



## **Emergency Services Levy Question & Answer Guide 2011/12**

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## **1.0 BACKGROUND INFORMATION**

### **1.1. What is the ESL?**

The Emergency Services Levy (ESL) funds all career and volunteer fire brigades, volunteer State Emergency Service (SES) units and volunteer emergency service units throughout the whole State.

### **1.2. When did it start?**

The levy was introduced on 1 July 2003. This is the eighth year it has been included on Council rates notices.

### **1.3. Why the ESL is better than the old system**

- Funding and equipment is allocated to where it is most needed. Before, funding could only be spent in the area it was collected, resulting in many brigades and units being under-funded and under-resourced.
- Not everyone contributed. Funding used to be collected through levies on building and contents insurance, council rates and donations. These ad-hoc and unequal systems meant not all property owners contributed to the emergency services available to them.
- People didn't know how much they were contributing as they contributed via several sources and many contributions were hidden. The ESL is open and accountable.

### **1.4. What the ESL funds**

The levy funds the operating costs of, and equipment purchases for:

- Career Fire and Rescue Service;
- Volunteer Fire and Rescue Service;
- Local Government Bush Fire Brigades;
- State Emergency Service; and
- FESA's Multi-Functional Emergency Service Units.

Operating costs include running and maintaining vehicles and buildings, insurance, personal protective equipment and operational consumables.

Capital equipment purchases include firefighting appliances, vehicles, buildings and major rescue equipment.

The ESL also funds volunteer training, fire investigations, building inspections, community safety programs, emergency management planning and FESA's corporate support costs.

### **1.5. What the ESL does not fund**

The ESL does not fund:

- Volunteer Marine Rescue Services;
- St John Ambulance;
- WA Police;
- Surf Lifesaving Society; or
- RAC Rescue 1, the emergency rescue helicopter service.

### **1.6. How the money is distributed**

Funding to SES units and local government bush fire brigades is through an ESL funded grants program. This year operating grants totaling \$8.000 million and capital grants to the value of \$20.969 million will be provided.

Operating grants are paid to local governments in equal, quarterly installments. Capital grants are usually provided through direct purchases by FESA (i.e. a fire appliance) which are then given to the local government. This provides cost savings through bulk-purchasing.

Funding to the career Fire and Rescue Service, volunteer Fire and Rescue Service and Volunteer Emergency Service Units – which are all managed by FESA – is provided directly through FESA's financial procedures.

### **1.7. How the ESL is helping volunteers**

In the 8 year period 2003/04 to 2010/11, more that \$143 million in grants has been allocated to local governments to fund operating expenses and new/refurbished fire appliances, vehicles, boats, new/upgraded facilities, new equipment, and personal protective clothing for bush fire and SES volunteers.

In addition, more funding has been provided to multi-functional Volunteer Emergency Service Units, and FESA's Volunteer Fire Service Units. More detailed information on what ESL funding has provided is available in FESA's "State of the Service" report which is available on the FESA website ([www.fesa.wa.gov.au](http://www.fesa.wa.gov.au)).

The ESL has resulted in more flexible funding arrangements that can accommodate the urgent replacement of critical equipment or vehicles. Volunteers play an essential role in helping protect the community. It is in the best interest of all Western Australians to ensure all volunteer brigades and units are properly funded – regardless of where they are located. This is because during emergencies volunteers travel from all over the State to help out – wherever they are needed.

## 1.8. Which properties pay ESL and how is the ESL collected

The ESL is a State Government charge which is levied on rates notices issued by local governments. With the exception of vacant land owned by a Council, which is exempt from ESL, the ESL applies to all property (including property owned by 'not for profit' organisations that may be exempt from local government rates). Certain mining tenements also pay, but not those that are only for exploration or prospecting activities. All ESL money collected by each Council is sent directly to FESA and 100% of it is used to fund fire and emergency services.

*(Local Governments are paid an annual administration fee to help cover the cost of billing and collecting the levy.)*

## 2.0 **BUDGET INFORMATION 2011/12**

### 2.1. FESA Budget

Each year the cost of operating fire and emergency services is determined through the State Government's budgetary process.

The FESA budget in 2011/12 is \$290.1 million and is raised from several sources.

<b>Funding Source</b>	<b>\$Million</b>
Emergency Services Levy *	234.1
State Government Funding	22.1
Other Revenue & Commonwealth Government Grants	33.9
<b>Total FESA Funding</b>	<b>\$290.1</b>

\* The ESL collections include \$16 million paid by the State Government for ESL on its own property.

