

## **Submission to Draft Tasmania Fire and Emergency Service Bill & Funding options paper**

I have considerable concerns regarding the new funding models proposed for the combined fire service and SES in Tasmania.

As a local councillor in the Huon Valley, I hear stories of considerable hardship every day and believe that a higher property tax on ordinary residents who are struggling with cost of living increases, particularly housing affordability, is untenable.

I voted last year for a sizeable rates increase, but only because we budgeted for a rates review that I hope will more equitably spread council costs across different categories of ratepayer. This review is expected to take place shortly and I am advocating strongly for the greatest rates burden to be borne by those with the most ability to pay. In my view that would include industrial properties, commercial businesses, owners of whole-house short-stay accommodation (who presumably also have a primary residence elsewhere), owners of residential vacant lots (unless compelling evidence is shown that the property will be developed within a short timeframe) and vacant commercial and residential properties.

Your proposed fire levy would indeed put a greater burden on commercial and industrial properties, but would also lead to increased costs on those who have one residence, no investment portfolios, and who are struggling against rising interest rates or rental costs. It is also very unequal, as property values can go up and down in different areas, through no actions or fault of a homeowner.

Various factors have driven up the cost of housing over the past decade, but the primary reasons appear to be insufficient supply of social housing, conversion of whole houses to short stay accommodation, investors purchasing 2<sup>nd</sup>/multiple dwellings, and large portfolios of land in a few hands (awaiting capital gains). There is no evidence for the oft-quoted accusation that delays in councils processing DAs has led to house affordability problems. Therefore, ordinary working families may find themselves owning a property which has greatly increased in value compared to one further from services or work opportunities, and thus paying a higher proportion of rates.

Such people are also being hit with large increases in mortgage repayments through higher interest rates, to combat inflation they didn't cause. Research by various academic institutions blames inflationary pressure on the price gouging that took place during the pandemic, promulgated by supply chain problems caused by the Ukraine-Russia war. Although many of the supply chain pressures have relaxed, prices have remained high, with inflation being cited as the reason – such that it becomes self-fuelled and customers have no choice but to accept the new normal. Duopolies such as Coles and Woolies for example have far higher margins than similar chains in Europe or the US.

Renters are in a worse position as they are often on low incomes and there are no controls on what their landlords may charge, plus they face increasing cost of food, electricity and other essentials. They also have fewer options for reducing costs; they can't install solar panels to help with electricity, or shop around, or buy in bulk, or purchase a more fuel-efficient car.

In the Huon Valley, the median income of our population is lower than that of Tasmania's as a whole, and while we have some very high-income or otherwise wealthy households, we have many low-income families often with a history of generational disadvantage. Research by SGS Economics for Huon Valley Council, reveals that the proportion of low income households in the Huon Valley is set to increase over the next decade as people move here to try and escape the higher prices of Hobart

and its suburbs. However, at the same time, the Huon Valley's popularity as a holiday destination and a shack location, is driving housing prices ever upwards.

In summary, I think an increased fire levy on householders is unacceptable at this time and will entrench and amplify societal inequality. Further, regions such as the Huon are primarily served by volunteer fire-fighters who are giving up their time for free. Additionally, it will make it very difficult for council to increase rates in line with CPI in order to continue providing essential services, including those (such as primary healthcare) which council is forced to deliver as provider of last resort.

I believe the TFS and SES funding should be decoupled from properties, and instead come from state government's general income (eg income tax/ GST allocated proportions). Better still, Tasmania could stop providing subsidies and support to high emitters and polluters, since it is the accumulation of GHG emissions globally that is leading to the increased frequency and intensity of bushfires and floods. Businesses need financial reasons to greatly reduce their emissions and no sector could object to providing more funding for problems for which they are partially responsible.

**Jenny Cambers-Smith**  
**Huon Valley Councillor**