

INQUIRY INTO FIRE AND EMERGENCY SERVICES LEVY

Organisation: Wagga Wagga City Council

Date received: 24 November 2017

Inquiry into the fire and emergency services levy

Terms of reference

1. That Portfolio Committee No. 4 - Legal Affairs inquire into and report on the funding of fire and emergency services, and in particular:

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

(b) The policy and financial implications for all stakeholders of repealing this Act,

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

(d) Any other related matter.

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

Wagga Wagga City Council cannot comment on the policy process involved however suggests more consultation with Local Councils concerning financial modelling, would have highlighted obvious problems associated with implementing a simplistic “one size fits all” approach. In particular, the ad-valorem structure used to calculate the Fire and Emergency Services levy.

Note: Wagga Wagga City Council was not a “Test Site” for the implementation of the FESL or part of the working group. Therefore, it is limited in its ability to comment on the actual testing of software changes needed to implement the levy, but believes if the FESL had not been repealed, the ad-valorem charges and categories, as determined by Treasury, would have been successfully applied and implemented on July 1st 2017 as planned.

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

The financial compensation for the implementation and subsequent repeal of the Act was sufficient, and has covered all costs incurred by Wagga Wagga City Council. Council cannot comment on other NSW Councils.

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

Wagga Wagga City Council considers more consultation with Local Councils would have highlighted areas of concern about the simplistic approach as mentioned above.

Any other related matters.

- The Fire and Emergency Levy implementation was too simplistic in its approach.
- A “one-size fits all” approach using an Unimproved Capital Land value basis, across the whole state was never going to work, equally and/or fairly.
- Council would argue that the majority of NSW Councils knew this fact, but were virtually directed by what Treasury/FESL Department dictated.
 - Although, it should be noted, that the support and guidance provided by Treasury and FESL Department staff during the attempted implementation of the FESL, was more than adequate.
- New South Wales should be separated into distinct sectors, similar to Victoria.
 - Major Cities inc Sydney, Newcastle and Wollongong,
 - Regional/Rural Areas.
 - The same FESL categories would apply, but different ad-valorem rates in the dollar would need to be applied to each sector, to gain some sort of fairness and equity.
- There were too many questions asked by ratepayers and Council Rating staff on the definitions given by Treasury for Commercial, Industrial, and vacant land properties. These need to be streamlined, simplified, reviewed and clarified.
- This is a Developed Property and Undeveloped Property Insurance levy so a move to Improved Capital Valuations should be considered, in order to further assist in making the FESL levy more fair and/or equitable
- State Treasury took too long to release the Advalorem Rates and Fixed Charges for the FESL, and to issue a flyer as late as April 2017 informing ratepayers about the introduction of the FESL, without the Advalorem rates and fixed charges, was not an ideal situation.

Summary

Council believes that more consultation with Local Government Councils, both intrastate and interstate, would have highlighted that the FESL levy, as proposed, would not be applied fairly and equally across NSW.