### 2.2. A boost to frontline emergency services in WA

FESA's 2011/12 budget of \$290.1 million is an \$18.7 million (6.9%) increase on the 2010/11 budget of \$271.4 million.

The increase reflects the Government's commitment to the safety of the Western Australians and our paid and volunteer emergency service workers.

Highlights of the 2011/12 budget are:

- \$4.9 million (of a \$6.2 million joint venture initiative 2011/12 to 2014/15 between FESA and the Western Australia Police Service) to commence the migration of Fire and Rescue resources across to the WA Police digital trunked radio network;
- \$12 million for emergency service volunteers in regional and remote communities (as part of a \$40 million State Government program 2010/11 to 2013/14);
- Funding to continue a number of projects including:
  - \$5.1 million to complete a \$6 million new career station at Australind;
  - \$3.9 million to complete the \$6.7 million new career Fire & Rescue station at Kiara; and
  - \$2.4 million for a new volunteer Fire & Rescue station at Kambalda.
- \$16.4 million (of a \$40 million program) to continue the new FESA Emergency Services Complex in Cockburn which is expected to be completed in October/November 2011 and occupied in February/March 2012;
- \$9.9 million (of a \$26.7 million program 2011/12 to 2014/15) for new, and the ongoing replacement of, appliances for career and volunteers including light tankers, medium pumpers and general purpose appliances;
- \$5.8 million to replace and upgrade essential emergency equipment and communication networks; and
- \$5 million to recruit an additional 26 career Fire & Rescue Service firefighters (as part of the State Government's commitment to increase the Fire & Rescue Service firefighters by 102 over the period 2010/11 to 2013/14) and 10 Community Emergency Service Managers to be located in high risk areas.

The 2011/12 ESL Brochure, that will be included with Council rates notices, provides information about the budget increase.

### **2.3. How much ESL is raised**

The levy does not raise more money than is needed. The ESL rates are set each year so that only the required level of funding is raised.

In 2011/12 the levy will raise \$234.1 million.

### **2.4. State Government's contribution**

The total State Government contribution to FESA in 2011/12 will be approximately \$38.1 million.

This consists of \$16 million in ESL on State Government property and a further contribution of \$22.1 million.

### 3.0 **ESL CHARGES 2011/12**

#### 3.1. **Calculating ESL charges**

How much ESL a property is charged depends on four things:

1. the location of the property (the ESL Category it is in);
2. the declared ESL rate for that category;
3. the property's Gross Rental Value (GRV); and
4. Minimum and maximum charges, which are based on what the property is used for.

The ESL charge for properties located in ESL Categories 1 to 4 is calculated using Gross Rental Value (GRV). The GRV is multiplied by the ESL rate for that category.

Properties located in ESL Category 5 and certain mining tenements (where infrastructure is likely to exist) receive a fixed charge of \$55 per rates notice.

#### 3.2. **ESL categories**

There are 5 ESL categories that apply, depending on the type and level of fire and emergency services available to a property. A different ESL rate is declared for each ESL category. Properties with more services available to them will contribute more.

<b>ESL CATEGORY</b>	<b>LOCATION DESCRIPTION</b>	<b>EMERGENCY RESPONSE</b>
ESL Category 1	Perth Metropolitan Fire District	A network of Career Fire and Rescue Service stations, plus the SES
ESL Category 2	Regional Cities	A career fire station plus Volunteer Fire and Rescue Service Brigade and the SES
ESL Category 3	Urban Metropolitan Area	A Volunteer Fire and Rescue Service Brigade and/or Bush Fire Brigade supported by the network of career fire stations in the metropolitan region and the SES
ESL Category 4	Country Towns	Volunteer Fire and Rescue Service Brigade, and the SES  <u>OR</u> Bush Fire Brigade equipped with breathing apparatus, and the SES
ESL Category 5	Pastoral / Rural Areas	Communities supported by the statewide SES network and generally a Bush Fire Brigade

### **3.3. Changes to ESL category boundaries**

Each year the ESL category boundaries and classifications are reviewed. If there has been a change in the delivery of emergency services in an area, then the boundaries, and hence the ESL category classification of impacted properties, are amended accordingly. Any changes become effective on 1 July of each year.

