

INQUIRY INTO FIRE AND EMERGENCY SERVICES LEVY

Name: Mr David Singer
Date received: 1 December 2017

EMERGENCY SERVICES LEVY (ESL)

SUBMISSION

David Singer

David Landa Stewart Lawyers

- 1. I support replacement of the current system for assessing ESL - which is unfair, inequitable and inefficient.**
- 2. I support a broad based property tax on ALL properties in NSW – vacant and improved.**
- 3. Fires are not selective in the properties they threaten. All property owners – not some - are the beneficiaries of - and should fund the cost of - providing fire services**
- 4. I propose that the ESL be collected as a proportion of the COUNCIL RATES paid by each property - NOT BE BASED ON LAND VALUES - which are inconsistent and not transparent as the Ombudsman found in his Report in October 2005 entitled “Improving the quality of land valuations issued by the Valuer General.”**
- 5. Using municipal rates as the basis for assessing ESL ensures that every cent budgeted for is actually collected – not a cent more - not a cent less. This will end any shortfall between nominal and actual revenue raised as happened between 1998 and 2008 (Review of State Taxation Report – October 2008 - Page 200) - or any windfalls.**
- 6. The system is relatively cheap to administer and property owners can reasonably estimate their annual liability more easily than if ESL was based on land values.**
- 7. The system is very simple and works as follows:**
 - (i) The Government determines the amount of the ESL to be raised each year – say \$1 billion**
 - (ii) The amount determined is apportioned between the contributions presently made by Local Government (11.7%), State Government(14.6%) and the balance (73.7%) is left to be paid by NSW property owners**

- (iii) The total rates revenue in NSW for the 12 months prior to issuing ESL assessments is then ascertained – say \$3 billion (2009-2010)
- (iv) Therefore the factor to apply to each person's rate notice to raise \$737 million (73.7% of \$1 billion) from property owners to pay for the ESL is:

$$\frac{\$737 \text{ million}}{\$3 \text{ billion}} = 0.243 - \text{say } 25\% \text{ of the property rates paid by each owner}$$

8. Based on the average mean and median rates paid for Residential, Farmland and Business properties in 2009-2010 – the ESL payable would be:

	Average Rates Mean	ESL payable	Average Rates Median	ESL payable
	\$	\$	\$	\$
Residential	786	196.50	760	190
Farmland	1876	469.00	1834	458.50
Business	4151	1037.75	1841	460.25

- 9. The inbuilt differential in the rates system ensures residential, farmland or business properties will pay differing amounts as a percentage of their municipal rates. Tax deductibility can be claimed by income producing properties.
- 10. Properties entitled to special rate rebates (eg pensioners) will only be assessed on the rates actually paid. Contributions paid by the State and local councils will ensure ESL is paid on most properties currently exempt from payment of municipal rates.
- 11. ESL can be collected by local councils quarterly and included in the rate assessment notice issued for each property.
- 12. Local councils can be paid a management fee for collecting and remitting ESL - which fee could be used for fire prevention works in the local government area.
- 13. If ESL was to be levied on motor vehicles then the proportion of the \$1 billion to be raised could be determined and levied on the registration fees paid by the registered owner of each NSW vehicle – reducing the contribution payable by property owners.
- 14. ESL collected in this manner should not be subject to either stamp duty or GST.
- 15. Modelling to exempt properties from ESL where the council rates paid did not exceed a given threshold amount is a possibility – but not one I would favour.