

LGAT Submission: Fire and Emergency Services Act Reform 2023

Introduction

We sought feedback from our members on the draft Tasmanian Fire and Emergency Services Bill 2023 (draft Bill) to inform a sector response. As part of this engagement, we have seen a high level of interest from councils, with many councils providing their own submissions.

LGAT has actively participated in the 2020 Blake Fire Services Review and [2021 Treasury Options Paper](#). Engagement from the local government sector was substantial and comprehensive with some of the issues raised by local government integrated into the draft Bill.

Unfortunately, the State Government did not directly engage with key stakeholders, including local government, during the drafting or ahead of the release of the draft Bill. Instead, just launching the draft Bill through a Ministerial media release.

This is an inadequate level of engagement with our sector, as a key partner in emergency management, collector of the levy on behalf of the government and supporter of the reform. Effective engagement with local government is critical. We have sought engagement on the reform on behalf of our members since the Ministerial announcement in January 2023. Unfortunately, this did not occur, and the draft Bill was poorer as a result.

Local government recognises that change is needed to the current funding arrangements that are extremely complex, highly prescriptive and relies on a broad range of sources, including local government. In addition, we agree an increase of funding is needed and the status quo cannot continue if our fire and emergency services are to be appropriately resourced and equipped to respond, protect, and support our communities.

As the review process progresses through the newly established Working Group, effective engagement with the broader local government sector will be critical. We look forward to working with the Tasmanian Government to establish a fire and emergency services funding model and Bill that is fit for purpose.

General Comments

Funding Models

Local government has significant concerns on the impact of the proposed model outlined in the Options paper to council and property owners. It is apparent there has been a lack of detailed consideration given to the impact of the proposed changes, including financial modelling.

The limited financial modelling information available has required individual councils having to undertake their own modelling. This modelling has demonstrated a vast range of increases to many property owners.

There is general concern on the administrative burden the proposed models would have on council staff and the financial impact the proposed new levy will have on property owners.

The key issues and considerations that need to be reflected in developing a model include:

- Equity must be a key feature of a new model and reliable data must inform the levy development.
- Detailed financial modelling and analysis to fully understand the implications on property owners must be provided.
- As the collector of the levy, it is highly likely that council officers will be subject to the frustrations of property owners when paying substantially higher levies. A sustained education campaign from the State Government is needed to ensure ratepayers understand it is a State Government levy that is collected by local government.
- The determination of the annual AAV rate must be set prior to May each year. Stakeholders should be consulted as part of the annual review.
- A property-based levy is generally supported. However, it should be noted that not all councils use the AAV model, and some revenue systems used by councils do not support dual rating. Resolving this would require some councils to implement software developments, it is reasonable that the State Government contribute to these costs.
- A minimum of a four percent administration fee must be retained by councils to collect the levy. This current fee not only supports the administration of the levy, but also the management of complaints that are received by councils about the levy.
- There is limited financial information to analyse where the models proposed are offset by a comparable reduction on the Insurance Fire Levy to demonstrate if property owners will be better or worse off overall. It is important that this is provided.
- Transition arrangements for the implementation of the new funding model need to ensure there is no duplication of payments.
- A review of the fire levy exemptions provided under the *Local Government Act 1993* is required.
- There is support for the continuation of the motor vehicle levy.

State Emergency Service (SES) Volunteer Unit Funding

Councils are supportive of the ring-fencing of levy funds, as proposed in the Bill, to be used only for the purpose of the Tasmanian Fire and Emergency Services functions.

The extension of the levy must also capture SES volunteer units and replace the funding provided by local government. Councils have long supported SES units with operational funding, excluding vehicles, in accordance with the *Emergency Management Act 2006*, with very little management oversight of the expenditure. The extended age of SES vehicle assets demonstrates the lack of appropriate funding allocated by the State Government to SES. Increased revenue from the levy must ensure an adequate allocation of funding for both operational expenses and capital support of all volunteer units, replacing the funding currently provided by councils under various memorandum of understandings.

As part of this centralised funding arrangement, a transition plan for assets transfers from local councils should also be developed and the legislative responsibilities of councils amended.

Local fire and SES volunteers are important to communities, and they play essential roles in not only responding to incidents but also supporting local community events. Funding should be distributed equitably to both volunteer services to ensure that they are appropriately funded each year to continue their essential community work.

Local government representation

Local government is currently represented on the State Fire Commission and the State Fire Management Council.

There should be a local government representative on the proposed State Fire and Emergency Service Committee given local government's role in collecting the levy, emergency management, supporting community preparedness and building community resilience.

In establishing other committees, there should also be consideration of inclusion of further local government representatives.