

TABLE OF CONTENTS

ITEM 1 APPLICATIONS FOR LEAVE OF ABSENCE2
ITEM 2 DECLARATIONS OF INTEREST2
ITEM 3 DECLARATIONS OF POLITICAL DONATIONS3
ITEM 4 EMERGENCY SERVICE LEVY DISCUSSION PAPER3

ITEM 1 - APPLICATIONS FOR LEAVE OF ABSENCE

REPORT IN BRIEF

Reason For Report	To allow tendering of apologies for Councillors not present.
Policy Implications	Nil
Budget Implications	Nil
Annexures	Nil
File Number	\\OFFICIAL RECORDS LIBRARY\GOVERNANCE\COUNCIL MEETINGS\COUNCIL - COUNCILLORS LEAVE OF ABSENCE - 406570

RECOMMENDATION

THAT any apologies tendered be accepted and the necessary leave of absence be granted.

GENERAL MANAGER'S REPORT

A call for apologies is to be made.

ITEM 2 - DECLARATIONS OF INTEREST

REPORT IN BRIEF

Reason For Report	To allow an opportunity for Councillors to declare an interest in any items to be determined at this meeting.
Policy Implications	Nil
Budget Implications	Nil
Annexures	Nil
File Number	\\OFFICIAL RECORDS LIBRARY\GOVERNANCE\COUNCIL MEETINGS\COUNCIL - COUNCILLORS DECLARATION OF INTEREST - 406572

RECOMMENDATION

THAT the Declarations of Interest be noted.

GENERAL MANAGER'S REPORT

A call for declarations of interest.

ITEM 3 - DECLARATIONS OF POLITICAL DONATIONS

REPORT IN BRIEF

Reason For Report	To allow an opportunity for councillors to declare any political donations received.
Policy Implications	Nil
Budget Implications	Nil
Annexures	Nil
File Number	\\OFFICIAL RECORDS LIBRARY\GOVERNANCE\COUNCIL MEETINGS\COUNCIL - COUNCILLORS DECLARATION OF POLITICAL DONATIONS - 406575

RECOMMENDATION

THAT any Political Donations be noted.

GENERAL MANAGER'S REPORT

A Call for Political Donations.

ITEM 4 - EMERGENCY SERVICE LEVY DISCUSSION PAPER

REPORT IN BRIEF

Reason For Report	Advising of release of Emergency Service Levy Discussion Paper
Policy Implications	Yet to be determined
Budget Implications	Yet to be determined
Annexures	Nil
File Number	\\OFFICIAL RECORDS LIBRARY\EMERGENCY SERVICES\SERVICE PROVISION\STATE EMERGENCY SERVICE - SES - 406695

RECOMMENDATION

THAT Council make a submission in relation to the discussion paper entitled 'Funding our Emergency Services' as outlined in the report.

DIRECTOR OF FINANCE AND CORPORATE SERVICES' REPORT

A copy of the 'Funding Our Emergency Services' discussion paper as well as correspondence from the Rural Fire Service Association (RFS) incorporating a report prepared by Deloitte titled 'Assessment of Rural Fire Services Costs and Funding' has previously been emailed to Councillors for consideration. This matter was previously reported to Council at its August meeting summarising the following key points from the discussion paper at which meeting it was resolved:

"THAT Council make a submission in relation to the discussion paper entitled 'Funding Our Emergency Services.'"

The report drew Council's attention to the following points:

- Funding for emergency services currently comes from three sources, with the bulk of funding (73.7 per cent) provided by a tax on insurance companies, while the remainder of the funds are provided by local governments (11.7 per cent) and the State Government (14.6 per cent)
- The current system has serious weaknesses and is economically inefficient. Taxing insurance increases the price of insurance and can lead some people to under insure and others not to insure at all.
- The system is also unfair because people who are either not insured or are under-insured do not contribute to the funding of our emergency services, but still receive the same coverage as those who do pay insurance.
- A better and fairer system would spread the costs across the whole community.
- Recent reviews of the state tax system, including the Henry Tax Review, have recommended NSW moves to a property based levy to fund the emergency services
- All other mainland states either fund their emergency services using a property levy or are moving to do so.
- The experience in Western Australia and South Australia has been that the resultant reduction in the cost of insurance has been passed onto customers.

