

Auditor-General of Queensland

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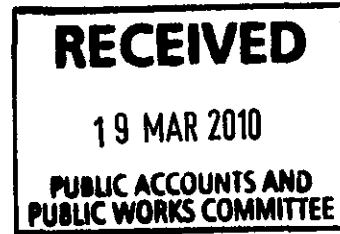
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Ms T Campbell – (07) 3149 6023

18 March 2009

Ms D Jefferies
The Research Director
Public Accounts and Public Works Committee
Parliament House
George Street
BRISBANE QLD 4000



Dear Ms Jefferies

I am writing in regard to two discussion papers issued by the Public Accounts and Public Works Committee in November 2009, relating to

- Report No. 1 for 2008 – Enhancing Accountability through Annual Reporting
- Report No. 3 for 2008 - Management of Rural Fire Services in Queensland.

*Submission 4
Submission 23*

Please find attached my submissions for your consideration. I trust you will find these relevant to your inquiries and I would be happy to discuss the submission with you or the committee members as appropriate.

Yours sincerely

A handwritten signature in black ink, appearing to read "V.P. Manera".

V.P. Manera
Acting Auditor-General

Enc.



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Public Accounts and Public Works Committee

Inquiry into the Management of rural fire services in Queensland

RECEIVED

19 MAR 2010

PUBLIC ACCOUNTS AND
PUBLIC WORKS COMMITTEE

Background

In 2008 the Queensland Audit Office undertook a performance management systems (PMS) audit on the management of rural fire services in Queensland. The objective of this audit was to determine whether suitable systems were operating to ensure the efficient and effective management of rural fire brigades. The audit also considered whether adequate systems were in place to ensure any increased risk of fire as a result of climate change and urban encroachment patterns was being adequately addressed by the government.

The focus of this audit was on the Rural Operations division of Queensland Fire and Rescue Service (QFRS), including the head office in Brisbane, three regional and four area offices and eight rural fire brigades. Audit field work was conducted from January 2008 to April 2008.

After auditing the performance management systems of the rural fire service, I considered that while at the time of the audit the service provided effective management of fires within rural communities, the service was at risk of becoming unsustainable due to the combination of a number of external and internal factors. The audit found that within QFRS, there was a lack of comprehensive forward planning and risk management processes as well as inadequate systems to effectively assess the funding and resource requirements of the brigades. Effective decision making was also hindered by inadequate performance measurement.

Since tabling my report in parliament there has been further correspondence between myself and the Director-General regarding the recommendations made and I have undertaken some further investigation into the legal status of Queensland rural fire brigades.

PAPWC terms of reference

In the course of undertaking the 2008 PMS audit, through further discussions with the department and additional research, QAO has gained an understanding of some of the issues impacting on the management of rural fires. In view of this, I provide the following comments relating to the PAPWC inquiry terms of reference for the committee's consideration.

1. Is the current model of rural fire brigades suitable?

Under the provisions of the *Fire and Rescue Service Act 1990*, government has a responsibility to protect persons, property and the environment from fire emergencies. The government has established within the Queensland Fire and Rescue Service (QFRS) two distinct models to deliver this service; the paid staff urban 'red truck' service model, to protect major cities and towns across the State and the volunteer rural fire 'yellow truck' service model, to protect rural areas and minor townships and villages. Whether or not this is an appropriate model is a policy choice and therefore outside terms of the Auditor-General's mandate to comment.

The rural fire service is responsible for protecting approximately 17 per cent of the population and 93 per cent of the land area of Queensland. As at 1 July 2009, the rural fire service consisted of approximately 1,500 rural fire brigades, involving approximately 34,000 volunteers.

Brigades are supported by QFRS Rural Operations division, which consists of the Assistant Commissioner for Rural Operations and approximately 120 training and support staff. These staff are located across 17 areas within seven regions covering the State of Queensland. (Note these figures were current at the time of the audit and may have changed since.)