The reasons for changing a boundary include:

- a change in the delivery of emergency services in the area. For example, a new career Fire & Rescue Service station is opened.
- the development of vacant land so that the area the local fire brigades respond to is expanded.
- the development of vacant land into properties changing the level of service. For example, from a bush fire response to a structural firefighting capability.

**Boundary changes bring the ESL charge on the affected properties into line with all other properties that are receiving the same level and type of protection.**

#### **ESL category boundary changes in 2011/12**

##### **Metropolitan Fire District and ESL Category 3 Boundary Extensions in Swan**

- **Ellenbrook**

An extensions of the Metropolitan Fire District (MFD) boundary to incorporate some properties protected by the Ellenbrook career Fire & Rescue Service station (which opened in September 2010) in the locality of Ellenbrook in the City of Swan to reflect the appropriate level of emergency service availability and delivery in that area. The change will impact approximately 11,900 properties that as a result will be reclassified ESL Category 1 (from ESL Category 3) effective 2011/12.

- **Bullsbrook**

As a consequence, the ESL category 3 boundary (which surrounds the MFD) has been extended into the Bullsbrook region, where protection is now provided by the enhanced Bullsbrook volunteer Fire Service (previously Bullsbrook volunteer Bush Fire Brigade) with its structural firefighting capability. This consequential change will impact approximately 1,100 properties that as a result will be reclassified ESL Category 3 (from ESL Category 5) effective 2011/12.

The City of Swan plans to issue 2011/12 Rates/ESL Notices in early July 2011 and FESA will issue a special flyer as an insert in rates packages to inform property owners in suburbs within Swan that are impacted by the boundary changes.

### Mandurah Fire District Extension

Extensions are proposed to the Mandurah Fire District boundary in the City of Mandurah to incorporate some properties in Falcon/Halls Head/Erskine (currently within the Falcon Fire District boundary – ESL Category 4) to reflect the appropriate level of emergency service availability and delivery in those areas. The change will impact approximately 2,400 properties that as a result will be reclassified ESL Category 2 (from ESL Category 4) effective 2011/12.

The City of Mandurah plans to issue 2011/12 Rates/ESL Notices early in September 2011 and FESA letters to inform property owners impacted by the boundary change will be issued mid August 2011.

### **3.4. Gross Rental Values (GRV)**

A Gross Rental Value (GRV) is the estimated amount you could rent your property for in a year. GRVs are independently determined by the Valuer General, (Landgate) and can be appealed. They are reviewed every 3 years in the metropolitan area and every 3, 4 or 5 years in regional areas.

Revised valuations will come into force from 1 July 2011 in the **Metropolitan area** (impacting 29 local government areas) and following country regions:

- Albany
- Boyup Brook
- Bridgetown-Greenbushes
- Bunbury
- Coolgardie
- Dardanup
- Denmark
- Derby-West Kimberley
- Halls Creek
- Harvey
- Irwin
- Kondinin
- Kulin
- Merredin
- Northam
- York

***For further questions about GRV contact Landgate - Valuations Services:***

***Telephone: (08) 9429 8400 Email: [vs@landgate.wa.gov.au](mailto:vs@landgate.wa.gov.au)***

### **3.5. Why use Gross Rental Values (GRV)**

- Using GRV is a recognised way of apportioning community costs. GRVs are used to calculate council rates and water rates;
- GRVs are an accepted measure for working out what a property is worth, and generally an indication of a person's capacity to pay;
- GRVs are determined by an independent body, the Valuer General at Landgate; and
- Using GRVs is administratively simpler and less costly to maintain as it has been developed over a number of years, and is used by a variety of organisations meaning its cost can be shared. Using another system would cost a lot more.

### 3.6. ESL Rates

ESL Rates 2011/12	
Category 1	\$0.0114
Category 2	\$0.0086
Category 3	\$0.0057
Category 4	\$0.0040
Category 5	\$55 fixed charge per rate notice
Mining Tenement	\$55 fixed charge per rate notice

The ESL charge on a property is calculated by multiplying the ESL category rate by the Gross Rental Value (GRV) of the property.

### 3.7. Property Uses - Minimum and maximum charges

Minimum and maximum charges are set according to the property's use.

Minimum and maximum charges have been set to make sure each property pays an equitable amount. That is, property owners at the lower end of the scale pay enough, while those at the top don't pay too much.

The minimum and maximum charges are based on what a property is used for.

