

INQUIRY INTO FIRE AND EMERGENCY SERVICES LEVY

Organisation: NSW Rural Fire Service Association

Date received: 23 November 2017



RFSA

NSW Rural Fire Service Association
Incorporated
www.rfsa.org.au
enquiries@rfsa.org.au
ABN 65 291 969 153

PO Box 845, Penrith BC NSW 2751

Phone: (02) 4722 2122

Fax: (02) 4722 2144

23 November 2017

The Director
Portfolio Committee No. 4 – Legal Affairs
Parliament House
Macquarie Street
Sydney NSW 2000

Dear Sir,

Inquiry into fire and emergency services levy

To assist Members in addressing the terms of reference of this Committee, the NSW Rural Fire Service Association, as the officially recognised body in the Rural Fires Act, effectively represents the views of over 74,000 Members and wishes to submit the following submission.

The submission provides an introduction to the Association and responds to the matters raised in the Terms of Reference, including other related matters.

I trust the Committee will find this information useful during its deliberation and I confirm that I would be in a position to attend and provide evidence at any hearings conducted by the Committee, if deemed appropriate.

Yours sincerely,

Ken Middleton
President

Supporting Our Members To Protect The Community



RFSA

NSW Rural Fire Service Association
Incorporated
www.rfsa.org.au
enquiries@rfsa.org.au
ABN 65 291 969 153

PO Box 845, Penrith BC NSW 2751

Phone: (02) 4722 2122
Fax: (02) 4722 2144

Inquiry into the Fire and Emergency Services Levy (Portfolio Committee No. 4 – Legal Affairs)

Introduction

The NSW Rural Fire Service Association (RFSA) represents over 74,000 members of the NSW Rural Fire Service and provides grants for brigades, groups of brigades and Districts, scholarships, sponsorships, advocacy and chaplaincy/welfare support. It was established over 20 years ago and has developed an excellent and respected working relationship with the NSW Rural Fire Service, NSW Parliament, Local Government Councils, NSW Farmers Association, NSW State Emergency Service Volunteers Association and other emergency service agencies through well-established and effective consultative arrangements.

The RFSA has established a representative structure comprised of 16 divisions covering the entire State, and these divisions are represented by elected delegates on a State Council which meets four times a year. Under the 16 divisions, the RFSA has over 40 branches allowing grass roots members the opportunity to be heard.

Specific Issues to be addressed by the Inquiry

a. The policy process and financial modelling underlying the provisions of the Fire and Emergency Services Levy Act 2017.

Response: Although the financial modelling was undertaken by NSW Treasury, in responding to a Discussion Paper produced and circulated by the Government in July 2012 the RFSA identified five key elements that needed to be addressed in any future funding model.

- *Community connection*
- *Operational efficiency*

- *Fair contributions*
- *Financial solidity*
- *Risk sharing*

The RFS also commissioned Deloitte Touche Tohmatsu to research a number of issues including the total cost of the NSW Rural Fire Service.

As a result of this research, the RFS advised the NSW Government on 10th October 2012 that it favoured the retention of the current contributory funding model for the RFS and thus did not support the property-based levy proposed by the Discussion Paper. The RFS did not believe that a compelling case had been made to suggest that the asserted benefits of a property-based levy outweighed the risks.

(A copy of the RFS's submissions is attached – refer Annexure A & B)

b. The policy and financial implications for all stakeholders of repealing this Act.

Response: As the decision taken by the Government to repeal the Act supports the RFS's position on the matter, the financial implications for stakeholders under the current contributory funding system would be less than the proposed property based levy system.

c. Alternative models for ensuring that fire and emergency services are fully funded in a fair and equitable manner

Response: It needs to be noted that the catalyst for change as consistently quoted by the current Government and others is the extent of non-insurance in NSW. Whilst the RFS acknowledges the reported extent of under insurance, for building "contents", the fact remains that 95% of home owners have building insurance which is a primary asset for protection by our emergency services (see page 13 of the Governments discussion paper July 2012).

The RFS does recognise that as with any system there are potential improvements that could be made to the current contributory funding arrangements and is willing to work with Government to examine any reforms which meet community expectations and do not in any way jeopardise the independence and level of funding for the NSW Rural Fire Service. For example, given the number of motor vehicle accidents attended by our emergency services, a

levy on motor vehicle or compulsory third party personal injury insurance policies could be explored thereby reducing the burden on home owners insurance policy holders.

d. Any other related matter

Response: Any change to the current NSW Rural Fire Service funding arrangement should take into account the following aspects:

- *The potential loss at State and Federal government level of related Stamp Duty and GST collected by the insurance industry that would have to be recovered through other means.*
- *A change in arrangement would potentially not only impact the NSW Rural Fire Service funding but also on Fire & Rescue NSW and State Emergency Service.*
- *The annual increase in NSW Rural Fire Service costs and the Rural Fire Fighting Fund in order to meet the requirements of volunteer Rural Fire Brigades has historically exceeded rate pegging limits and impacted the councils' ability to provide the same quality and amount of other services.*
- *Recognition of the totality of the current costs and sources of funds, so as to ensure that adequate levels of funding are secured in future and that any proposed changes do not inadvertently increase the overall impost on any of the contributors.*
- *The impact on fundraising at the local level and the voluntary support provided to brigades by the community, local government and the RFS.*

I would be prepared to appear before the Committee at a future date and provide further information if required.

I trust you will find this submission of assistance in your deliberations.

Ken Middleton
President