



Tasmanian Fire and Emergency Services bill

RACT submission to the consultation draft

December 2023

The Royal Automobile Club of Tasmania

RACT enjoys a trusted position and extensive market penetration in the community.

More than 215,000 Tasmanians are RACT members. We are the largest and strongest member organisation in Tasmania and an award-winning fully Tasmanian owned insurance company.

Established in 1923, RACT is an apolitical and independent transport infrastructure, road safety and mobility advocate. We increasingly advocate on the impacts of climate change and supporting improved community resilience. We are committed to supporting and furthering the interests of Tasmanians and we do this through a comprehensive program of consultation, education, awareness and public advocacy.

RACT is represented by senior staff in a number of stakeholder reference organisations in Tasmania and undertakes structured liaison with government and other stakeholder groups.

Nationally, RACT is a constituent member of the Australian Automobile Association (AAA), which represents some 8 million Australians, and is represented on the board of the Insurance Council of Australia (ICA).

RACT is a regular contributor to the committees and forums of the AAA and the ICA.

Internationally, RACT has joined with other Australian motoring organisations as a member of the Fédération Internationale de l'Automobile (FIA) to work on road safety and related issues at a global level.

RACT's advocacy and public policy activity is defined by a series of policy documents developed and endorsed by the RACT Community Advocacy Committee and RACT Board.

These policies have been informed by history, experience, research, statistical analysis, consultation, industry knowledge and our members.

Our submission

RACT welcomes the opportunity to make a submission on the consultation draft for the *Tasmanian Fire and Emergency Services Bill 2023* (bill) presented by the Tasmanian Government. We recognise the significant process that has been undertaken, including the two important reviews that have informed the development of the draft bill.

The process of reform for the Tasmanian Fire and Emergency Services (TFES) is being undertaken at a critical time. Ensuring our emergency services are effectively structured and able to respond to both daily and larger emergencies is critical. Recent events in Australia, Tasmania, and globally, have shown an increased severity and impact of bushfires, floods and other natural hazards, increasing the demand placed on emergency services, communities, and governments. It is imperative this new bill takes a future context and outlook to ensure the TFES can meet these current and emerging demands.

For the last 100 years, RACT has represented the interests and concerns of its members. Resilience and mitigation to natural disasters are of growing concern for our members and the wider Tasmanian community. Our recent member survey showed that across Tasmania, the 'impacts of climate change' is one of the top three concerns that keep Tasmanians 'up at night'. RACT will be increasing its advocacy in this area over the coming years.

RACT is also Tasmania's largest household insurer with over 30% of Tasmanians leaning on us for their home insurance needs. The intersection of strong community scale management capabilities, mitigation measures against natural disasters and the ongoing ability to deliver affordable insurance, is significant. Global reinsurers are increasingly demanding demonstrated resilience measures and an understanding of individual and government actions in this area.

We are working hard to offer affordable insurance for all Tasmanians; however, the global insurance market is rapidly changing. It is becoming apparent without plans for resilience, insurance will become increasingly difficult. A timely example of this can be seen in California where in 2023, the largest insurer in the Californian market stopped offering home insurance entirely due to ineffective bushfire risk management policies in the state.

Uninsurance is expensive for everyone. In the Black Summer bushfires in 2020 the Eurobodalla Council (similar in scale to Kingborough) reported that 30% of households had no insurance. If this rate of uninsurance is applied to estimates of a recurrence of the 1967 bushfire in Hobart, \$750 million in assets would have no insurance support in recovery, relying on individual savings, as well as community and Government support. This level of loss would be devastating for the individuals involved and would have long term economic impacts for the State and community. It would undoubtedly and significantly disrupt the lives for everyone within Tasmania.

Tasmania has had a long need for resilience. The black Tuesday bushfires in 1967 are to this day regarded as the most significant bushfire event in Australia's history and remains one of its most costly natural disasters. If it were to happen today, losses above \$2 billion would be predicted.

Tasmania can respond in this area is a leader in mitigation infrastructure. On the back of the Launceston City Council being aware of its own flood risk, Tasmania led the nation with the development of Australia's best flood levy. The \$58 million investment into the levy has saved \$216 million in losses and has been estimated to save the community \$40 million in insurance premiums, annually. This level of natural disaster risk understanding, and targeted mitigation programs, needs to become a standard for every Tasmanian community, informing local and state programs and federal partnerships through the Hazards Insurance Partnership (HIP) and Disaster Ready Fund.

In 1967, the State took stock and reflected that burning fires on high danger days was inappropriate. The Rural Fires Act of 1967 empowered local fire brigades with a legislative responsibility for fire permits during fire danger periods. Over the past 60 years, Tasmania has improved its disaster response units within the TFS (Tasmanian Fire Service) and SES (State Emergency Service).

In 2023, this bill is issued to create the TFES. The bill needs to provide the legislative framework to support a service to meet current and emerging demand and increasing risks. Ensuring Tasmanians are best placed to manage and adapt to a changing climate is a priority for RACT and should be a priority for the Government.

In this context, RACT has 5 principal areas of concern and feedback on the current consultation draft. They are:

1. Overarching principles

The TFES consultation bill does not currently include overarching principles to guide decision making, provide context, or explain to the community how the legislation will support the TFES to deliver what is needed now and into the future. Principles would enable the bill to articulate the changing environment and the need for additional mitigation actions and the corresponding resources and responsibilities required. It would also enable the bill to acknowledge the wider impact of fire, and flood, and other natural disasters on health, community, economy. Including the significance of Tasmania's cultural and environmental landscapes and provide an understanding of TFES' responsibilities in protecting these assets.