The ESL Property Use classifications reflect the actual usage of property and may differ from property zoning classifications used by Local Governments for council rates.

#### Minimum and Maximum Charges 2011/12

ESL Category	Vacant, Residential and Farming		Commercial, Industrial and Miscellaneous	
	Minimum	Maximum	Minimum	Maximum
1	\$55	\$280 *	\$55	\$160,000
2	\$55	\$210 *	\$55	\$120,000
3	\$55	\$140 *	\$55	\$80,000
4	\$55	\$100 *	\$55	\$56,000
5	\$55 per Rate Notice			
Mining Tenements	\$55 per Rate Notice			

*\*Special conditions apply to multiple residential properties on a single rates notice (see below)*

The minimum charge has increased to \$55 in 2011/12 from the threshold that applied in 2010/11 (where a minimum of \$50 applied).

Varying maximum charge ceilings apply for the various Property Use groupings within each ESL category in 2011/12. These ceilings have increased from those that applied in 2010/11.

### **3.8. Multiple residential properties**

A multi-residential property is where a duplex or a block of flats/apartments receive a single rates notice for the complex.

For example, a single maximum residential charge of \$280 does not apply to multi-residential properties in ESL category 1 in 2011/12 as this would provide a significant and unfair saving for the property owner.

The maximum charge for a multi-residential property is calculated by multiplying the number of residences/flats/apartments by the maximum residential charge. For example, for a metropolitan residential property with four units, the **maximum** charge is \$1,120 (i.e. 280 x 4).

### **3.9. Pensioner and senior rebates**

If you qualify for a rebate on your Council rates, you will receive the same level of rebate on your ESL charge. The two rebates are combined and printed on the rates notice as one amount.

Pensioners who are eligible to defer their Council rates can also defer their ESL charge. Eligible seniors and pensioners who are living in a "lease for life" accommodation also qualify for a rates/ESL rebate. Claims are coordinated on their behalf by the manager/administrator of the complex.

### **3.10. Late payment interest**

If a property owner does not pay either the full or part payment of ESL on time, late payment interest of 11% is charged (does not apply where eligible pensioners choose to defer).

## **4.0 OTHER**

### **4.1. Why do I have to pay more than one levy?**

If you own more than one property

The ESL is charged on all properties. Therefore you will pay the levy charge for each property that you own. This is fair as each property has access to, and may need to use, the emergency services.

Also, some people and businesses own many properties. It would be unfair if they only had to pay the levy on one property as any shortfall would have to be picked up by all other property owners.

If you receive several levy charges for the one property

The levy is included on all rates notices. Therefore, if you receive more than one rates notice it will be included on each.

If you own several adjoining properties that are used for the same purpose (i.e. contiguous properties), you may be able to apply for a Group Valuation. Contact your Council Office or Landgate for more information.

**4.2. I'm a volunteer, why should I have to pay?**

- To exempt volunteers would be near impossible to administer. How would you work out who qualifies? Some volunteers train weekly and are regularly called out, while others might only meet twice a year. Is it fair that everyone should get the same benefit?
- To keep track of who is an active volunteer would mean a lot of extra paperwork for the brigades, units and Local Governments.
- There are over 30,000 volunteer firefighters and SES volunteers. If you exempted everyone, the shortfall would have to be picked up by other property owners.
- Most volunteers contributed under the old system.

**4.3. Who is the Minister?**

The Minister for Police; Emergency Services; Road Safety is the Hon Rob Johnson MLA.

Mail: 20th Floor, Governor Stirling Tower, 197 St George's Terrace, Perth WA 6000

Phone: (08) 9222 9211

Fax: (08) 9321 6003

**4.4. ESL contact details**

Call Centre Telephone Number: 1300 136 099 (cost of a local call)

Mail: PO Box P1174, Perth WA 6844

Email: [esl@fesa.wa.gov.au](mailto:esl@fesa.wa.gov.au)

Website: [www.fesa.wa.gov.au](http://www.fesa.wa.gov.au)

**4.5. FESA contact details for non-levy matters**

For information on community safety and other FESA matters:

Mail: PO Box P1174, Perth WA 6844

Phone: (08) 9323 9300

Fax: (08) 9323 9470

Email: [fesa@fesa.wa.gov.au](mailto:fesa@fesa.wa.gov.au)

Website: [www.fesa.wa.gov.au](http://www.fesa.wa.gov.au)