

Terms of Reference for the Review of the *Fire Service*

Act 1979 Approved by Cabinet 24 April 2017

Purpose:

The Steering Committee is appointed to provide independent advice to the Minister for Police, Fire and Emergency Management (the Minister) about how the Government can achieve:

- a clear mandate and operating platform for fire services' functions;
- an effective and efficient fire service operation that will provide value for money in the future; and
- a sustainable, stable and equitable funding system for fire services.

Context:

There is an expectation that modern twenty-first century fire services operates effectively, efficiently, and seamlessly with the roles performed by other emergency service providers. Cabinet has approved a review of the *Fire Service Act 1979* (the Act) to ensure the fire service works effectively and efficiently and continues to provide value for money in the future.

Tasmania remains the sole jurisdiction in Australia to have a fully integrated fire service, career and volunteer, urban and rural and is governed by the Act. The Act establishes the State Fire Commission (the Commission) as a Crown entity and the Tasmania Fire Service (TFS), for which the Commission is responsible.

The House of Assembly Standing Committee on Community Development's Inquiry into the State Fire Commission recommended that, on the evidence presented, a review of the Act is necessary. The Committee recommended that the Act must be reformed or replaced to allow for:

- (1) A centralised funding model for the State Emergency Services (SES);
- (2) Streamlined approach to fire fighting between Tasmania Fire Service, Tasmania Parks and Wildlife Service, Forestry Tasmania and other relevant agencies;
- (3) Resources to be allocated according to the risk and not according to local government municipal boundaries;
- (3) The continuation of Tasmania having a singular fire service;
- (4) Clear reporting lines;
- (5) Improved governance structure; and
- (6) Include the fire permit system and inter- agency protocols.

The Problem:

The Act was proclaimed in 1979 following the amalgamation of the Rural and Urban Fire Services into the Tasmania Fire Service. The Act has never been comprehensively reviewed since proclamation. A Minor Review of the Act was undertaken in 1999 in order to comply with the Competition Principles Agreement which required the State Government to review and, where appropriate, reform all legislation which restricted

competition. The Minor Review of the Act was compliant with the Principles as outlined in the Legislation Review Program.

Over the years, the current legislative framework has become fragmented, overly complex and process driven.

A comprehensive review of the Act, and all subordinate legislation is now considered timely. This is particularly the case with the SES now reporting through to the Chief Officer, TFS and the resultant opportunities for further alignment of TFS and SES to be reflected in legislation.

Functions of State Fire Commission:

The Commission is a statutory authority created under the Act. The TFS is the operational arm of the Commission, delivering services to the community through career and volunteer brigades and Community Fire Safety. The Commission currently consists of:

- (a) the Chief Officer;
- (b) a person nominated by the United Firefighters Union of Australia (Tasmania Branch);
- (c) a person nominated by the Retained Firefighters Association;
- (d) a person nominated by the Tasmanian Volunteer Fire Brigades Association;
- (e) a person nominated by the Secretary of the responsible Department in relation to the *Public Account Act 1986*; and
- (f) two persons nominated by the Local Government Association of Tasmania.

Legislation has recently passed both Houses of Parliament to enable the appointment of an independent Chair of the Commission by the Governor on the recommendation of the Minister. Mr Rod Sweetnam has been appointed as the independent Chair of the Commission. The Chief Officer will remain Chief Executive Officer of TFS and in accordance with section 7(3)(a) of the *Fire ;Service Act 1979*, the Chief Officer would remain a member of the Commission.

The functions and powers of the Commission are to:

- (a) formulate the policy in respect of the administration and operation of the Fire Service;
- (b) co-ordinate and direct the development of all fire services throughout the State;
- (c) develop effective fire prevention and protection measures throughout the State;
- (d) develop and promulgate a State fire protection plan;
- (e) standardize, as far as is practicable, fire brigade equipment throughout the State;
- (f) establish and maintain training facilities for brigades;
- (g) conduct such investigations into fires as it considers necessary, and to prepare reports and recommendations to the Minister arising from those investigations;
- (h) conduct such investigations into the use of fire as it considers necessary, to instruct the public in the wise use of fire, and to disseminate information regarding fire protection measures and other related matters;

- (i) advise the Minister on such matters relating to the administration of this Act as may be referred to it by the Minister, and on matters that, in the opinion of the Commission, should be brought to the attention of the Minister; and
- (j) exercise such other functions vested in or imposed on it by this Act or such other functions relating to the preventing or extinguishing of fires as may be imposed on it by the Minister from time to time.

Finances of the State Fire Commission:

The major sources of revenue to the Commission are contributions from landowners (fire service contribution), insurance policy holders (insurance fire levy), motor vehicle owners (motor vehicle fire levy) and the State Government. In addition, the Commission raises revenue through the sale and maintenance of fire equipment, the provision of training services to both the public and private sector, alarm monitoring fees, plan approval fees, avoidable false alarm charges and fire investigation reports.

As part of the 2014 state budget announcements, the Minister announced that there would be a change for TFS and SES in that the SES Director would report to the TFS Chief Officer (who in turn reports to the Secretary DPEM).

Annual resourcing for the SES is now incorporated into the State Fire Commission budget. The current funding model for SES relies on a number of revenue streams across local, state and federal government levels and also the Motor Accident Insurance Board. Work is currently being undertaken on the development of a sustainable funding model for the SES and this will have ramifications for the SFC and will need to be considered in the context of the Review of the Fire Service Act.

