think is unfortunate because it is the state government that is pocketing those funds.

Secondly, this year in estimates was the first time the government flew the white flag and finally conceded what we already knew—that ESL funds are not being used solely for frontline services but are being used extensively for administrative and other costs that should be funded out of consolidated revenue. Thirdly, the contribution to the Department of Fire and Emergency Services itself is decreasing substantially. Some members will remember that when the Labor government introduced the legislation in 2002, it was warned vociferously by the then Liberal opposition that the government could not be trusted and would dip into ESL proceeds. In fact, ironically it is under the Liberal government that this misappropriation has occurred.

Fourthly, there is a lack of transparency in how this money is expended. When I asked a question about how many households were now on the maximum amount of ESL, the question was asked in the other place and the response was that the minister asked for the question to be put on notice. It is just not plausible that those figures were not readily to hand. It is also showing a lack of transparency that we can no longer get questions answered as to the amount collected and disbursed in each local government area. We are now being told that those figures are not collected, despite the fact that they were available to a parliamentary committee in 2011.

Fifthly, recommendation 48 in the first Keelty inquiry—the inquiry into the Perth hills bushfires—states that although it was outside his terms of reference, there was some appetite for ESL being administered independently, so he did make some comments and recommendations on it. This has subsequently been rejected by government. I think in light of the disclosures and the amount of money now involved, revisiting the issue is warranted. Next, we really must look at the fact that local government grants have not risen. Despite the ESL collections rising from \$154 million in 2008–09 to \$321 million this year, the amount given under local government grants has remained pretty static and, in fact, 70 per cent of the firefighting is done by bush fire brigades that get that small contribution through local government grants.

Local governments are now starting to complain about the costs of processing through the rating notices—the ESL component—that they have to do every year. Some initial costs were given to them when the system was set up but the compensation they are given to process those collections has not kept pace and they say it is costing them money to collect the money on behalf of the government, including debt collection for non-payment.

There is also concern that the ESL does not cover mitigation activities. I heard recently that in Northcliffe, where there was a major incident last year, volunteers from different units, some local government and some through the Department of Fire and Emergency Services, were keen to undertake prescribed burning. Last year's fire came from the south but there was a lot of old growth and a large fuel load in the other three sectors. I was contacted by two individuals from separate units saying that they wanted to conduct a prescribed burn to protect the town and they would be doing so on a volunteer basis, but I am advised the regional DFES district officer said there was no money for prescribed burning. That is a matter of concern. We are talking about a mere few thousand dollars. Also in that regard it was interesting to see in this year's budget that royalties for regions is now being used to supplement some of the activities that are relevant; for example, crew protection in the regions. Again, it is a concern if the government is spending money from the ESL on administrative costs, then having to dip into royalties for regions for some of its core activities in the regions.

The final point, which is an emerging issue, is the fuel loads on unallocated crown land. There does not seem to be any responsibility being taken for that land and there is a real issue with how that will be addressed in the future. People had the expectation that the ESL would cover some of the mitigation activities on those lands, but it is quite clear that inadequate responsibility is taken for the fuel load on some unallocated crown land.

I will now flesh out some of those issues. As members know, the ESL is a charge that is levied on rate notices issued by local governments, with the exception of vacant land owned by a council. The ESL applies to a property. It was introduced in 2003 and at that time the intention was to fund career and volunteer fire and

rescue services, local governments, volunteer bush fire brigades, the State Emergency Service, Fire and Emergency Service's new multiservice units, emergency management services and community safety programs. I have outlined what the current issues are but perhaps what is new is that we have recently had an unambiguous concession and admission by Commissioner Wayne Gregson in the Legislative Council estimates that everything that can be spent out of the ESL is being attributed and hypothecated against the ESL. I will read a brief portion from the estimates hearing held on 25 June 2015 in the other place. The Chair, Hon Ken Travers, asked —

... what is the current policy of government with respect to the funding of your organisation in respect to how much is from the ESL and how much is from the consolidated account? Is there a current policy? Each year we seem to see the ESL going up by well above inflation and the share of the consolidated account reducing, so what is the current policy of the government?

Mr Gregson: I understand that the current policy of the government is to fund what can be funded out of the ESL.

Hon Michael Mischin, who represents the minister in the other place, interjected —

With certain exceptions.

Mr Gregson: There are some things that cannot be funded out of the ESL, and they are not funded from the ESL.

The CHAIR: What are those things that cannot be funded?

Mr Gregson: They would be things like the south west rescue helicopter, unexploded ordnance and surf lifesaving.

The CHAIR: Are we now at the point where all the things that can be funded out of the ESL are now funded out of the ESL, and those things for which you receive an appropriation from the consolidated account are now those things that cannot be funded under the ESL?

Mr Gregson: Yes.

The CHAIR: When did we reach that point, where we are funding everything that can be funded out of the ESL?

Mr Gregson: This budget.

Hon Amber-Jade Sanderson asked a question in the other place on 14 May 2014. It reads —

I refer to page six of the "Concept Paper: Review of the Emergency Services Acts", which notes that proceeds from the emergency services levy funds some volunteer training, fire investigations, building inspections, community safety programs, emergency management planning and the Department of Fire and Emergency Services' corporate support costs.

I will return to the concept paper later. Hon Amber-Jade Sanderson went on to ask about the activities funded by the emergency services levy. Hon Michael Mischin replied, on behalf of the minister —

- (1) Corporate service activities include asset planning and delivery services; business services; human resources; media and corporate communications; and information communication and technology services.
- (2) Operating costs allocated to the Department of Fire and Emergency Services' corporate services for the 2012–13 financial year and the period from 1 July 2013 to 30 April 2014 are \$128 823 017 and \$108 618 605 respectively.

