

# DRAFT POLICY ON FINANCIAL SUPPORT TO FIRE PROTECTION ASSOCIATIONS AND TO OWNERS WHO PREPARE FIREBREAKS ON INTERNATIONAL BOUNDARIES

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## Background

1. Section 7 of the National Veld and Forest Fire Act empowers the Minister to “give a loan, grant or other assistance” to a Fire Protection Association “for any of its activities”, without obliging him or her to do so.
2. This section also allows financial help in cases where owners (whether members of a FPA or not) prepare firebreaks on an international boundary and incur more cost than they would have if they had not been situated on such a boundary.
3. This document sets out the policy that the Department will follow in deciding on financial assistance to an FPA or to an owner making firebreaks on an international boundary.

## Policy goal

4. The overall goal of this policy on financial support is to ensure that government financing of prevention and combating of veldfires is properly co-ordinated and effective.

## Considerations

5. Fire Protection Associations are new organisations, which will have to assemble human and other resources to support their objectives of preventing, predicting, managing and extinguishing veldfires, i.e. veldfire management. FPAs will require funds for operations. Funding needs may include the following: (a) costs of employment of the Fire Protection Officer and staff (b) fire-fighting equipment (c) the gathering of weather and other information relevant to veldfire management and (d) administrative costs.
6. However, the Act provides for FPAs so as to facilitate local organisation for veldfire management where this is needed, i.e. where the risk of veldfires justifies the cost of this organisation. In other words, owners must gain the benefits from FPAs that justify their costs. The kinds of benefits that owners should obtain from membership of the FPA include the following:
  - a) the presumption of negligence in civil claims for damage where a fire from the member’s land causes damage or loss to another person (section 34(1)(b) of the Act) falls away once an owner is a member of an FPA
  - b) the value of co-operation in preventing and combating veldfires through the institution of the FPA, within the framework of an agreed veldfire management strategy, including the close co-ordination with local Fire Services
  - c) the cost saving that comes from avoiding duplication with for example disaster management plans and agricultural resources conservation programmes
  - d) the protection that comes from the enforceable rules of the Association

- e) advice and assistance to members in meeting the statutory requirements for readiness for fire fighting, including skills development
  - f) the empowerment of FPOs to enforce the provisions of the Act and the rules of the Association
  - g) improved communication among members e.g. of fire hazard conditions
  - h) free access to research commissioned by the Minister on the prevention and combating of veldfires and on the use of controlled fire in sustainable forest management (section 30(2))
  - i) possible relief from certain prevention measures, such as preparation of firebreaks, depending on the contents of the Association's veldfire management strategy
  - j) the overall benefits of progressive building of capacity within the Association and thus among its members, with overall reduction in the risks of veldfires.
7. Fire services are in the constitutional competence of local government. Local government also provides the local disaster management office, which co-ordinates disaster management plans of which veldfire management is an essential part. The municipal fire service must support the activities of the FPA. In turn, municipal fire services can optimise their resources through coordination with FPAs.
8. Local government may consist of:
- a) A category A municipality, i.e. a metropole, or
  - b) A category C municipality, i.e. a District municipality, within which several category B, or local, municipalities occur; where there is an area within the District where a local municipality is not feasible, that area is governed as a district management area;
  - c) Within a metropole, local affairs may be governed by subcouncils, to which the municipality may delegate powers, or by ward committees, to which no powers are delegated [check]
  - d) Within a local municipality, local affairs may be governed by ward committees.
9. District municipalities are responsible for fire fighting services serving the area of the district municipality as a whole. Within the district, a local municipality would not provide fire-fighting services unless these are delegated to it by the district, or allocated to it by the MEC for local government in a province but only if the district does not have the capacity to provide the service to the area of the local municipality.
10. National Government has established a framework for the transfer of national revenues to local government by means of the Division of Revenue Act. National government allocates funds in three categories:
- a) The equitable share, a function of the number of households in poverty (and is allocated with some related funds), intended to assist municipalities to perform their basic functions but with annual increases that provide for meeting commitments to provide basic services to communities [are these basic services defined?]
  - b) Funds for restructuring and
  - c) Capital funds.
11. Government allocates the equitable share to all Category A (metropolitan) and Category B (local) municipalities, without any conditions being attached to them.

