



**dorset**  
COUNCIL

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Felix Ellis MP  
Minister for Police, Fire and Emergency Management  
Tasmania Fire and Emergency Services Bill  
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EMAIL: [FES.Reform@dpfem.tas.gov.au](mailto:FES.Reform@dpfem.tas.gov.au)

Dear Minister Ellis

## **DRAFT TASMANIA FIRE AND EMERGENCY SERVICES BILL AND PROPOSED FUNDING OPTIONS**

Thank you for the opportunity to comment on the draft Tasmania Fire and Emergency Services Bill and associated proposed funding options. Dorset Council is pleased to provide the following feedback.

### **Proposed New Fire Levy Funding Models**

#### Modelling

Council has modelled the potential impact of both proposed funding models and note that both proposed options collect significantly more revenue than the current fire levy model. A summary of that modelling is attached for your information.

There was a lack of data available for Council to properly analyse impacts for the Dorset municipality and to support the claim of a fairer funding model for the fire service levy. Council's modelling demonstrates a \$0.5m difference in the anticipated revenue yielded under each of the two proposed funding options which makes it difficult to identify whether there is a specific revenue objective to fund the TFES's activities and if so, what that objective is.

It is Council's position that both proposed funding options result in unintended inequities and consequences instead of achieving a balanced and equitable result for property owners. For these reasons, Council does not support either of the proposed funding models.

### Shift in Reliance on Land Categories

#### *Commercial and Industrial*

Council's modelling demonstrates a significant shift in reliance on commercial and industrial properties with the average anticipated increase for these land categories being in the range of 584% to 659%, and the largest anticipated increase being over 1000%. Although this reliance currently somewhat exists in the form of the insurance-based levy, the Government has acknowledged that this form of levy is inefficient and may be deterring businesses from taking out appropriate insurance policies (effectively making the insurance-based levy voluntary in practice).

By more heavily relying on commercial and industrial properties through a mandatory property-based levy, there may be unintended outcomes such as impact to profits and inability to invest more into their businesses, impacting economic growth for the State (unless any proposed funding model will be completely or largely offset by a comparable reduction in the insurance-based fire levy).

#### *Primary Production*

Council's modelling also demonstrates a significant shift in the reliance on primary production properties under proposed funding model A, with no articulated logic supporting this shift. The average anticipated increase for primary production land under proposed funding model A is 671% with the largest anticipated increase being 785%. For context, this would equate to Dorset's single highest valued primary production property contributing an additional \$35,000 per annum.

The validity of this proposal is particularly questionable given the far less onerous reliance on the primary production category under proposed funding model B. If the shift in reliance on primary production land is going to be maintained in any future proposed funding models, the logic should be clearly articulated and consideration should be given to the large impact that a small change can make, given the scale of a typical primary production property.

### Removal of Insurance-Based Fire Levy

It has not been articulated whether the proposed funding models will be offset by a comparable reduction in the insurance-based fire levy to allow Council to assess whether those property owners who are currently subject to an insurance-based fire levy will be better or worse off overall.

Without having access to the Government's modelling of the proposed funding options, Council cannot properly assess the potential impact of the proposed options at a ratepayer level. However, it is difficult to imagine that the increased fire levy will be completely offset by a comparable reduction in the insurance-based fire levy in all instances.

This information should be provided and should also form part of any future education campaigns about any new funding models.

### Debt Collection

Council's modelling shows that residential households could expect an average increase of between 120% to 261% under the two proposed funding models. Once ratepayers see a significant increase to their overall rates and charges payable, ratepayers may be deterred from paying not only the fire levy but their entire rates account.

Any future proposed funding models should consider what support (financial or otherwise) will be provided to Councils in relation to debt collection and what the implications for Councils will be if debt can't be collected.

### Administration Fee

A minimum of a 4% administration fee should be retained by Councils to administer the fire levy. This administration fee not only supports the administration of the levy but also responding to and managing queries and complaints about the levy, and any commission lost to external debt recovery agencies.

### **State Emergency Service (SES) Volunteer Unit Funding**

Clarification should be provided regarding the future funding arrangements for the SES, and regarding the treatment of Council owned assets as SES units merge to the TFES. Council's view is that the SES should preferably be centrally funded as part of the TFES via a new funding model and via suitable appropriation by the Government. Failing that, any contributions made by Councils to SES volunteer units should be offset by a comparable reduction in the annual amount required to be collected by Councils through the fire levy.

The Dorset SES unit has been actively pursuing a Memorandum of Understanding (MoU) with Council whereby Council would commit a fixed funding amount to SES per annum and transfer two vehicles to SES. Given there is no defined approach for the future treatment and/or management of current funding and asset agreements between Councils and SES units, consideration should be given to SES units pausing MoU negotiations and maintaining status quo until the FES Reform is finalised.