Internal systems issues

The audit found, QFRS through its Rural Operations division and the volunteer rural fire brigade network, provided an effective rural fire management service to the Queensland community. However, the audit highlighted a number of concerns regarding QFRS Rural Operations systems that may impact on the continued sustainability of the rural fire service model. The audit identified a number of improvement opportunities in the areas of forward planning, risk management, performance measurement, brigade funding and resourcing and training. Without addressing the weaknesses identified within these systems, audit concluded that the provision of this important emergency service may be at risk.

Recruitment and retention issues

Further to these internal system issues, is the ageing volunteer population and difficulties recruiting new members. At the time of the audit the average age of Rural Fire Service volunteers was over 50 years. The average age for QFRS urban fire-fighters (paid staff) was 43.82 years. This is a major concern for the future of this service delivery model.

Difficulties recruiting volunteers was noted as an issue by most brigades visited. One brigade explained they were increasingly requested to respond to incidences outside their brigade area, due to a lack of volunteers in neighbouring brigades. This placed additional pressure on their members to give up their valuable time.

The audit identified that there was no mechanism to ensure key risks at regional, area and brigade levels are brought to management's attention. Considering the ageing volunteer workforce, brigade level risks in particular must be captured and documented to ensure adequate succession planning. During the audit volunteers provided advice of many specific brigade risks including recruitment and retention, however these were not being formally brought to the attention of QFRS management.

Unclear level of departmental control

Since the audit, it has been identified that the exact legal nature of the relationship, roles and responsibilities between the brigades and the department is unclear in the *Fire and Rescue Services Act 1990*. This raises concerns over the level of control the department has over brigades. The issue of control is one which requires considerable judgement and needs to be considered in light of a range of factors. Based on the evidence available it is difficult to conclude that Rural Fire Brigades are controlled by the Department of Community Safety, although there are requirements within the legislation which indicate a degree of influence and accountability is intended.

In an operational context, it is of concern that this may impact on the applicability and/or enforceability of crucial operational rules, policies and procedures that provide for an appropriate system for the management of rural fires. It also raises questions over the protection Rural Fire Brigade volunteers have in carrying out their duties.

2. Is the existing funding model, including resource allocation, appropriate?

The rural service model is funded from a number of sources. The State Government provides funding through the provision of grants toward the acquisition of appliances and for the construction of rural fire stations. The State also provides training and personal protective equipment to brigade members and subsidises general fire fighting equipment that brigades may purchase.

In addition to State funding, local governments may collect a rural fire levy from their ratepayers and remit this to rural fire brigades within the local government area. At the time of the audit, only 392 rural fire brigades (25%) received a levy. The levy amount is decided by local government in consultation with ratepayers, rural fire brigades and QFRS.

Other sources of brigade funds include brigade fundraising, donations and grants from non-government organisations. This amount is unknown to QFRS.

The significance of maintaining a volunteer based service delivery model is highlighted by the cost to government of alternative models of fire service delivery. QFRS estimated that over 2006 and 2007, (which were relatively quiet years with respect to bushfires given the then drought conditions across Queensland), at least 350,000 hours of service have been undertaken by rural fire service volunteers within the most populated areas of Queensland covered by the rural fire service.

Nature and level of brigade activity unknown

Brigade classifications (based on demographics) and the number of fires attended to, are used to determine an appropriate level of State resourcing. However, audit found that Rural Operations did not have a robust and systematic process to identify the nature and level of brigade activity and therefore allocate resources based on the level of risk and need.

The key brigade operational reporting process which consists of the brigade completing a pro-forma incident report form, was found by audit to be ineffective due to the poor level of brigade compliance. Four of the eight brigades visited by audit did not comply with the requirement to report all incidents. Some very active (iZone) brigades were significantly behind (over 12 months in one case) in sending the forms to Rural Operations. At the time of the audit, Rural Operations had no system to effectively assess the rate of compliance.

Limited ability of brigades to obtain sufficient funds

Audit was informed that brigades are not necessarily resourced to the appropriate level. The provision of equipment is dependent on both the limited funds available to Rural Operations from levy funding and the ability of the brigade to raise funds to contribute to the costs. Audit found that the ability of brigades to access funds varies greatly and is not necessarily a reflection of their level of risk. Audit was informed that there are a number of brigades who require resources, including appliances and fire stations, to meet their risk but have no access to levy funding and are located in areas with only very limited capacity to raise funds directly from the community.