2. Focus on Mitigation

It is essential to ensure the bill is orientated towards the future needs of the community. Fire mitigation, landscape planning, co-ordination including hazard reduction in addition to traditional emergency response need to be core to the bill.

This bill needs to support the evolution of the Tasmanian Fire Service to meet challenges the rapidly changing environment it operates in. In its current form the bill misses a critical opportunity to facilitate and enable all levels of government, industry, communities, and individuals to work together to increase the resilience of our communities particularly in response to bushfire risk. With the removal of the State Fire Management Council, this critical function is no longer supported.

Research by Finity for the Insurance Council of Australia in its report *Reaping the rewards of Resilience* found that with increased funding of \$40 million over five years, Tasmania could reduce financial, health and social costs to Government and Households by at least \$940m by 2050. This 20-fold return on investment was 60% above the national average. Fuel management programs using a range of measures including prescribed burning, mechanical removal, and remote sensing systems, to reduce the risk of bushfires across the nation played a key part in this outcome. Providing a framework for and clarity on accountability for the delivery of resilience outcomes is critical.

The reform process and this bill has the opportunity for the TFES to, in addition to emergency response, develop, communicate and implement the best bushfire preparation/mitigation structure for Tasmania based on science and a climate peril mitigation assessment. The next version of the bill needs to be more explicit on the TFES role in resilience and preparation for future hazards, identifying the specific objectives and functions.

3. State Fire Management Council (SFMC)

The bill removes the State Fire Management Council with no replacement or alternative body. The SFMC's role is to provide independent advice to the Minister for Police, Fire and Emergency Management and State Fire Commission about vegetation fire management across Tasmania, particularly in the areas of prevention and mitigation of fires.

This statutory body provides a forum and co-ordination function for the state's key land managers and fire units to work together to create more fire-safe environments. The independent advice and functions performed through the SFMC are essential and of growing importance. A solution that increases support for SFMC's current functions of; research, policy, community capacity and awareness, communication and collaboration and vegetation fire management planning as well as overarching funding and governance is essential.

The reinstatement or development of a like body to fulfil the role of the State Fire Management Council needs to be included in the next draft of the bill.

4. Funding Model

We support the removal of the current levy applied to commercial insurance premiums. This is supported by numerous taxation policy reviews, including the Henry review, Thodey Review of Federal Financial Relations, and the Australian Competition and Consumer Commission Northern Australia Insurance Inquiry. This change will undoubtedly lead to improved insurance affordability and will encourage more businesses to insure their assets at a time when appropriate cover is needed more than ever.

We support the need to redesign the current fire levy structure so that it is equitable, fair, and transparent.

However, it is imperative that the appropriate work is undertaken to identify the current investment needed upgrade equipment to meet service needs, and that ongoing operational and capital investment required to fund the TFES in an environment of increasing demands is identified.

Much of the work of the TFES is undertaken by volunteers, it is imperative that these generous, committed, and skilled members of our community are properly and adequately resourced.

As a key first step, clearly outlining what will be required to appropriately fund both mitigation and emergency response needs to be outlined to the Tasmanian community. Establishing the funding required would then inform the development of sustainable funding model, including that raised from the redesigned fire service levy.

We also encourage that the annual determination of the levy outlined in the bill is made within the context of an overarching sustainable funding model and at a time that supports annual budgeting cycles.

The development of this bill and the creation of the TFES is an opportunity for Government to develop an overarching funding structure that is sustainable, considers increasing demands of the TFES for both mitigation and emergency response and provides a consistent funding level to allow the TFES to plan, develop and resource the service.

5. Governance

Governance arrangements within this bill are not easy to understand. Consultation on the next draft of the bill would be greatly assisted with the provision of the current and future governance structures and key interactions for reference and understanding.

We support the State Fire Commissioner reporting directly to the Minister for Emergency Services.

We note the bill removes the independent State Fire Commission and replaces this with the State Fire Management Committee. The Fire Commissioner could also be the chair of the committee and committee members are appointed by the Minister. In addition, the skills required for the new committee, its powers or terms of reference are unclear in the bill. This arrangement may not result in a robust governance structure for the TFES.

Confidence in the TFES is essential. We encourage further consideration to the governance structure that supports transparency and oversight.

The bill is an opportunity to support the TFES with a governance structure that incorporates external expertise and consistent advice to guide core operational functions and future planning, providing support in a complex and changing environment. The current Governance structure as presented in the bill does not optimise this opportunity.

A clearer articulation within the bill regarding Head of Agency responsibilities for the TFES would also be helpful.

Other Considerations

Despite legislative changes to strengthen resilience, more than 20% of all properties built since 2014 are in a Bushfire Prone area. The most cost-effective solution is to ensure that people are living in safe areas, and in safe houses. We would encourage the bill to consider TFES's role in supporting planning and resilience considerations to inform Tasmania's planning environment.

Clarity and co-ordination across the areas of mitigation, emergency and recovery is critical, particularly as the likelihood of more extensive complex events increases. Ensuring clear governance/accountability and operational functionality between the final TFES bill and other legislative, land management and governance bodies is critical to support Tasmania prepare, respond and recover from emergencies.

We thank the State Government for the opportunity to comment on this draft bill. The consultation process presents an opportunity to support the development of a TFES that is forward focused and able to meet future challenges for the Tasmanian Community. We look forward to continuing to work with the Government and TFES to achieve these outcomes.