12. However, the equitable share has two components. The I-grant component is meant to ensure that every eligible municipality has sufficient funds to maintain a functioning administration. The S-grant is the largest part of the equitable share and its purpose is to ensure that low-income households in all municipalities receive access to basic municipal services.
13. There is no allocation of the equitable share to district municipalities. District municipalities that provide a service on behalf of a local municipality should recover the costs from that municipality in terms of a formal agency agreement.
14. The main objective of allocations for municipal infrastructure is to expand delivery of basic infrastructure services to poor households.
15. Capacity building and restructuring grants assist municipalities to enhance their capacity to perform their functions in an effective and efficient manner. Grant programmes support the adoption of modern management systems, such as the Financial Management Grant, which assists municipalities to develop and implement three-year budgeting systems. The Local Government Support Grant and the Restructuring Grant assist smaller and larger municipalities respectively to implement medium term restructuring exercises that enhance service delivery and promote financial sustainability.
16. Section 27 of the Division of Revenue Act, 2001, regulates the transfer of powers and functions between spheres of government and categories of municipalities. This section of the Act requires that the National Treasury and the national accounting officer of DPLG [Department of Provincial and Local Government] must give prior approval of any transfer of functions between spheres of government, and such a transfer must be accompanied by a transfer of funds. Since the Constitution determines that fire services are in the sphere of local government, implementation of the National Veld and Forest Fire Act does not involve a transfer of functions, as long as it does not impose more on local government than would be reasonably necessary for municipalities to meet the needs of households in their areas.
17. Each municipality is to prepare an integrated development plan (IDP) for every five-year term of local government, which will enable the municipality to manage the process of fulfilling its developmental responsibilities, in compliance with the [Local Government:] Municipal Systems Act of 2000. Integrated Development Plans will inform the municipal management as well as guiding the activities of any agency from the other spheres of government, corporate service providers, NGOs and the private sector within the municipal area.
18. IDPs include an Environmental Analysis, which identifies major risks and trends, and an Institutional Analysis, which identifies strengths and weaknesses of the municipal administration. They are then to include the development strategies chosen to address environmental risks and degradation. They are to incorporate the principles of environmental soundness and sustainability by:
  - identification of environmental degradation and risks during the analysis;
  - involvement of competent stakeholders and/or resource persons in charge of environmental concerns in the public participation process;
  - making sure that major environmental problems and threats are reflected in the objectives;
  - assessing alternative strategies by considering their environmental impact; and
  - considering environmental aspects when designing project proposals.

Thus IDPs have to give an explicit answer on how the municipality will deal with

environmental problems and avoid negative environmental impact.

19. The White Paper on Disaster Management and the Disaster Management Bill [now an Act] require local disaster management plans, which are to be integral to IDPs. Where veldfires are identified as a risk, the disaster management plans will need to address these, and where an FPA exists, its veldfire management strategy will serve the purpose of disaster management planning.

### **Statement of the problem**

20. Municipal Fire Services must provide a service to everyone within the relevant Municipality. For this purpose the Fire Services receive funds from the municipal budget.
19. However, in rural areas in South Africa as elsewhere, the Fire Services cannot be geared to reach every veldfire. For this reason and to protect their assets, rural land owners must meet the costs of protecting their own properties, and the costs of organising for veldfire protection through membership of an FPA. Thus the problem arises that though owners are entitled to some reasonable level of service from their Municipal Fire Service, they do face additional costs of veldfire management. Landowners face a total cost of veldfire management which is the sum of (a) the fraction of their rates and taxes that goes to fire services and (b) their own costs, again in two parts (i) what they must invest directly in the protection of their properties and in fire insurance and (ii) their contributions to the FPA, if they are member. In many cases, it seems, the balance between fire services delivered to the rural landowner and his or her own costs of veldfire management has not yet been agreed.
20. On an international boundary, a landowner may face excessive costs of firebreak preparation because it may not be possible to ensure that neighbouring landowners, across the border, prepare firebreaks on their side of the property boundary thus necessitating a wider firebreak or greater precaution in its preparation than would otherwise be needed.
21. Costs of veldfire management are part of the cost of sustainable land management. Veldfire management should thus be afforded from the revenues that accrue to each property. In some cases, landowners claim that their revenues cannot bear the extra cost of veldfire protection measures required by the National Veld and Forest Fire Act, including FPA fees, which would bankrupt their operations.
22. In many cases, landowners may be indigent and in any event not able to afford most of the costs of land management, including those of veldfire management.