3. What effect is urban encroachment within brigade areas having on rural fire brigades?

The population growth in Queensland has resulted in expanding urban interfaces with wildfire prone areas. This requires changes to the nature of brigade fire fighting operations, including the need for increased response to structural fires and motor vehicle accidents and the need to modify hazard reduction and fire fighting techniques. All eight brigades visited by audit reported that they were experiencing the effects of urbanisation in their brigade area. One brigade reported to audit that only 50 per cent of the incidence they attend are traditional bush/grass fires.

Urban encroachment into wildfire prone areas increases the safety risks for both the community and volunteer fire-fighters. These risks can be mitigated through appropriate training and equipment. Structural fires and road accidents can require different equipment to bushfires including different hoses, pumps and breathing apparatus. The urbanisation of bushfire prone areas has also resulted in the need for different fire-fighting techniques, for example back burning to stop the spread of fires may not be possible due to the proximity of homes. Different equipment and firefighting techniques required different training, which at the time of the audit was not offered to volunteers.

Urban encroachment may also reduce the ability of brigades to undertake hazard reduction, as such activities may raise community concern over the possible smoke and effects of hazard reduction on the flora and fauna. If sufficient hazard reduction is not undertaken regularly, it can increase the likelihood and intensity of bush fires, making them more difficult to contain.

4. How can the increasing demands on rural fire brigades be managed effectively?

Urban encroachment (as discussed above) and climate change are increasing and changing the demands placed on brigades. Research suggests that climate change has a distinct effect on the area burnt and the timing of the start of the bushfire season¹. Earlier starts to the bushfire season imply a reduced window of opportunity for pre-season fuel-reduction burns, which may increase the intensity of subsequent fires.

While climate research has focused on the likely impacts on southeast Australia, QFRS have acknowledged that the predicted effects of climate change are applicable across Queensland, particularly as they relate to the increase in intensity and frequency of wildfires.

The increased risk of fire has led to a re-examination of the balance between suppression and prevention and to a greater focus on issues such as year-round land management practices, policies, planning and legislation. Logically, more frequent and more intense fires suggest that efficient and effective fire management systems will be crucial to maintain current levels of bushfire suppression.

To manage the changing and increasing demands of volunteers, the department needs to ensure it has systems to accurately capture and analyse information on brigade risks (including funding and equipment needs and volunteer recruitment and retention) and the type and number of incidences in each brigade area. The department will also need systems to be able to use this information to prioritise needs and provide the appropriate support, training and equipment needed. A number of issues with these systems were identified in the 2008 PMS audit.

From discussions with brigade members at the sites audited, it was clear that they were aware of local issues, particularly in relation to hazard reduction, equipment, recruitment and training. At present brigades manage these issues through informal and often ad hoc processes and QFRS, Rural Operations have limited systems to capture this information.

5. Are the accountability mechanisms currently in place appropriate?

The audit found that while there were a number of accountability mechanisms in place, there was a lack of compliance by brigades and little enforcement of the requirements by QFRS.

The accountability requirements for funding received by brigades are specified in the Rural Fire Brigade Manual. At the time of the audit, all rural fire brigades had to prepare and supply a statement of income and expenditure, assets and liabilities and auditor's report to their respective area director within two weeks of the brigade's annual or biennial general meeting. In addition, brigades that receive a rural fire levy, had to develop and provide a copy of their three year management and one year operational plans to their area director.

However at the time of the audit, compliance with these requirements was poor and not consistently enforced by Rural Operations area offices and comprehensive records of accountability details of rural fire brigades were not maintained. Further, there was no system in place for Rural Operations to collate, analyse and report on brigade financial information.