### **Communication, Education and Feedback**

It is critical that the Government communicates and consults often with key stakeholders, provides appropriate channels for feedback to be escalated beyond Council and implements a sustained education campaign regarding the FES Reform that:

- a) Clearly communicates that the fire levy is a State Government levy that is collected by Local Government
- b) Describes the need for a new funding model
- c) Describes how the funding model was determined, having regard to any significant shifts in methodology
- d) Offers transparency around what the revenue will be used for

It is important that the Government understands the potential impact that the absence of excellent communication, a sustained education campaign and a feedback mechanism about any changes to the fire levy and could have on the health and wellbeing of Council officers, given that in practice they will be subject to frustration and other difficult behaviours displayed by customers who are dissatisfied with increases to the levy.

### **Definitions**

The terms *rural* and *urban* do not currently appear to be defined to allow for the proper implementation of proposed funding model B. If any future proposed funding models work on the basis of rural vs. urban, those terms should be clearly defined and ideally accompanied by boundary definitions or maps for each Council area to ensure the levy is applied consistently.

### **Timing**

The determination of the prescribed rate and/or amount to be collected by Councils in respect of the fire levy should be determined as early as possible to allow Councils to prepare budget estimates in a timely manner.

Dorset Council is undergoing a Fresh Valuation which will come into effect on 1 July 2024. Consideration should be given to the Fresh Valuation Schedule for all Councils, including:

- a) The logistics of Councils trying to model and implement both a Fresh Valuation and new fire levy parameters in the same year
- b) The scale of the increases that some ratepayers may see as a result of a Fresh Valuation and a new approach to the fire levy in the same year

**Other**

Council acknowledges the announcement made on 11 November 2023 that a Fire and Emergency Services Working Group will be established to develop a model that Tasmanians support. Council welcomes this announcement and the prospect of increased consultation, engagement and education practices regarding any future proposed changes.

If you have any queries regarding this submission, please contact Lauren Tolputt: Administration Manager via phone: [REDACTED] or email: [REDACTED] in the first instance.

Yours sincerely

A handwritten signature in black ink, appearing to be 'John Marik', with a horizontal line extending to the right.

John Marik  
**General Manager**

<b>Current Model</b>	<b>Commercial \$0.002889</b>	<b>Community Service \$0.002889</b>	<b>Industrial \$0.002889</b>	<b>Other \$0.002889</b>	<b>Primary Production \$0.002889</b>	<b>Residential -</b>	<b>Residential (Urban) \$0.002889</b>	<b>Residential (Rural) \$0.002712</b>
Average Fire Levy	\$112.47	\$390.92	\$64.68	\$19.68	\$152.70		\$47.62	\$30.03
Median Fire Levy	\$52.98	\$110.27	\$36.66	\$3.73	\$87.63		\$40.56	\$38.64
Largest Fire Levy	\$3,640.02	\$18,850.73	\$995.26	\$52.00	\$4,918.23		\$190.67	\$231.47
<b>Proposed Option A</b>	<b>Commercial 2.4%</b>	<b>Community Service 0.5%</b>	<b>Industrial 3.2%</b>	<b>Other 0.5%</b>	<b>Primary Production 2.4%</b>	<b>Residential 1.0%</b>	<b>Residential (Urban) -</b>	<b>Residential (Rural) -</b>
Average Fire Levy	\$934.32	\$676.56	\$716.45	\$34.06	\$1,268.57	\$143.48		
Median Fire Levy	\$440.11	\$190.84	\$406.02	\$6.46	\$727.97	\$142.48		
Largest Fire Levy	\$30,239.04	\$32,625.00	\$11,024.00	\$90.00	\$40,857.60	\$853.50		
Average increase on current model	584%	-3%	614%	-30%	671%	169%		
Largest increase on current model	785%	84%	1080%	84%	785%	269%		
<b>Proposed Option B</b>	<b>Commercial 2.6%</b>	<b>Community Service 0.6%</b>	<b>Industrial 3.4%</b>	<b>Other 0.6%</b>	<b>Primary Production 1.2%</b>	<b>Residential -</b>	<b>Residential (Urban) 1.2%</b>	<b>Residential (Rural) 0.6%</b>
Average Fire Levy	\$1,012.18	\$811.87	\$761.23	\$40.87	\$634.28		\$197.78	\$66.44
Median Fire Levy	\$476.79	\$229.01	\$431.39	\$7.75	\$363.98		\$168.48	\$85.49
Largest Fire Levy	\$32,758.96	\$39,150.00	\$11,713.00	\$108.00	\$20,428.80		\$792.00	\$512.10
Average increase on current model	641%	17%	659%	-16%	285%		261%	120%
Largest increase on current model	859%	121%	1154%	121%	342%		342%	121%
Total Revenue Current Model	\$391,336.90							
Total Revenue Proposed Option A	\$1,941,956.28							
Total Revenue Proposed Option B	\$1,452,221.83							