

INQUIRY INTO FIRE AND EMERGENCY SERVICES LEVY

Organisation: Wollongong City Council

Date received: 24 November 2017

The Hon R Borsak, MLC
Committee Chair
Portfolio Committee N^o 4 – Legal Affairs
Parliament House
Macquarie Street
SYDNEY NSW 2000

Your Ref:

Our Ref:

File:

Date:

Z17/500723

FI-002.75.008

24 November 2017

Dear Mr Borsak

RESPONSE TO INQUIRY INTO FIRE AND EMERGENCY SERVICES LEVY

Council would like to thank the Legislative Council for the opportunity to make submission on the issue of the Fire and Emergency Services Levy [FESL].

Wollongong City Council had been an active participant in the reform process with staff involvement in the FESL Working Group that commenced in May 2016. Council opposes the introduction of the FESL moving from insurance companies to an inequitable broad-based property tax on the following grounds:

- The proposed model will see Council as the State Government's tax collector for the fire and emergency services levy and reject collecting any additional taxes on behalf of the State Government.
- Council opposes the proposed funding changes that will see businesses receive annual savings whilst homeowners will wear the increase of the levy.
- We are concerned that many residents will be unable to pay or have real financial difficulty in paying the proposed new annual fire and emergency services levy for emergency services.

Any other related matters

Reporting and Controls

In creating legislation and direction for Local Government as an agency for the collection of Fire and Emergency Service Levies, the State Government seems to have taken a very dictatorial, heavy handed and costly approach to control over the payments and reconciliation process. Council believes that as a 'trusted' partner of an agent in this process, there is sufficient capacity and goodwill that should eliminate much of the red tape that was been proposed. Council contends that with the Auditor General now auditing all Council's financial affairs, that there should be a cost effective and practical approach to ensuring sufficient control of agency funds is maintained, without the need for detailed and restrictive practices being implemented.

It is also argued that a simple and equitable formula or commission based fee structure should be offered to councils negating the need for detailed account keeping and allocation process to be developed to prove expenditure on the collection process. As an agent (albeit mandatory through legislation) councils are entitled to a reasonable payment for the service provided.

In addition, Council does not understand the value in the State's attempt to force financial reporting through Council's Annual Financial Statements of detailed information around the collection of State Funding. Council believes that as an agent for collecting these funds, such information is not warranted in our Financial Statements and do not add value to our readers as to our financial operations or position.

Yours faithfully

David Farmer
General Manager
Wollongong City Council