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Monday, 27 July 2009

The Secretary Senate Select Committee on Agriculture and Related Industries PO Box 6100 Parliament House Canberra ACT 2600

## Subject: Inquiry into Bushfires in Australia

Introduction: -

This Association was established some years ago in an effort to ensure that the views of the 70,000 volunteer fire fighters were represented in a manner which was independent and bi-partisan. The Association was also set up as a not for profit incorporated organisation to assist brigades and their members in the form of sponsorship projects and the provision of special grants for equipment not readily available through other sources.

The Association has already actively participated in a number of inquiries and is of the view that it should provide input into the above inquiry, particularly as the terms of reference mention the adequacy and funding of the fire fighting resources and the role of volunteers.

Comments: -

(G) <u>The adequacy and funding of fire fighting resources both paid and volunteer and the usefulness and impact on farm labour</u>:-

In NSW the funding of the Rural Fire Service is based on a contributory system. These funds are derived from three sources i.e. State Government 14.6%, Local Government 11.7%, Insurance Industry 73.7%. Whilst the Association recognises funding shortfalls do exist, it does acknowledge significant increases over years in order to address concerns which arose after the 1994 fires and the 2001 fires which impacted significantly on this State. In addition to the above source of revenue this Association through various fund raising measures assists volunteers throughout the State, not only in providing equipment etc, but sponsoring them to attend various training programs and conferences etc.

Because of the contributory system, the argument has been put forward on many occasions, that volunteers as well as providing the fire fighting services to the community free of charge are paying for it through Local Government rates, State taxes and in particular insurance premiums. This is extremely relevant in farming communities where the impact of fire is critical and their livelihoods are very much affected by severe fire behaviour. The down turn in the economy is also impacting on the ability of the farming community to maintain insurance coverage and provide resources in critical times.

The Association supports these concerns and believes that taxation relief should be provided to those who choose to insure their properties. This would not only ease the burden on policy holders but will serve as an incentive to insure.



Furthermore it would result in savings for the government which has traditionally in times of natural disasters supported appeals etc directed at assisting the recovery process and in fact "bailing out" the uninsured.

## (H) The role of Volunteers: -

Australia leads the world in volunteerism, particularly in the emergency service areas. If it was not for these volunteers, the overall cost to Government for the provision of such services would be enormous. It is a culture therefore that should be nurtured as demands increase and the farming community ages and seeks alternative forms of income.

Most volunteers would be offended by the thought of payments for these services but the Association is of view that it is time to seriously consider some form of taxation relief for these people.

In view of labour cost in particular, successive Governments have recognised that the injection of funding into Rural Fire Volunteer Brigades is far more economic then replacement by full time paid employees. This however should not be exploited in a manner which would result in volunteers no longer making themselves available to meet community expectations. It is a critical balancing exercise and employer / family support is vital. Volunteers don't expect to be paid but do welcome recognition and support for their services.

The ageing of the population is a pressing issue that needs to be addressed. There is extensive evidence to show that older people are particular vulnerable to fires. Existing literature highlights the need to raise awareness and knowledge about the ageing issues, In particular the vulnerability of older people to fires and the likely impact that ageing will have on the Rural Fire Service and the reliance on volunteers.

This in itself highlights the need for tangible benefits to be explored and taxation relief is an initiative that would have universal support.

## (i) Insurance against bushfires: -

The Association is of the view that an individual's decision to insure or not insure is a commercial one and should remain as such. Nevertheless it believes that it would be prudent to do so (i.e. insure) given the investment in property and the impact of natural disasters suffered by this Country.

The dilemma for the Association, is, as previously mentioned the cost for coverage and the fact that the ESL (Emergency Service Levy) is borne by all policy holders, not withstanding the fact that he or she might be providing the service voluntarily as a member of the Rural Fire Service.

Taxation relief for policy holders is an option that should be pursued.

The above comments are provided in an effort to assist your inquiry develop outcomes that will not only address the immediate needs of our volunteers, but ensure ongoing support given the aging membership and the global economic position. The opportunity for public participation in the inquiry is very much appreciated and I trust that the Association's input will be beneficial to you.

Yours faithfully

Brian McKinlay AFSM President