

INQUIRY INTO FIRE AND EMERGENCY SERVICES LEVY

Organisation: NSW Farmers Association

Date received: 18 December 2017



Derek Schoen
President

Ref: 171390C

18 December 2017

The Hon Robert Borsak MLC
Chair
Portfolio Committee No 4. – Legal Affairs
NSW Parliament
Macquarie St
SYDNEY NSW 2000

Dear Mr Borsak,

RE: Inquiry into the Fire and Emergency Services Levy

The NSW Farmers' Association (the Association) is Australia's largest State farmer organisation representing the interests of its farmer members – ranging from broad acre, livestock, wool and grain producers, to more specialised producers in the horticulture, dairy, egg, poultry, pork, oyster and goat industries.

Our members are committed to and engaged in their communities. Various they are rate payers, holders of insurance policies, and volunteers in local SES and/or RFS teams, and the community maintained Volunteer Rescue Association (VRA). Potentially they are both recipients and providers, of the fire and emergency services action. In regional areas of the state they attend to the impacts of major incidents - fire, flood, storm, and often transport accidents.

At any one time, both residents and visitors to NSW have benefited from the skills of these volunteers to complement the services provided by employees of Fire, Ambulance and SES/RFS agencies. Therefore, it is critical that there is consistency and transparency in the setting and collection of revenues that support the delivery of emergency services and ensure preparedness to respond at short notice to critical incidents. These services, without favour, provide a whole of community response.

NSW Farmers support a levy to fund emergency services where that levy is not collected disproportionately from rural areas. In light of this policy position, the Association considers the following principles are critical to ensure equity and transparency in the design and application of a fair fire and emergency services levy to be applied through a rateable property system by local councils across NSW:

- ***The levy must be fit for purpose:*** the process for determining the 'level' of the levy must be simple, transparent, and publicly available. The premise of the value of applying a levy to rateable land property rather than a duty on an insurance premium is that the cost to provide fire and emergency services will be spread across a wider net. However, to ensure that the risk is also appropriately spread, consideration should be given to developing a matrix to define 'risk' so to be able to apply a defensible, transparent and data based calculation.

NSW Farmers' Association

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A process similar to that operating in Western Australia could form the basis, and include:

- a. A sliding scale based on the location of the property, i.e. Highest in Sydney metro, then progressively reducing through greater metropolitan area, regional city, country town, to lowest for rural property, where risk is lowest;
- b. By reference to historical activity data, a determination of emergency response requirements – from fully retained NSW Fire and rescue to the SES/RFS volunteer network – that would be re-viewed annually to identify any need to reassess the level of response;
- c. The property's rateable value; and
- d. The setting of a minimum and a maximum charge according to the use the rateable property (va-cant, residential, farming) or its classification (commercial, industrial, miscellaneous).

Using a risk based analysis the level of the levy can truly recognise the cost – for example, a commercial property in the Sydney metropolitan region would be levied at a higher rate than a regional producer as the level of services and costs of repose are different.

- ***The levy must not fund administration:*** there should be no significant and ongoing cost for councils to administer the levy if, as it should be, aligned to the annual rate calculation for land and property own-ers. Similarly it would be inappropriate for an administrative cost to be added to the rate-payer costs.
- ***The levy must be applied once only for rateable land that is under one management:*** in regional areas it is not uncommon for rural producers to farm on land that is not defined by LGA boundaries, and for ownership of land to be in different names. The Association considers that where multiple parcels of land are identified as being used for a single farming enterprise (that is managed under a single ABN), then a single farming enterprise exemption be applied, as in Victoria.
- ***The extent of the funding for fire and emergency services across NSW must be publicly accessible and transparent:*** to date the individual contribution to fund emergency services in NSW has not been clear or consistent. The proportion of insurance costs is variable. Similarly, there is minimal information available regarding state or local government contributions, outside of annual budget allocations. With a rates based levy, it will be critical that adequate and timely information is provided by government. This should be via a State Government managed website to provide a single, authoritative and trusted source of information, as in Victoria and Western Australia; rather than by each local council.
- As a minimum, the Association considers the following information should be available:
 - a. The purpose of the levy - what service/activities it funds
 - b. The calculation process - including maintenance of historical data
 - c. The application of exemptions
 - d. The ongoing contributions from government - budget allocations, and any existing and ongoing obligations on councils
 - e. The process for applying the levy to non-rateable properties

Should your office need further information, you are welcome to contact Policy Director, Kathy Rankin,

Yours sincerely,

Derek Schoen
PRESIDENT

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