Governance Arrangements for the Review:

The Review of the Act will be overseen by a Steering Committee consisting of:

- An independent Chair;
- Chief Officer, Tasmania Fire Service;
- Chair, State Fire Commission;
- Deputy Chief Officer, Tasmania Fire Service;
- Deputy Secretary, Business and Executive Services, DPFEM;
- Director, State Emergency Service;
- A representative of the Department of Premier and Cabinet;
- A representative of the Department of Primary Industries, Parks, Water and Environment;
- A representative of the Department of State Growth; and
- A representative of the Department of Treasury and Finance.

Administrative support will be provided by a Project Team from TFS and with the support of the Legislation Development and Review Unit of DPFEM.

Scope of work:

Cabinet has approved the Steering Committee to provide advice on how the following outcomes might be achieved:

Outcome 1: that TFS has a clear mandate and operating platform for the functions it performs, and that it is clear how those align with functions performed by other emergency services providers, in particular, the SES. This will include analysis of any gaps or overlays in the delivery of any TFS / SES services and identify future role and functions for TFS / SES.

Outcome 2: that the Commission and TFS are organised and operating as effectively and efficiently as possible to provide the best outcomes to the community in terms of prevention, preparedness, response and community stabilisation and will provide value for money in the future.

Outcome 3: that there is sustainable, stable and equitable funding for TFS and SES, with the sources of that funding aligning with the functions that they need to perform.

Outcome 4: that governance, accountability and financial management arrangements for the Commission are renewed to facilitate the most effective management of the Commission's resources and the meeting of community and government expectations.

Outcome 1: TFS functions and Operating Platform

The Steering Committee will:

- Assess the current TFS functions and how these align with roles of other emergency management agencies and service providers.
- Provide recommendation on future statutory and non-statutory functions for TFS, including the impacts of those recommendations on other services and how they might be managed.

Outcome 2: Effective and Efficiently Organised Tasmania Fire Service

The Steering Committee will:

- Consider and analyse options for governance and structure that would enable TFS to operate as efficiently and effectively as possible to provide the best outcomes to the community in terms of prevention, preparedness, response and community stabilisation while taking into account:
 - the economic value that government and communities receive from volunteers in our fire services, and measures to enable and encourage volunteers' service;
 - the Commission's capital investments including the building types and location of fire stations, and the types of fire appliances, communications systems and other investments; and
 - the appropriate mechanism for asset management (including depreciation) and renewal, including the level of reserve funds recognising the cyclic nature of income streams.
- Provide recommendations on how the Commission's business operating model could be improved, as well as when and how any such changes could be improved and when, and how, any changes could be implemented. This may include changes to accelerate the integration of TFS/SES.

Outcome 3: State Fire Commission Funding

The Steering Committee will:

- assess the Commission's funding base data and identify future funding options;
- undertake an analysis of future funding options against the following criteria:
 - provide sufficient funding to ensure the fire services can perform the functions agreed by Government;
 - be administratively simple to calculate and collect;
 - be stable and predictable; and
 - be equitable so that:
 - (a) those who receive the various services performed by the TFS contribute to the costs for both fire and non-fire related activities;
 - (b) levy payers in rural fire districts receive benefits that reflect their needs and contribution; and
 - (c) minimise distortions in investment decisions, insurance price and coverage.
- provide recommendations for the Commission's future funding base so it can be more sustainable, stable, equitable and commensurate with future functions and business operating model, including:
 - how improvements could be made to the current insurance-based levy; and
 - whether there are other viable funding sources.

Outcome 4: Governance, Accountability and Financial Management Arrangements

The Steering Committee will:

- ensure that governance, accountability and financial management arrangements for the Commission are renewed to facilitate the most effective management of the Commission's resources and the meeting of community and government expectations.

In addition to the above, the Steering Committee may also provide advice on any other issues it determines are relevant.

Outside Scope:

- TFS should maintain its core fire-related role.
- Tasmania should continue to have a single fire service.

Scope Clarification:

Where the SC and Department of Police, Fire and Emergency Management (the Department) are unable to determine whether an issue is within scope, or become aware that an interested party has a different view than the Steering Committee and the

Department on whether an issue is within scope, the Steering Committee Chair and Department may jointly seek a determination from the Minister as to whether he considers the issue to be within scope.

Deliverables:

The Steering Committee will develop a project plan to meet four stages of work:

- Problems identified and substantiated by evidence;
- Range of potential options identified;
- Key options identified; and
- Options fully developed and assessed, and recommendations drafted.

Issues Paper

The Steering Committee will provide the Minister with an Issues Paper within six months of the appointment of an independent Chair, outlining the analysis undertaken to date under the stages of work outlined above.

Draft report

The Steering Committee will provide a draft report to the Department within six months of the closing date for public submissions on the Issues paper.

Final report

The Steering Committee will provide advice to the Minister no later than six months of the closing date for public submissions on the Draft report, in the form of a final report with recommendations.

The Steering Committee is to ensure thorough engagement with all interested stakeholders. Following the release of the Issues Paper there is to be full public consultation and the Steering Committee is to receive written submissions from all interested parties. In accordance with Government Policy, these submissions are to be published on the TFS internet site.

The Steering Committee should subsequently publish a draft report and hold further public consultations, before providing a final report to the Government.