That is the kind of thing that is now apparently considered permissible to be funded from the emergency services levy. Similarly, I thought some recent tenders were quite interesting. One relates to a branding exercise for the department. A news release about the branding survey headed "Help shape the DFES of tomorrow" states —

The Department of Fire and Emergency Services (DFES) is kick starting an exciting new research project that will help to shape DFES' brand and image, and provide it with a clear direction of where it needs to be in the future.

The research involves a confidential survey which explores views about DFES, including its position in the community, the way it communicates and how it can make improvements.

...

"It is a chance for people to have their say about the way DFES connects and communicates with the community, stakeholders and fire and emergency services personnel," ...

That branding exercise is costing us \$80 000, and the contract was awarded to Painted Dog Research. Apparently, we are spending \$80 000, presumably out of the ESL, to find out what the community thinks of the

Department of Fire and Emergency Services. Even more concerning is another tender for graphic design services estimated to be \$800 000. Interestingly, this contract is split into two two-year periods, and will run past the time of the next state election. The government is purporting to award an \$800 000 contract that will run to June 2020. That is a lot of money. I find it extraordinary that that sort of money is being spent at a time —

Mr R.F. Johnson: That's nearly \$1 million. Would that come out of the ESL?

Ms M.M. QUIRK: One wonders, because media, communications and human resources are all now said to be paid for out of the ESL and, as Commissioner Gregson said, anything that can be funded from the ESL is now being funded.

Mr R.F. Johnson: It was never intended for that sort of thing to come out of the ESL.

Ms M.M. QUIRK: I am glad the member mentioned that, because I was about to quote something that he said when this legislation was being debated.

Mr R.F. Johnson: I remember debating it, absolutely, when you were in government.

Ms M.M. QUIRK: This is not a set-up; I did not know that the member was going to interject. On 22 October 2002, the member for Hillarys said, in this place —

The Government will continue to make the same \$40 million contribution that it has always made. To suggest that the Government will pay less is wrong.

I am sorry; I am reading the response from the minister.

Mr R.F. Johnson: That wasn't me; I was questioning at the time.

Ms M.M. QUIRK: Yes, you were.

Mr R.F. Johnson: Michelle Roberts was the minister.

Ms M.M. QUIRK: Here we go; this is the correct quote. The member for Hillarys said —

I believe that every Government should be paying, on behalf of the residents of that country, state, borough or shire, a reasonable proportion toward those emergency services. That is what has been happening for many years in Western Australia. The figures that I have been given show that up until this year—one can assume that it will go further than this year, but there will be some clawback—just over \$40 million has been paid by the Government for the fire and emergency services. The rest has been collected through insurance levies and by local authorities. The total cost of running the fire and emergency services was \$115 million.

...

It is something that should be considered, because at the moment the Government pays a subsidy of just over \$40 million to the Fire and Emergency Services Authority. When this legislation goes through, the Government will then claw back, in round figures, \$20 million.

...

The net effect of this Bill will be to make the State Government financially better off by at least \$20 million, in round figures—the minister should not pick me up if I round up the figures and am a fraction out. The State Government will no longer subsidise fire services to the extent it did in the past. This legislation will transfer that cost of subsidy to the ratepayers of Western Australia. They will undoubtedly have to pay more than they are paying now for their fire levy. Somehow the Government must recoup the \$20 million.

...

Further to that, there has been some beat-up that somehow this is a government revenue-raising exercise. Clause 11(4) of the legislation requires that all the money collected from the levy be spent on FESA services. There is no possibility of levy money somehow being gobbled up into consolidated revenue and used for other purposes.

It goes on. Paul Omodei and the member for Vasse, I think, Mr Barron-Sullivan, expressed similar and very vociferous concerns.

Mr R.F. Johnson: I think Dan Barron-Sullivan was the member for Mitchell at the time.

Ms M.M. QUIRK: Yes, Mitchell—thank you.

They all expressed similar concerns that the government should continue to pay its fair contribution to the fire and emergency services, as it does with other government agencies, and that the ESL should contribute to

ensuring that those on the front line have adequate equipment, training and protection. That is clearly not the case.

I want to table a graph. I am actually indebted to *The West Australian* for this, so its accuracy cannot be questioned one iota. Members will see from this graph, which I will table, that the yellow line is the government appropriation for service delivery, which is dipping substantially, and the white line is the increased cost to households of the emergency services levy. If I can say that it is a graphic illustration, that is an obvious pun, but it does illustrate graphically how the government's contribution has plummeted and households are bearing much more of the brunt. I will table this document for the duration.

[The paper was tabled for the information of members.]

Mr R.F. Johnson: Will you give permission for that document to be copied for any member who wants a copy? You have to give your permission.

Ms M.M. QUIRK: Certainly. That is the problem. Given the appropriation of money for items that were never contemplated under the levy, the Keelty inquiry recommended that maybe there should be some independent assessment and allocation of moneys. In his report on the 2012 Perth hills inquiry, Mr Keelty stated —

While the Special Inquiry was not mandated to investigate or verify these claims, it was sufficiently convinced that a detailed review of the way ESL funds are allocated by FESA is warranted.

Regardless of the outcome of such a review, the Special Inquiry questions whether it is appropriate for an agency which is funded through the ESL to also be responsible for its distribution. The Special Inquiry sought legal advice which indicated while some legislative amendments may be necessary, there was no reason why the levy could not be collected and spent solely on fire and emergency services outside of FESA.

Given that that was some five years ago, and the issues with the administration of the levy raised with the special inquiry, the special inquiry considers a review of the distribution of the ESL is urgently needed. Recommendation 48 states —

The State Government move the responsibility for the management and distribution of the Emergency Services Levy to the Department of Finance.

The government has rejected that recommendation.

Daniel Emerson from *The West Australian* summed up those concerns in an excellent article titled “Disaster levy taxes the truth”, which was published during the winter recess. It states —

Everyone wants to know that help is at hand during a natural disaster or other emergency, and West Australians have a great deal of respect for our dedicated Fire and Rescue Service, volunteer bush fire brigades and SES.