### **Policy on financial support to FPAs**

23. The Department will assist in reducing the cost of veldfire management by providing sound frameworks and guidelines for the implementation of the National Veld and Forest Fire Act and guarding against establishment of more than necessary and sufficient standards. It will further co-operate with other sectoral departments and other spheres of government to do as much as possible to eliminate costs of duplication.
24. The Department expects rural landowners through their FPAs to participate in the process of integrated development planning in their local municipalities. In areas at risk of veldfires, the risk should be clearly identified in the Environmental Analysis, and addressed in the development strategies. The Institutional Analysis should identify strengths and weaknesses of the municipal Fire Service relative to reasonable service levels. Expectations about fire service levels must be tempered with the knowledge that

a balance must be struck between own protection, and municipal service level: generally, in South Africa as elsewhere, rural landowners cannot expect the municipal service to respond to all veldfires.

25. The agreed municipal service levels for veldfire protection should then be reflected in the municipal budget for its Fire Service.
26. Local norms and standards should apply to firebreak preparation and on-farm preparedness for veldfires. The Department regards the cost of maintaining these standards as a reasonable proportion of the cost of sustainable land management, to be afforded from the revenues enjoyed by the owner.
27. The FPA's veldfire management strategy should be based on the principle of least acceptable risk at reasonable cost, i.e. members agree on the level that veldfire risk is to be limited to, and the joint costs that they are prepared to afford to achieve this. Generally, the cost of membership of an FPA will be beneficial since the veldfire management strategy will reduce on-farm costs in several ways e.g. (a) appropriate firebreak exemptions (b) increased veldfire management efficiency (c) decreased insurance premiums and (d) voluntary effort. This would apply equally to State as to other land.
28. In some areas the revenues to land may be marginally profitable and unable to sustain the costs of veldfire management. Though normally a financially unsustainable land use should not be subsidised, it may be that local economic development and poverty alleviation could be jeopardised if such operations were to be bankrupted by these costs, and not substituted by more efficient land use. In such cases the Department expects that this would be revealed in the IDP for the area and the strategy for sustainable land management would be financed through the lines of funding mentioned above.
29. Poor communities, especially on communal land, would also sometimes need to have their veldfire management costs met from sources other than their own incomes. In such cases, where communities are indigent, the Department expects that the costs of on-farm fire protection would be subvented by (a) volunteer effort, e.g. in the fireproofing of homesteads and preparation for firebreaks (b) services from the FPA and (c) in the case of membership fees to FPAs, subvention by the local municipality from the S-grant component of the equitable share.
30. Where an FPA requires a loan for working capital or the acquisition of capital goods, the Department expects it to work with the municipal fire service to address finance from the allocation of capital funds to the municipality (see 10 above).
31. The Department will monitor the situation regarding the funding of FPAs and if necessary work with the National Treasury and the Department of Provincial and Local Government to provide for justifiable finance in future.

#### **Policy on support to owners on international boundaries**

32. The Department expects landowners on international boundaries where necessary to prepare firebreaks that are adequate, in their own estimations, to reduce veldfire risk to an acceptable level.
33. In the mean time the Department will with the Department of Foreign Affairs enter into bilateral negotiations with the relevant countries, i.e. Botswana, Lesotho, Mozambique

and Swaziland, to reach agreements on firebreak preparation along relevant boundaries.

34. This approach will take account of the current development of transfrontier protected areas and other opportunities for institutionalised bilateral international cooperation to manage the environment along the borders of the country.