¹ Bushfire CRC. *Are Bush Fires Inevitable? A Report on the National Bushfire Forum 27 February 2007, Parliament House Canberra, 2007.*

Specifically, audit found an inconsistent level of compliance with the planning requirements. No guidance had been provided by Rural Operations as to what brigades should include in their plans and area office involvement in the development of these documents varies throughout the State. This limited the ability for brigade level risks and issues to be brought to the attention of area and regional offices and incorporated into their planning processes.

Audit is also concerned that only brigades that receive a levy are required to develop a three year management and one year operational plan (25 per cent of brigades).

6. What should be the role of fire wardens within the rural fire services model?

The 2008 PMS audit on the management of rural fires in Queensland, did not include a detailed review of the role of fire wardens.

7. Other relevant matters to the inquiry?

Funding models of other states

The success of the Queensland rural fire service model relies heavily on the ability of brigades to raise their own funds through fundraising activities, as explained above. This is in contrast to the Victorian and New South Wales funding models outlined below.

Victoria Country Fire Association (CFA)

Currently there are 1,211 brigades located throughout Outer-Metro and Regional Victoria. CFA currently consists of over 59,000 volunteers, 804 career support staff and 464 career fire-fighters. CFA is considered to be one of Australia's largest volunteer based emergency service organisations.

Under the *Country Fire Authority Act 1958*, CFA receives annual funding through the State Government (22.5 per cent), insurance companies (through fire service levies on insurance premiums 77.5 per cent) and from other companies under s.80A of the Act.

CFA also receives funding during the year from the provision of goods and services to external bodies including the provision of external training services, fire protection fees, alarm monitoring, dangerous goods inspections, and hazardous materials incidents.

Other income during the year comes from a number of sources including the Transport Accident Commission, interest, a Commonwealth Government Grant, public donations and the recognition of additional brigade-owned vehicles.

New South Wales Rural Fire Service

The NSW Rural Fire Service comprises over 2,100 volunteer rural fire brigades with a total membership of just over 70,000. In addition, salaried staff are employed to manage the day to day operations of the Service at Headquarters, regional offices and district fire control centres.

The rural fire service is funded through local government (13.3 per cent), insurance industry (73.7 per cent) and NSW Treasury (13 per cent)². Rural Fire Brigades are set up as charities so they can accept public donations. Many brigades conduct fundraising activities and must meet legislation under the state charities act.

The *NSW Rural Fire Services Act 1997* – s.111(4) states that “the Governor may, on the recommendation of the Minister, exempt a relevant council from making a rural fire brigade contribution if the Governor is satisfied the danger from bush fires in the council's area is negligible.”

² NSW Rural Fire Service Annual Report 2008/09

The Canberra firestorm court case

This case highlights the importance of clearly identifying the legal nature of the relationship, roles and responsibilities between the brigades and the department, and establishing clear accountability systems.

The ACT and NSW governments are currently being sued for damages resulting from the 2003 Canberra firestorm. More than 600 plaintiffs, including victims and insurance companies, took their case to the ACT Supreme Court on 1 March 2010. It argues that duty of care was breached because emergency services failed to extinguish fires that had broken out in rugged bushland in neighbouring NSW 10 days before the firestorm struck.

The group is seeking an estimated \$100m for injuries and losses from the bushfires that killed four people and destroyed nearly 500 houses.

Overloaded appliances

The audit also identified that there was a lack of an appropriate system for Rural Operations to monitor the condition and safety of rural fire brigade equipment and appliances. For example, audit noted instances of modified and overloaded appliances that may effect their roadworthiness and safe use. Further, the importance of a QFRS system to monitor and ensure its appliances remain unmodified and not overloaded with additional equipment is highlighted by circumstance of the current light appliance used by brigades. QFRS advise that there is only a 50kg margin between the vehicle's weight when it is crewed and loaded with water and its Gross Vehicle Mass. There were 164 of these appliances in use at the time of the audit.

Conclusion

The comments within this submission are based on the knowledge gained during the course of the 2008 PMS audit on the management of rural fire services in Queensland and additional research and contact with the department since tabling the report. The recommendations included in my report have not been subject to a formal follow-up audit process, therefore the department may have made progress towards addressing the above issues.