Perhaps that's why there's barely a peep from the public when, year after year, the emergency services levy gets ratcheted up well beyond the rate of inflation, like this year when it went up 10.6 per cent, and two years ago when it went up 7.3 per cent.

But what if the ESL, levied on property owners through rates, wasn't just paying for frontline emergency services and was being used to subsidise routine government expenses such as human resources, IT and media and communications?

What if the ESL had gone up 81 per cent in seven years but that hadn't resulted in the same increase in funding for the frontline because the Government quietly halved its own Budget allocations to the Department of Fire and Emergency Services during the same period?

What would you call that? A tax increase disguised as a disaster relief collection? At best tricky? At worst a rort?

I commend the whole article to members. He refers to the initial debate on the legislation and the fact that it was intended that it be used on frontline services. It goes on to state —

It required the ESL to be used “for the purposes of emergency services acts or received by the authority in performance of its functions under the acts”. Despite the intent of the legislators, the very thing the Liberals warned about in opposition is now firm Barnett Government policy.

May Budget papers recorded a 52.4 per cent drop in the appropriation from consolidated revenue to DFES, with the following explanation:

“In 2015–16, some fire and emergency services activities previously funded by the consolidated account appropriations will be funded from the ESL.”

The type of activities the ESL now funds include DFES “corporate services” such as human resources, IT, and even media and communications—precisely the sort of things, as Omodei described in 2002, the Government normally paid for itself.

At a recent Budget estimates committee hearing, Fire and Emergency Services Commissioner Wayne Gregson confirmed the only part of his budget not funded by the ESL were the things expressly forbidden to come from it, including salaries, the rescue helicopter and surf lifesaving.

In other words, every penny not legislatively bolted down has been prised from the fund by a Government that has stealthily ramped up the burden on property owners while lightening its own load. Last financial year, 78.6 per cent of DFES’s total cost of services was met by property owners through the ESL. The Government is budgeting for that proportion to reach 91.2 per cent by 2018–19.

To back up what he was saying, *The West Australian* compiled a graph, which I have just laid on the table.

We have a position in which, as I said, in 2008–09, \$154 million was collected under the ESL. This year some \$321 million will be collected but the government contribution to DFES has gone down from \$27.6 million in 2008–09 to \$15.2 million this year. As the article states and as I have said, the government contribution has been reduced significantly.

The emergency services legislation is being reviewed. Last year a concept paper was put out, which discusses a number of aspects of emergency services and management, including the ESL. Chapter 1 of the concept paper makes a number of assertions that, to my way of thinking, were somewhat novel. It states specifically —

The ESL funds some volunteer training, fire investigations, building inspections, community safety programs, emergency management planning and the Department of Fire and Emergency Services (DFES) corporate support costs. Buildings and appliances for career fire brigades are funded through capital funding processes.

It then refers to the Keely recommendations. The concept paper looks at three options as to who should allocate the ESL moneys and who should be responsible for the administration of the ESL. It asks whether there should be any change to the current ESL funding, whether additional levies should be introduced and under what time frame ESL billing adjustments should be allowed. This concept paper was written in order to generate and assist with submissions relating to drafting this new legislation. The minister has specifically said that these submissions are confidential. I think a lot of submissions were made—in the hundreds, if not thousands. We cannot gauge or see what the community response to these suggestions or preferred positions in this concept paper will be.

Surprise, surprise, the concept paper suggests that the administration of the allocation of ESL moneys should remain with the Department of Fire and Emergency Services. It rejects the suggestion that the Department of Finance, as an independent broker, should allocate the money. It addresses that specifically by stating —

In order to address any real, or perceived, conflict of interest the Review considered whether the legislation should be amended to shift administration of the ESL to another government agency, such as the Department of Finance, who are not a recipient of ESL funds. Extensive liaison with various functional areas of DFES would still be required if the administration of the ESL was handed to another agency. It is envisaged that this option would result in additional administrative burden only to achieve a similar outcome as the status quo of DFES being responsible for the administration of the ESL.

It then canvasses a further option to hand over the allocation to an independent third party. It notes —

This would address stakeholder concerns about any perceived conflict of interest in the current arrangements and may partially address concerns about the ESL being administered by an agency without expertise in emergency management. There would likely be significant costs associated with identifying and resourcing an appropriate body, potentially reducing the amount of ESL funding available. In addition, it may prove challenging to identify and retain individuals with the required emergency management and financial experience to maintain effective administration.

That is the objective. Interestingly, also in this paper are some other suggestions. Paragraph 1.2.4 of the concept paper reads —

It was suggested that a new ESL category be created specifically for Unallocated Crown Land to increase the funds available. The State Government currently contributes \$16 million in ESL charges for properties that it manages¹⁹, including Unallocated Crown Land. If the purpose of this option is to raise additional revenue it is counterproductive as this new ESL category would be paid exclusively out of the budgets of other State Government agencies, which is likely to reduce the amount of consolidated revenue made available to DFES.

Even though the Keelty report of 2012 talks about a shared responsibility, this is the response we get from government agencies managing their own unallocated crown land.

The paper also canvassed the idea that because emergency services are used in relation to motor vehicle crashes and also marine rescues, there should be separate levies for vehicle and vessel owners. This was rejected, but we now find that even though many property owners who contribute to ESL do not have boats, they are contributing to marine rescue. That is now coming out of ESL funding. It is certainly appropriate that they be adequately funded, but I am not sure it should be coming out of ESL and I believe that is contrary to the legislative intent.

That section also canvassed whether ESL should be expanded to include additional emergency response equipment. Local government argues that it is a one-size-fits-all approach, but it wants to apply for additional or different equipment from that which is covered under the local government guidelines. That is something that the opposition believes and that local government is lobbying for further dialogue with the Department of Fire and Emergency Services.

