Submission
No 23

EMERGENCY SERVICES FUNDING REFORM

Organisation: Sutherland Shire Council

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Legislative Assembly Select Committee on Emergency Services Funding Reform
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SYDNEY NSW 2000

Submission to the Legislative Assembly Select Committee on Emergency Services Funding Reform

Sutherland Shire Council thanks the Legislative Assembly Select Committee for the opportunity to make this submission on the Emergency Services Funding Reform.

Our submission comments on the proposed funding reforms that are outlined in the Emergency Services Funding (ESF) reform options paper, that addresses the Committee's terms of reference focusing on design principles of cost recovery, equity, efficiency, simplicity, and sustainability, and parameters for concessions and transition arrangements.

Sutherland Shire Council agree that shifting funding away from an insurance-based levy to effectively a property-base levy is required to ensure the appropriate amount of funds are collected to support the NSW Emergency Services Units.

- **Do not support – Council as collection agency**

Council undertook the assessment of the land classifications in line with the new proposed reform in October 2024 and are happy to continue collaborating with the NSW Government in support of this reform. The options paper is silent on whom the collection agency will be for the future reform.

The ESF is a state tax to fund state infrastructure and services and should be collected by Revenue NSW. There needs to be differentiation between Council rates and State taxes and therefore should not be administered or collected by Council. This would only confuse property owner(s), as methodology for the state tax is not aligned to the NSW rating, it would also require additional resourcing from Council staff for collection, updating of council systems for any potential compliance reporting requirements all of which are mammoth and expensive tasks to undertake.

In November 2018 the Legislative Council Portfolio Committee's recommendation from the parliamentary enquiry on the Fire and Emergency Service Levy showed that Revenue NSW should be responsible for administering and collection of the levy. Revenue NSW is better positioned to do so, as one software solution, annual valuation data, and it ready has processes for collection annually for land tax.

- **Five Models feedback**

The five models proposed in the options paper, using a tiered fixed charge aligns to the efficiency and simplicity principles as outlined in the Committee's terms of reference, there is no information on how the decision was reached for the tiered scale. However, Council does foresee the property owners may struggle to understand the concept of the stepped approach outline when the variance between one step to the next can potentially produce an off the cliff change for a simple $1 increase.

We recommend the government consider a fixed/base charge with an ad-valorem component within each land classification. This would provide a better distribution effect for recovery across the land classification.

- **ESL contribution 11.7% for Council's**

Council notes that the state government contribution of 14.6% has been rolled into the proposed funding levy, the Council ESL contribution of 11.7% remains unchanged.

In November 2018 the Legislative Council Portfolio Committee recommended based on the evidence during the enquiry that the 11.7% contribution by Councils be removed. Sutherland Shire Council supports removal of the 11.7% ESL contribution by Council.

Thank you for providing Council with the opportunity to provide comments on the option paper. For any further information or clarification please contact Council's Chief Financial Officer, [redacted]

Yours sincerely,

[redacted]

Lani Richardson
Director Corporate