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Your ref.:

Tasmania Fire and Emergency Service Bill
GPO Box 123
HOBART TAS 7001

Email: FES.Reform@dpfem.tas.gov.au

Issued by email only

Dear Sir/Madam

**CENTRAL COAST COUNCIL SUBMISSION – DRAFT FIRE AND EMERGENCY SERVICE BILL
FUNDING OPTIONS**

Thank you for the opportunity to provide feedback on the Government's initial position paper on moving towards a fairer funding model for the Tasmanian Fire and Emergency Services (TFE). While the Council is supportive of the move to provide a more secure and adequate funding source for this important service, we could not support the proposed funding models as suggested in the paper.

It is important that any proposed funding model achieves the universally accepted principles of a good taxation system, including adequacy, simplicity, equity, efficiency and transparency.

We are pleased to hear the Government's announcement on 11 November to establish a working group to work on a more appropriate funding model for the TFE. As such, we would like to provide the following feedback points for consideration of the Government and the working group:

Differential Pricing for Different Land Uses –

Council does not support using land use classification for a differential levy based on land use. A differential rate for the levy based on land classifications would be difficult to justify and explain to property owners.

A single property-based levy is likely to be more stable and simplified when compared to the current funding model, but differential pricing is not more equitable.

PO Box 220
19 King Edward Street
Ulverstone Tasmania 7315
Tel 03 6429 8900

admin@centralcoast.tas.gov.au
www.centralcoast.tas.gov.au

Property valuations have always been considered the best available method of assessing a property owner's capacity to pay. The current use of a variable levy based on a property's AAV with a minimum charge is more aligned with the ability to pay and is therefore considered more equitable.

If a single property-based levy were introduced removing the insurance levy, Council would seek a guarantee that decreases in the insurance fire levy would be passed on to policyholders.

Transparency in Price Increases and Revenue Collected –

The existing funding model has become increasingly challenging for councils to explain the purpose and reasons behind the levy's yearly increases to ratepayers. In the past, the State Fire Commission has provided little to no explanation for increases, even when directly questioned. The lack of transparency puts councils in a difficult position, as they face backlash for any increases without the means to explain.

Inequity of Different Valuation Cycles –

The Office of the Valuer-General provides valuation data to Councils every six years, with Councils on varying valuation cycles. When setting the cents in the \$AAV in a revaluation year, the Council reduces the cents in the \$AAV charged to collect only what it needs.

Any new model proposing to have the State Government set the \$AAV needs to consider the inequity of the varying timing of valuations for councils to avoid inequity in amounts paid between property owners in different municipal areas.

It is recommended that the responsibility for collecting the fire levy should be moved to the State Revenue Office using the land tax system, which has already been established to deal with statewide property valuations.

Timing of Implementation –

The proposed timing for implementation of a revised funding model is not clear. It is recommended that the levy not be introduced before 1 July 2025 and allow sufficient timing for communication with the community about the proposed changes well in advance. This is critical, where the community is expected to receive a significant increase in the amount payable.

SES Funding and Assets

Council suggests that the funding for the State Emergency Services (SES) should come solely from the new funding model, eliminating the uncertainty and variability of funding provided by individual councils.

This recommendation includes the transition of ownership of any assets held by councils to the new Tasmanian Fire and Emergency Services Department.

The State Government should consider compensating councils for recently acquired assets during the transition. This will assist in managing the risk of councils electing to withhold funding for critical new or replacement assets in the short term, potentially putting critical services at risk.

Review of Exemptions –

The Council believes it is only fair for all property owners to contribute equally. There are exemptions under s.87 of the *Local Government Act 1993*, which includes state-owned properties like Crown land, National Parks, and State Reserves. The Council requests that these exemptions be reviewed when considering the proposed future funding model and suggests that many exemptions be removed to ensure that all property owners contribute equitably.

Thank you for your consideration. Please do not hesitate to contact me with any questions or if further information is required. This can be done either via email at admin@centralcoast.tas.gov.au or tel. 6429 8900.

Yours sincerely



Barry Omundson
GENERAL MANAGER