The other issue that people are not adequately aware of is that mitigation activities are not funded by the ESL. Paragraph 1.6 of the “Concept Paper: Review of the Emergency Services Acts” is particularly enlightening. It reads —

It was submitted that many of the same resources are used for mitigation and emergency response and, as such, the policy should be amended to allow ESL funds to be spent on any mitigation activities. The primary reasoning put forward by stakeholders was that additional expenditure on mitigation activities would have a savings correlation on the response side. Research indicates that there is a strong correlation between the dollars spent on mitigation, prevention and preparation and the subsequent reduction in the risk, frequency, intensity and impact of natural disasters.

I certainly concur with that. It was news to me that ESL effectively did not apply to mitigation activities.

As I said, the amount allocated under the local government grant scheme has remained pretty static at around \$30 million, despite the huge increase in collections that I talked about of over \$300 million. Local government tells me that although it received some initial set-up costs for its systems, the additional costs of processing these ESL fall short of what it costs. Local government says that it is not just a bit of ink on a rates notice but that every time the percentage of ESL levy changes, it needs to change its systems and calculations, which of course has attendant costs. That is one thing that the government needs to reconsider and is another justification, in my view, for an independent inquiry into how the ESL is administered, collected and the funds allocated. Local government is quite concerned about the lack of positive reception it is getting from government on these issues, and the Western Australian Local Government Association is keen for there to be amendments to the legislation to better reflect its role. Members must remember that the vast bulk of firefighters, for example, are in bush fire brigades and they, of course, are operated by local government.

The next issue that I briefly mentioned is Northcliffe. As I said, I was contacted a couple of weeks ago by two firefighters in two separate units wanting to get some prescribed burning done in the area around Northcliffe, where some of the fuel load is as much as 25 years old; however, the district officer from DFES said there was no money for prescribed burning. We are literally talking about several thousand dollars, which is the cost of feeding the volunteers and providing whatever they need to undertake those prescribed burning duties. That is an absolute scandal. Last year that town was very close to being burnt to the ground, yet it is still three-quarters surrounded by fuel load decades old and a few thousand dollars cannot be spared out of the \$300 million or so ESL. That is a matter of major concern. I have mentioned the unallocated crown land, which is a sleeping issue. There is no point in householders bearing the brunt of the ESL if the government is not taking responsibility for large tracts of land that threaten townships and neighbouring properties. Any review of ESL needs to take into account the contribution of government for unallocated crown land, the contribution of individual agencies and the responsibility of agencies to maintain and ensure that their properties do not create an undue risk. It is quite clear that the amount of \$16 million is risible and needs to be much increased.

A number of other members want to speak, so I would like to say in conclusion that the Western Australian public deserves better. This has been a deceit and a sleight of hand over a number of years. I commend the Fire and Emergency Services Commissioner for coming clean in estimates. It is a subject that the government has sought to evade and mislead on. For example, in 2011, I was part of a parliamentary committee that received information about the allocation of moneys to individual local government areas. The information included how much was collected under ESL in each local government area and how much money was disbursed in those areas, mindful that things such as career stations come out of the ESL so do not necessarily reflect the disbursement back to local government authorities. That table was readily provided to the committee. I asked last year for similar information and the minister, after a series of questions—in fact, I wrote to the Auditor General—said that that information was not available, even though in 2011 that information was provided. The minister was able to tell me in estimates that the DFES computer system had not changed, so it is

my view this is another attempt to obscure the true position that the government is dipping into householders' pockets yet again with this enormous 81 per cent rise in the ESL. The government needs to come clean and we need an independent inquiry into the whole area.

DR A.D. BUTI (Armadale) [4.39 pm]: I also rise to speak to the motion by the member for Girrawheen —

That this house condemns the Barnett government for misappropriating funds collected by the emergency services levy for purely administrative purposes instead of for frontline emergency needs, and calls for a system of independent allocation of ESL funds to be implemented as recommended in the first Keely inquiry.

In my electorate, and where I reside, the whole issue of emergency services, particularly fire prevention and fire services, is very delicate, sensitive and important. Not long after I arrived in this place, the Kelmscott bushfires of 6 February 2011 occurred. More than 70 homes were burnt down or destroyed, which I think remains the largest amount in a metropolitan bushfire in Western Australia's history. It was a very, very dark day in the history of the Armadale–Kelmscott–Roleystone region. They are often referred to as the Roleystone bushfires, but all the properties destroyed were on the border of Kelmscott, moving into the hills. As I have previously stated, in some regards we were very fortunate because in summer there is usually a very strong easterly in the morning, which brings the hot weather, and then in the afternoon there is the westerly. Usually by the time it gets to our end of the world, it is pretty weak, but if it is strong, it means it is blowing a gale on the coast. But on that day the easterly remained the dominant mode of wind for most of the day, and that—I am sure the minister is aware of this—saved a number of properties and saved people's lives. If the wind had been blowing the other way and gone up the hill—there is only one or two ways out of Roleystone—I am sure that we would have been, unfortunately, talking about the loss of lives. It is not fortunate for the people who lost their homes, obviously, and those who did live in areas that we would not think would lose their homes, being the Clifton Hills region of Kelmscott. Some of those homes were some distance away from the bushfire, but they were destroyed by, presumably, the embers being attracted to the air-conditioning systems of those homes.

Of course, the whole issue of firefighting and the services provided is very, very important. In my area we have career firefighters and a number of volunteer firefighting brigades—namely, Roleystone, Armadale, Bedforddale and, further south, Serpentine–Jarrahdale. On that day we had careerist firefighters, and the very professional—I do not like to call them volunteers, but they are—volunteers; they were very, very helpful on that particular day.

