

## Tasmania Fire and Emergency Service Bill & Funding Options Paper

### Glenorchy City Council Submission November 2023



Glenorchy City Council (Council) welcomes the opportunity to comment on the Tasmania Fire and Emergency Service Bill (the Bill) & Funding Options Paper.

The *Local Government Act 1993* (section 20) states that it is a function of councils to provide for the health, safety, and welfare of the community, and to represent and promote the interests of the community. Council has a role in advocating on behalf of its community to other levels of Government if it believes there is a significant issue that impacts the community, such as the proposed changes to the Tasmania Fire and Emergency Service Bill and the Fire Services Levy.

Council understands the importance of adequate and fair Tasmania Fire & Emergency Services (TFES) funding, particularly as climate change impacts will continue to put increased pressure on the TFES.

Council is supportive of the proposed structural changes to the TFES. However, there are several areas Council believes require further consideration. Of particular concern are the proposed changes to the funding model. Council notes a recent announcement by the Minister for Police, Fire and Emergency Management that the Tasmanian Government will establish a working group to develop a new funding model that strikes a better balance than the one that has been proposed. Council is pleased that the Tasmanian Government has listened to the feedback received to date. The matters set out in this submission reinforce the decision to review the proposal as well as highlighting other concerns with the Bill.

#### **Issues of Concern**

##### **Lack of Detailed Modelling**

Council notes that the previously proposed levy system intended to reduce levy streams from three to two, with the business insurance levy to be abolished, the motor-vehicle levy to be expanded, and the property-based levy (the Levy) to be reformed. The two rating options presented for the Levy are of concern to Council.

Council notes that the proposed changes to the Levy would be a form of differential rating, whereas the existing property-based levy system is evenly spread across properties based on LGA and the level of service provided (career, volunteer, or retained brigade).

Council has conducted an initial high-level analysis on the likely impact of the previously proposed Levy rating options on Glenorchy municipality community members. The impact is relative to the Council's current rate in dollar of 1.1720. Council has found the following:

- Urban residential property owners would not have been significantly adversely impacted by either option. However, some increases would have occurred.
- Property owners who are eligible for the pensioner discount may have been subject to a reduction due to an increase from 20% to 30% remission.
- Rural, commercial, primary production, and industrial property owners would have been significantly adversely impacted by both options.
- Community services and recreation property owners would have been positively impacted by both options.
- Regardless of option, on average, industrial property owners would have seen the most significant increase in levy charge.

The Tasmanian Government's commitment to creating a working group to develop a new model is welcome. The Glenorchy municipality is a diverse area and home to a broad range of property owners, and Council

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encourages the Government to ensure the working group's representation is diverse and balanced to mitigate the potential for inequities to arise as a result of any future changes to the funding model.

#### Funding a Sustainable Funding Model

Council notes that the Tasmanian Government has committed to ring-fencing Levy revenue to exclusively fund the TFES. However, the TFES should not be wholly reliant on funding generated through levies. Like the provision of other public services, centralised annual base-funding should be budgeted for through the State Government budgeting process. This funding should also be protected through the Bill to prevent diversion.

The risk is exacerbated by the fact that both the TFS and the SES advise that they are underfunded by \$10m p.a. per (TFS) and \$5m p.a. (SES). Correcting TFES funding through increases to the property-based levy and the motor vehicle levy alone will be challenging in the current economic environment. By ensuring centralised annual base-funding, the risk of unsustainable increases to the Levy is partially mitigated.

#### Mechanism for Managing Funds

Council notes that it appears through the proposal funding model that Council would be required to remit the amount that is collected. This would be a change from the current arrangement which requires an invoicing process and upfront payment. This change would require a system change to administer the Levy. It would also impose an additional administrative workload on Council to calculate quarterly remittances.

Council is seeking clarification and detail on the reconciliation process and the accounting treatment that should be utilised.

#### Retention of 4% Administration Fee

Council currently receives a 4% administration fee to manage Levy collection. It is unclear in the current proposal whether this administration fee would remain in place. Council supports retention of this fee.

#### SES Funding Arrangement via MOU

Under current arrangements, local SES volunteer units receive funding from councils via MOUs. Council currently contributes \$25,358 per annum.

Through the incorporation of the SES into the TFES, Council understands that these units would be centrally funded and Council funding via MOUs would no longer be required.

Council is generally supportive of this structural change as it would create a more agile and equitable TFES.

Council requests confirmation that funding arrangements managed via an MOU between Council and the SES would no longer be required.

#### State Fire Management Council and the Fire Management Area Committees

Council has significant responsibilities for bushfire risk management and relies on the work of the State Fire Management Council (SFMC) and the Hobart Fire Management Area Committee (FMAC) to inform works programs and risk management planning.

The SFMC and the FMACs are statutory bodies under the FS Act, each with a clearly defined purpose and membership. These entities have a decades-long history of effective cross-agency bushfire risk management work and are tied closely to the State Government's Fuel Reduction Program.

The Bill lacks specific reference to the SFMC and the FMACs. While Section 18 of the Bill allows for 'other committees' to be formed, this is at the discretion of the TFES Commissioner and lacks the clarity of purpose and membership specified in the FS Act.

Council has not received confirmation of the Tasmanian Government's intentions for the future of the SFMC and the state's 10 FMACs. Council is seeking clarification and assurance that SFMC and the FMACs will continue in a form that allows the same efficacy as they currently do.