Further correspondence has been received from the RFS which has been emailed to Council raising a number of concerns which has also been referred on to Councillors for their information.

From a council perspective the major points that would arise should the Emergency Services Levy be introduced are as follows:

- Any new levy would be perceived as an increase in rates and will result in a new cost for people who are currently uninsured.

- The introduction of the levy would pose an administrative burden on council with staff likely to receive complaints regarding a levy for which council would merely be the tax collector
- Questions arise as to whether council or the state would be responsible for any shortfall in collections where people do not pay the levy or their rates.
- If a pensioner rebate is applicable in relation to the levy, whether council would be required to bear the financial burden of all or part of such a subsidy.
- The proposed introduction of a levy included within rate notices would be yet another example of cost shifting by the State Government.

The discussion paper raises 10 specific questions that it wishes addressed. These are (Council comments are in italics):

1. Which of the following revenue sources associated with emergency services funding should be replaced by a property levy:
 - a. The emergency services levy payments by insurers and the associated stamp duty;
 - b. Local government contributions; or
 - c. The portion of emergency services funding currently provided from general NSW government revenue?
 - *This presupposes the existing system is not to continue and that it doesn't work. Would the introduction of a property based levy merely be shifting the burden for a non-functioning system from the insurance companies to council?*
 - *Should a definitive response be required to the question which asks which revenue source should be replaced by the levy then it should be the local government contributions, ie: 1 (b)*
2. Should a property levy be raised as a fixed amount per property, as a proportion or percentage of property value, or some combination of the two.
 - *Again this presupposes that the levy is to be introduced however council's response should indicate that any levy should reflect the level of effort that would be required in extinguishing a fire rather than simply basing the levy on land value.*
3. Should different rates of tax be applied to different property types?
 - *As above*
4. Should different tax rates be applied in different parts of the State? If revenue amounts are zoned geographically, where should the boundaries of those zones be?

- *A differential basis for collection of revenue should only be introduced if expenditure is not based on the same formula but rather on a needs basis.*
5. Should some proportion of emergency services funding be raised as an annual charge on vehicle registration?
 - *This would represent the introduction of a new tax and a greater transparency is needed in relation to accounting for funds being collected presently and how they are being expended.*
 6. Should pensioners receive concessional rates for a new property levy that funds emergency services?
 - *It should be indicated that such concessions should only be introduced if they are fully funded by the State Government*
 7. How should the revenue target be set each year to take account of changing costs of fire and emergency services
 - *Budgets should be based on funds available rather than setting a budget and trying to ascertain where the funding will come from. Costs of running the RFS have risen from approximately \$50m in 1995 to \$252m in 2011. There needs to be a ceiling put on increases for any future emergency services levy.*
 8. Should revenue from a land based levy be collected by local governments or the Office of State Revenue?
 - *Any collection should be done by the Office of State Revenue and not placed as a burden on local government.*
 9. Is a transitional period required for adjustment of the emergency services levy, and if so how should any funding gap arising from a transitional period be recovered?
 - *Any shortfall should be funded by the State Government or insurance companies.*
 10. What arrangements are needed to ensure that any reductions in insurance taxes are passed on to consumers?
 - *The collection of Rural Fire Fighting Levy by insurance companies is not audited and a full audit should be conducted to identify the total amount of funds raised by the levies and then legislation introduced to ensure that such savings are passed on to consumers.*

In conclusion Council should also ensure that its submission states that there be no net increase in taxes and no net increase in bureaucracy as a result of any changes in the funding of emergency services.