As the member for Girrawheen mentioned, the emergency services levy was established by a previous Labor government for a particular purpose. The questions now are: Has the purpose for which that levy was initiated been eroded? Is the government engaging in removing some of that very important funding to provide for frontline services? Those very, very important issues need to be addressed, and, hopefully, this motion will bring them to the fore and changes can be made. Interestingly, when I was doing a bit of research on this, I found out that there is a town in South Australia called Yeelanna, which is on the Eyre Peninsula, where the locals decided they were not going to pay the levy and they protested about it. They decided that because they were all part of the volunteer fire service in the town, they did enough work to prevent bushfires and so forth and so they thought they should not be paying the levy.

Mr J.M. Francis: You're giving me ideas now!

Dr A.D. BUTI: They basically said they thought it was very unfair, that they provided a lot of the services and so why should they be paying extra for the provision of services to that community.

The whole issue of the emergency services levy is interesting, and quite a lot of work has been done on the just or equitable nature of it. A very interesting article appeared in *The Conversation*—an online university journal. The article is from 2013 and the heading is “Cutting out the insurance “free rider” when it comes to funding fire services”. The author, Rachel Anne Carter, lamented the fact—I am not sure of the situation today—that New South Wales was the only state that did not have an emergency services levy. Her article stated that Victoria had just implemented one, and New South Wales was the only state that, at that time, did not have one. The article refers to the free rider problem. Before that, the levy was added to insurance policies, but of course not everyone paid for home or property insurance et cetera. But, of course, when there is a fire, the fire brigade, whether it is the careerists or volunteers, does not discriminate between an insured and uninsured house; they just fight the fire. There was an argument that if the levy was embedded in the insurance system, not everyone would pay it and therefore it was an inequitable way of trying to fund emergency services, and that levying an ESL on all property owners was a more equitable way of trying to raise funds.

Mr J.M. Francis: What state was that?

Dr A.D. BUTI: New South Wales was the only state that did not have it. The author was saying that the way it was being funded in New South Wales, as it was in every other state until they had the levy, was through an

insurance policy. The problem was that not everyone pays for insurance, but everyone is protected; in other words, there were freeloaders. It was called the “freeloader” argument.

Mr R.F. Johnson: Plus a lot of big business was insuring offshore and so nothing was paid. That is why we, in opposition, agreed with you in government that the ESL should be brought in, but under those strict conditions. Unfortunately, we have moved from there since then and that is a disgrace.

Dr A.D. BUTI: I will move to that shortly, and the member for Hillarys’ interchange with the member for Girrawheen highlighted some of the debate around the implementation of the ESL; the member for Midland was the minister responsible for that at the time.

The Department of Fire and Emergency Services’ website states —

The Emergency Services Levy (ESL) funds Western Australia’s (WA) fire and emergency services, including career fire stations, volunteer fire brigades, State Emergency Service (SES) units, the Volunteer Marine Rescue Service and the multi-purpose Volunteer Emergency Service units.

ESL funding supports approximately 770 dedicated emergency service groups comprising 1,400 career firefighters and support staff, and over 29,000 volunteers.

Since the ESL was introduced in 2003, WA’s fire and emergency services have dramatically improved, particularly in regional and remote areas thanks to the provision of new equipment provided for volunteer groups.

The ESL benefits all West Australian’s as emergency response involves a cohesive approach from across the state.

That, of course, is the advantage of having the ESL, and that was the purpose behind it. But as the member for Girrawheen outlined, questions are being asked about what it is being used for. Is it being used to fund the frontline services needed, whether fire prevention or other emergency services? There is no doubt that it seems that the levy has increased constantly under this government and how much it should increase by is one thing, but if it is going to be increased surely 100 per cent of it should be utilised for the purpose it was established. There is a question as to whether that is the case. I will talk about the issue in regards to the City of Armadale and the Serpentine–Jarrahdale council shortly. If the ESL has been substantially increased over the years but the money has not been utilised for the purpose it was established, that is a major problem and, really, it is very, very dishonest to collect the money and not use it for the purposes the levy was established for.

The member for Girrawheen mentioned the quite outstanding article by Daniel Emerson. It is titled “Disaster levy taxes the truth” and is dated 3 August 2015. The member for Girrawheen referred to certain parts of the article but not other parts, but I think it is interesting to give the article a bit more consideration in this debate because it raises some interesting questions that I think the minister will need to respond to. The article states that everyone wants assistance during natural disasters and emergencies and everyone has a great respect for the fire and rescue services, volunteer bush fire brigades and the State Emergency Service. Is the minister still a volunteer firefighter with the same brigade? It is still the Jandakot one. From my interaction with volunteer fire brigades in my neck of the woods, I know that they are very dedicated people who, particularly during the summer months, put an immense amount of time and energy into responding to emergency situations and also trying to prevent fires by doing the necessary bushfire maintenance at the beginning of the summer season. One of the highlights of being the member for Armadale is attending the annual Armadale Volunteer Fire and Rescue Service’s dinner, which is always held on the last Saturday of the financial year. It is great to spend some time with these incredibly dedicated and decent folk in Armadale, and Roleystone and Bedforddale are no different in that respect. These people take their jobs very seriously. Some of them end up becoming career firefighters and some who were career firefighters have gone into other professions but maintain their links to the service.

[Member’s time extended.]

Dr A.D. BUTI: Daniel Emerson states in his article that the emergency services levy is levied on property owners through council rates. Then he asks —

What if the ESL had gone up 81 per cent in seven years but that hadn’t resulted in the same increase in funding for the frontline because the Government quietly halved its own Budget allocations to the Department of Fire and Emergency Services during the same period?

What would you call that? A tax increase disguised as a disaster relief collection? At best tricky? At worst a rort? That’s the reality of the ESL 13 years after it was introduced to replace an existing levy on insurance premiums to help fund emergency services. There was relatively high support for the move at a time when one in five WA companies was deliberately insuring offshore to avoid paying, and volunteer groups were spending an excessive amount of time fundraising.

