

PLEASE QUOTE

Your Ref:

Our Ref: 18/12/3; 4/10/1; 886477; 867910

Enquiries: AW:KK

80 Wilson Street, Burnie Tasmania
PO Box 973, Burnie TAS 7320

ABN: 29 846 979 690

Phone: (03) 6430 5700

Email: burnie@burnie.net

Web: www.burnie.net

We value your feedback on our service.
Tell us about it at www.burnie.net/feedback



17 August 2018

Mr Michael Harris
Chair
Review of the *Fire Service Act 1979*
GPO Box 1526
HOBART TAS 70011

Email: Act.Review@fire.tas.gov.au

A hard copy will not be sent unless requested

Dear Michael

REVIEW OF THE *FIRE SERVICE ACT 1979*

The Council provides this submission to the *Review of the Fire Service Act 1979*.

While the Council is supportive of the comprehensive review of the *Fire Service Act* this submission focuses on “*Outcome 3 – that there is a sustainable, stable and equitable funding for TFS and SES, with the sources of that funding aligning with the functions that they need to perform.*”

In particular the Council has a view that increases have been imposed on the community that are excessive, without explanation, when compared to CPI and the Fire Service Contribution (FSC) is not equitable with regard to the rating districts and also when combined with the Insurance Levy.

Therefore this submission will deal with the following matters:

- Fire Service Contribution
- Ratings of Districts
- Insurance Fire Levy

Fire Service Contribution

The Burnie community has experienced increases in the FSC that has been excessively above the CPI for Hobart for a number of years. The table below highlights the contributions and reveals that the average five year increase to 2018 was 5.14% compared to average CPI for Hobart of 1.86%. In addition the community are faced with a further increase of 7.36% in 2018-19.

	FSC	CPI for Hobart (June)
2014	3.94%	2.8%
2015	5.05%	0.6%
2016	4.49%	1.2%
2017	6.84%	2.3%
2018	5.40%	2.4%
2019	7.36%	

The Council appreciates that to ensure adequate protection for the community sufficient funding needs to be provided to maintain a modern, effective and responsive fire service to protect all Tasmanians.

A review of the Annual Report for the State Fire Commission reveals that the actual revenue increases in the Local Government contribution across Tasmania has consistently been 5.5% from 2015-2017.

This shows that the State Fire Commission has placed a standard increase of 5.5% on the FSC without having regard to the allocation necessary for the operating costs for the various brigade districts around Tasmania.

The Act clearly states that the contribution must provide for the recovery from councils of such an amount as will be sufficient to cover the operating costs of brigades for that year, as approved by the Minister, less the prescribed amount. Is it a coincidence that the operating costs of all brigades have consistently risen by 5.5% from 2015?

It is timely for the sector to review the governance arrangements for determining the FSC as increases are high and placing a financial burden on ratepayers with no justification or transparency as to reasons.

It is accepted that the calculation of the FSC is complicated by the various rating districts, and fire protection delivery models, i.e. professional verses volunteer brigades, however there needs to be more transparency on the rationale that is used by the Minister when approving the FSC. It is important there is sufficient transparency for local community's to understand the reasons for increases in their ratings districts. i.e. What is the rationale for increases above CPI?

Ratings of Districts

The Council has a strong view that the ratings district model is not equitable and grossly over taxes community that have permanent brigades.

While the current system assumes that brigades will operate within their rating district the fire resources will be dispatched to where the need exists, disregarding the rating or municipal boundaries, in a modern effective and responsive way.

This is compounded in areas where a volunteer rating district adjoins a permanent rating district, however as has been experienced for significant fire events both the permanent and volunteer brigades are called to undertake firefighting in all corners of the State.

In the case of Burnie/Somerset a residential property on one side of the Camm River is unfairly rated to a property 100 metres across the river. For example a house with an AAV of \$18,200 in the Burnie municipality will pay a fire levy of \$260, while the same value house across the river in Somerset only attracts a levy of \$75. The reason being the various fire rating districts, however the response can come from either brigade, volunteer or permanent, as they rightly cross districts to ensure the most appropriate and timely response.

This would be the same for commercial/industrial premises, not only will there be a disparity on the FSC charge to the property it is highly likely that a significant commercial/industrial fire outside any permanent rating districts will received the services and resources of the permanent brigade without any contribution to maintaining that brigade.

Council supports the notion that the Tasmanian Fire Service should deploy necessary resources to protect the assets and ensure community safety, however as the fire assets and resources will frequently move across rating districts and municipal boundaries, a fairer and more transparent funding model needs to be developed.

Insurance Fire Levy

The current model used in collecting the Insurance Fire Levy means that those businesses that choose to insure are essentially paying two fire levies.

The Insurance Fire Levy represents some 19% of all current revenue collected by the Tasmanian Fire Service and this review should consider the fairness of this levy, particularly given that Tasmania and New South Wales are the only states that collect an insurance levy.

It is accepted under the current model the removal of this levy will increase the FSC and transitional arrangements may be required.

The Council thanks the Chair of the Steering Committee for the opportunity to provide this submission and trust the key points made on transparency and equity in any future method for the funding model of the Tasmanian Fire Service are given the appropriate attention by the Committee.

Yours sincerely



Andrew Wardlaw
GENERAL MANAGER