



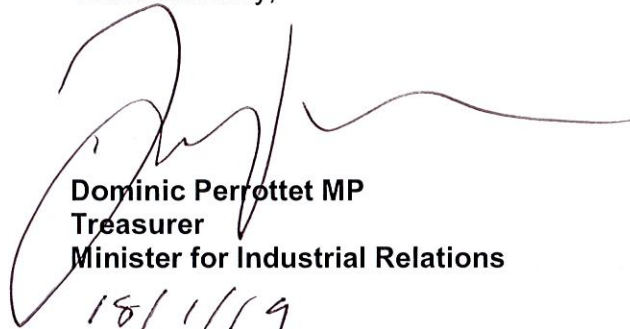
The Hon Dominic Perrottet MP
Treasurer and Minister for Industrial Relations

Mr David Blunt
Clerk of the Parliaments
NSW Parliament
Macquarie Street
SYDNEY NSW 2000

Dear Mr Blunt,

Please find attached the NSW Government Response to the recommendations of the report entitled *Fire and Emergency Services Levy* by Portfolio Committee No. 4 – Legal Affairs for tabling in the Legislative Council.

Yours sincerely,



Dominic Perrottet MP
Treasurer
Minister for Industrial Relations

18/1/19
Attached: NSW Government Response

Received by me on behalf of the Clerk
at 4.20pm on Friday 18 January 2019



Government Response to Legislative Council Inquiry into the Fire and Emergency Services Levy

Findings		Response
1	That the NSW Government's failed implementation of the Fire and Emergency Services Levy was a poor public policy decision, undertaken without adequate understanding of the complexities of the issue or the impacts of the proposed reforms.	<p>Rejected. When announcing reform to the funding of fire and emergency services, the NSW Government considered a property-based levy to be fairer, in principle, than an insurance-based levy.</p> <p>The Government initiated the reform based on the best information available to it at the time. However, in some cases the changes in levy burden for individual landowners were so great that they did not meet the underlying objective of improved fairness. The Government took prompt action as soon as these individual cases came to light.</p>
2	The NSW Government's failed implementation and late deferral of the Fire and Emergency Services Levy has caused significant and avoidable costs to local government and the insurance industry.	The Government took swift action to address the unintended consequences of moving from an insurer levy to a property-based levy. Local Government has been reimbursed for costs incurred.
Recommendations		Response
1	That the NSW Government provide greater oversight and accountability to ensure that the budgets for fire and emergency services agencies are appropriate.	Supported. From 2017-18, insurers and local government contributions are no longer paid directly to the fire and emergency services agencies. These revenues are now paid to Revenue NSW with most funding for the agencies provided through a Parliamentary appropriation. These changes have increased the level of government and Parliamentary oversight of the activities of the fire and emergency services agencies.
2	That NSW Treasury continue to work to minimise the number of 'known unknowns' and conduct a full, and transparent re-modelling of any new Fire and Emergency Services Levy.	Noted. The NSW Government has no plans to introduce a revised Fire and Emergency Services Levy in the next term of government.

Recommendations		Response
3	That the NSW Government consider making Revenue NSW responsible for administering any new Fire and Emergency Services Levy.	Noted
4	That no future NSW Government should move to implement a Fire and Emergency Services Levy unless it considers: <ul style="list-style-type: none"> • use of capital improved value of land for calculation of levy • differential levy rates, fixed charges, discounts and caps • better aligned land classifications between council and the Fire and Emergency Services Levy • inclusion of motor vehicles 	Noted
5	That the NSW Government ensure appropriate consultation with key stakeholders during the development or re-modelling of any new Fire and Emergency Services Levy.	Noted
6	That the NSW Government revisit the role and funding arrangements for the Emergency Services Levy Insurance Monitor to ensure that, if the Fire and Emergency Services Levy is re-introduced, the Monitor's role continues past June 2020.	Noted