Emerson then refers to the history of the establishment of the ESL and states —

The ESL was created in 2002 to fund the career Fire and Rescue Service, local governments' volunteer bushfire brigades, the SES, emergency management planning and the former Fire and Emergency Services Authority's multi-service emergency units.

But the possibility of the fund being raided by government to improve its own bottom line did not escape MPs at the time, only back then it was the Liberals warning from the opposition benches of a cynical cash grab.

The member for Hillarys would have been a part of the group that was concerned that that might take place.

Mr R.F. Johnson: Absolutely, and I am ashamed that it has happened under my government.

Dr A.D. BUTI: And rightly the member for Hillarys should be ashamed, because what has happened is terrible. In the article, Paul Omodei, who was the opposition leader at the time, is reported as saying —

“We need to make sure that the government does not use the system to save itself expenditure by using the ESL to cover costs that it would normally cover itself,” ...

In other words, all funds raised by the ESL must go into emergency services.”

The Leader of the Opposition at the time and, of course, the member for Hillarys understood the potential problems that could result if there were a dishonest government. And that is what we have at the moment. The Minister for Police and Emergency Services at the time was the member for Midland, Hon Michelle Roberts. She dismissed the notion out of hand, because the member for Midland is an incredibly honest person. She would not have thought that we would have the tricky government that we have today. In the article, she is reported as saying —

“It is not true that the State government will be paying less money to emergency services. The government will continue to make the same contribution that has always been made,” she said.

“There is no possibility of levy money somehow being gobbled up into consolidated revenue and used for other purposes. I would have thought it would be an amazing thing for any government to contemplate, even for a moment, collecting money from the community for emergency services and then spending it in some other way.”

We would, would we not? That would be amazing. Surely any honest government would not do that. Minister Roberts included in the legislation a clause that she said would ensure that all ESL money would be spent only on emergency services activities. Unfortunately, that is when the government of the day probably made a mistake. The clause in the legislation was not tight enough or maybe the bigger mistake, which was an understandable mistake, was that the minister thought that no government would ever contemplate raiding the ESL funds. If members lived in the Kelmscott hills, they would damn well want to know that the government ensured that all the money that is collected through people's rates was used for the purposes that it should be used for. The ESL is to be used for the purposes of emergency services acts or received by the authority in performance of its functions under the act. Despite the intention of Minister Roberts, and the warnings of the Liberal opposition at the time, the Barnett government has done exactly what the member for Hillarys and the then Leader of the Opposition warned and were concerned about. What the Liberal opposition was fearful might happen has happened under a Liberal government. The Premier was a member of the opposition at the time. It is disgraceful behaviour.

It is interesting that, in this article, Dan Emerson refers to the Wayne Gregson issue at the estimates committee hearing, which the member for Girrawheen mentioned. The graph illustrates that the average household's ESL impost has risen from \$144 to \$206 since the Barnett government came to office, but during the same period, consolidated account appropriations to the Department of Fire and Emergency Services has gone from \$27.6 million to \$15.2 million. That slide was punctuated only by a three-year spike to implement the findings of successive reports into destructive fires by Mick Keelty. Keelty saw how the ESL operated and, even though it was not part of his terms of reference, he smelt a rat. He knew that a government could do what this government is doing and, sure enough, even though it was not part of his terms of reference, he looked at this issue and he talked about the need for a complete review of the spending of the then Fire and Emergency Services Authority. In the article, he is reported as saying —

“The special inquiry questions whether it is appropriate for an agency which is funded through the ESL to also be responsible for its distribution,” ...

The article continues —

He found controls would be strengthened if State transferred responsibility for the management and distribution of the ESL to the Department of Finance, one of the few recommendations the Government rejected.

The government rejected this recommendation. The last two words of Emerson's article are —

Funny, that.

Well, actually, it is not funny, is it? It is not funny, because this is an incredibly important area. People who have lost family members or who have lost property want to ensure that we have a first-rate emergency services system in Western Australia. If it is not being funded appropriately, we will not have an appropriate quality emergency services system. Over the life of the Barnett government the emergency services levy has increased from \$144 to \$266, but the amount being spent has dropped from \$27.6 million to \$15.2 million, and were it not for those disastrous bushfires, the decrease would have been even greater.

In the City of Armadale the levy has gone up by roughly 10 per cent. I am not sure of the actual amount, but it is around 10 per cent. However, as the City of Armadale has stated, it has received very little for that; sometimes it gets a vehicle, sometimes some firefighting equipment, but the increase in levy does not match the services or equipment it receives from the Department of Fire and Emergency Services. The increase that has been imposed on the ratepayers of the City of Armadale is not reflected in the quality of the equipment and services being funded by DFES. In the Shire of Serpentine–Jarrahdale, the increase is somewhere around 17 per cent, I think. The local lad, the Minister for Local Government himself, would probably know whether that is true, but it is around 17 per cent, and it has received only one or two new vehicles every now and then. A 17 per cent increase is not being matched by a 17 per cent increase in the quality of services it is receiving.

Dan Emerson is right: this is very tricky and very dishonest. Ironically, we were forewarned by the then Liberal Leader of the Opposition at the time, Paul Omodei, and by the member for Hillarys. Was the member for Hillarys the member for Hillarys then, or was it a different seat?

Mr R.F. Johnson: No, it was Hillarys at that time. I was there and I expressed a concern to your minister of the day. I was assured by your minister, Minister Roberts—and I believed her—that we would not use ESL funds for anything other than frontline services because I believe you need to believe what ministers say.

Dr A.D. BUTI: That is right. Actually, Paul Omodei was not the Leader of the Opposition in 2002, it was the current Premier.

However, we were forewarned at the time by the then Liberal opposition that it had concerns. The Labor government of the day under the ministerial guidance of the member for Midland, Hon Michelle Roberts, thought that we should not even contemplate the idea of a government raiding this incredibly important levy for the utilisation of anything other than frontline services.

There has now been a substantial increase in that levy. There are probably some justifiable grounds for increasing the levy, and that is an argument that could be had, but to not use the additional money raised through increases in the levy for the purposes for which it was established is very tricky; it is incredibly tricky. I think I mentioned yesterday that the Premier would know a lot about Richard Nixon—"Tricky Dicky". This sort of behaviour is very tricky, incredibly dishonest and rotten. I do not think the Minister for Emergency Services is necessarily tricky. I may be wrong, but he will have a chance to prove that he is not tricky when he stands up to respond, and to tell it like it is—that the impost has been increased, and the money for which it should be utilised is not being utilised. The Liberal opposition of the day, when the Premier was the Leader of the Opposition and the member for Hillarys was a senior shadow minister, forewarned this and questioned the Labor government of the day. The then minister, being an incredibly honest person, could not even contemplate this sort of behaviour. Maybe that was a mistake and the legislation should have been more rigorous, but unfortunately we did not contemplate the tricky deals and tricky behaviour of this Premier and his government. The minister will stand condemned if he does not stand up and admit that this is the situation.

MR D.A. TEMPLEMAN (Mandurah) [5.05 pm]: I want to congratulate the member for Girrawheen for bringing this motion to the Parliament, and particularly for her forensic analysis of the history of the emergency services levy and its original intention. I can remember very well the debate in Parliament in the early 2000s when this levy was introduced. Although at the time of its introduction there were concerns from local governments that they would be the collectors of a new tax, generally the principles of the basis for the emergency services levy was understood by the community. They understood the reasoning behind the necessity for a funding stream for the ongoing critical and crucial work of emergency services throughout Western Australia. I actually think the community embraced and understood the intention of the ESL.

However, as has been outlined by the members for Girrawheen and Armadale, the ESL has lost its way because of poor stewardship by the current government. The member for Armadale highlighted the words of the member for Hillarys and others at the time in counselling caution. Although there was support from the Liberal Party in opposition, there was a warning that we did not want to see the levy being mismanaged, and that is the accusation against the current government through this motion: that the emergency services levy has effectively been mismanaged and is not being managed in the spirit in which it was originally intended.

The statistics referred to this afternoon by the members for Girrawheen and Armadale are important and telling. The member for Armadale highlighted that there was a base increase in the levy from \$144 in 2008–09 to \$266, at the same time as there was a very significant decline in the overall spend from \$21.6 million down to \$15.2 million in this financial year. One has to ask: how and why, if the emergency services levy has increased, has the actual delivery of the money collected declined? We know that the recipients of these funds need that money more than ever.

As members will be well aware, over the last decade my own electorate in the Peel region has had a series of very, very significant and traumatic bushfires. Friends of mine who no longer live in the hills near Dwellingup lost their houses in the January 2008 fires, as did a number of home owners in the Shire of Murray. In recent times, a number of houses and properties were damaged or lost in the Lake Clifton fires. Earlier this year, we had the Waroona fires and the fires in the Shire of Murray. In the case of the Waroona fires, when I met with shire president and the chief executive officer of the Shire of Waroona a number of months ago, the shire president highlighted very starkly that it was a miracle that there were not devastating losses in the township. The fire came over the hill from the east and almost decimated houses and properties within the Waroona town site. Those of us who live in the Peel region—I am sure my good friend the member for Murray–Wellington would agree—recognise very much the ongoing threat of bushfires that we face into the future. We know from the experiences of other parts of Australia, and even the world, that houses can be lost even in residential areas. The Canberra fires a few years back clearly showed that a fire can be indiscriminate. In areas that we would not expect, a fire could penetrate and destroy homes and, unfortunately, take lives. In Victoria, there was the 1983 Ash Wednesday experience, and a few years ago the devastating human loss of more than 200 people in the fires around Victoria. In a drying climate and in a region such as the Peel, the threat of fire is very real.

The member for Girrawheen’s call for an inquiry is relevant. The minister responsible—I am sure we will have an opportunity to hear from him at some stage when we continue the debate on this motion—will need to indicate to the house and to the people of Western Australia why the levy is not being delivered as it was intended: to appropriately resource those men and women, many of whom are volunteers throughout Western Australia. The claim that people have been hoodwinked is relevant and valid. It is incumbent on the Minister for Emergency Services to come clean about how we are in this situation. How can we have an emergency levy that has been increasing, yet the actual spend has been declining? The figures are stark and real. They are not misleading and I hope the minister does not simply bat them away.

It is important to highlight the resourcing of our volunteers—whether it is our bushfire volunteers, our SES volunteers or our emergency water rescue group volunteers—that are involved in fire and emergency rescue. We all know how important they are; I do not think anybody in this place does not understand and support their efforts. However, we need to reinvigorate our respect for our emergency service volunteers and also listen far more closely to the concerns that they raise. No matter where we go in Western Australia, particularly in rural, remote and big regional towns and cities, and in the metropolitan area, we will find volunteers. Many of them have been involved in emergency service work and fire brigade work et cetera for many years and many of them feel the stress and fatigue that being a volunteer places upon them and their families. We should never forget that these men and women who respond to emergencies and call-outs have families at home who allow, if you like, their loved ones to go out in the service of their community. Unfortunately, in the past volunteers have gone out during these emergencies and have been injured or have not returned. That is very sobering for anybody who does not put their life on the line in such emergencies. I read an interesting article in the *Mandurah Mail* only a few weeks ago about an issue that was highlighted by volunteers in the Peel region and the minister’s response to that. I will read from that article in the *Mandurah Mail* titled “Volunteers feel the heat”. It states —

AS FAR as fighting fires goes, there’s not much that Jeff Stuart hasn’t seen.

Now Mandurah chief bushfire control officer, he has been a volunteer fire-fighter and emergency worker for more than 16 years.

He said he has seen many changes in that time, many for the better, but he worries it’s getting harder to hold on to volunteers.

“You’ll have 20 come through and a couple will hang around,” he said.

“You get one lifer, as we call them, every five years, but the others come and go.

Fatigue and fatigue management was a problem retaining volunteers, he said and a new report by the state’s Auditor General agrees.

“They always request volunteers overnight and they never ask if they’ve been working that day or whether they’ll be working tomorrow,” Mr Stuart said.

“This year has been the biggest ever for most brigades, and that’s right around the state.”

Auditor general Colin Murphy said there were problems for emergency service volunteer retention in a new report released last week.

He found the Department of Fire and Emergency Service (DFES) had not implemented a fatigue policy, even though they indicated in 2012 that one was in development.

“However, almost three years on, a fatigue management policy is still not in place,” wrote the Auditor General in his report.

Emergency services shadow minister Margaret Quirk said fatigue was creating serious health and safety risks for volunteers.

The shadow minister quite rightly stated that this report by the Auditor General exposes the Barnett government’s failure to address significant issues that face emergency volunteers. In my view, she also highlighted correctly that even with a policy, fatigue would still be an issue for volunteers who are largely without backup. Mr Stuart said volunteer fatigue was also a two-way street. He said volunteers should, of course, speak up if they are tired, but he said incident controllers do not know it is going on, so he encouraged stronger communication. I was a little interested in the minister’s response quoted in this article, which states —

Emergency services minister Joe Francis said fatigue was the responsibility of the volunteers themselves.

That is very interesting.

Mr J.M. Francis: Fatigue management.

Mr D.A. TEMPLEMAN: I am quoting here. The article continues —

“If you go out on a bender and turn up for work, it’s not your employer’s responsibility, it’s an individual responsibility for everyone to manage their own fatigue,” he said.

“DFES could not possibly have any idea on how tired volunteers are when they turn up; it’s up to the individual volunteer, as it is in any other workforce to say I’m fatigued, I need to take a break.”

Mr J.M. Francis: What’s wrong with that?

Mr D.A. TEMPLEMAN: The minister is a bit glib there. I think those comments are a bit glib because there are a lot of assumptions in his words. I would have chosen my comments far more carefully. I think it is the view of many that the responsibility for the management of fatigue is both that of the volunteer and management. I think the minister was very glib in those comments. I think they were way off the beam, quite frankly, because the management, the control officers and those coordinating the response have a responsibility to ensure they understand the volunteers who are turning up to do that work, and to coordinate and manage them appropriately. I do not think it is right for the minister to simply say off the cuff that fatigue is the responsibility of the volunteers themselves.

[Member’s time extended.]

Mr D.A. TEMPLEMAN: One of the interesting things about volunteers, particularly those in emergency services, is that the vast majority of them will drop everything. That is their nature: they are magnificent, remarkable people. We know that when the call goes out, the vast majority will drop everything, whether they are at work, have just come home from work or been out shopping for the day—whatever they are doing—they will respond to the call because it is in their nature. That is the nature of their commitment to the community. For the minister to just give a glib response that their wellbeing and the issue of fatigue is their responsibility misses the point totally. For the minister to make those points is very short-sighted. If volunteer brigades are resourced—I think the additional part of this article highlights the issue of resourcing—and volunteers feel they are being listened to and their concerns are being responded to, it will not make recruiting easier, but it will give them more opportunity to expand the chances of recruiting more volunteers. As the chief bushfire control officer in Mandurah said, it is getting harder to get volunteers, particularly those who sign on, as he said, as lifers—the ones who will go on to serve for decades.

I went to the Mandurah brigades awards night in Mandurah and heard a number of award recipients describe their experience as a volunteer with a brigade like being part of a family. They look out for each other, they watch each other's backs—that is the nature of what they have to do out in the field—and they are absolutely committed to not only looking out for each other, but also serving the community. We should make sure that the funds raised or created through the emergency services levy are spent for the support and resourcing of those volunteers. That goes to the point of the argument of the member for Girrawheen in this motion that that is simply not happening now. That resource derived from the community through an emergency services levy is now very clearly not being spent totally to service and resource those volunteers and volunteer organisations throughout WA communities. When an issue of fatigue is mentioned, and the minister says that it is just their responsibility to manage their own fatigue, as I quoted, it is a very short-sighted and glib response. I do not think it was intentional, but I think the comments demean the whole concept of how we see those volunteers in our community.

I mentioned I was at the Mandurah brigades awards night a month or so ago and one of things that is wonderful about young people who decide to join a brigade or get involved in an emergency service organisation is that they work alongside some very experienced volunteers. A number of volunteers at the Mandurah brigade were recognised for 20, 30 and, I think, one for 40 years in a volunteer brigade. I taught one such person's son, Mr Hendon—I cannot think of his first name now—and his son is now involved. I think he has been involved in brigade work for 30-plus years. He started when he was first posted in the north west, I think in Wickham, while working in the mines there. He joined the brigade as a young man, before he had a family, and has kept that connection and commitment to the fire brigade for all those years. Now his son, a great young bloke, is involved, and essentially the whole family is involved. I think that is a wonderful story that is probably told countless times throughout the state's emergency services. In Mandurah there are tremendous people. The Mandurah Water Rescue Group, of which I am a patron, has been going since the 1960s and it is just wonderful to see the work it does on our waterways. That group has been going for decades and was one of the first water rescue groups in Western Australia. It has a very proud history and I think it would be rightfully outraged and really concerned if it knew how this emergency services levy has been squirrelled away for uses other than what it was originally set up for. This debate will be adjourned shortly, but I know that when the debate on this motion resumes next week, the minister will have an opportunity to respond to what I think are very serious accusations about his stewardship over the emergency services levy. We look forward to the minister's response when the time comes.

Debate adjourned, on motion by **Mr A. Krsticevic**.