



Emergency Services Levy Question & Answer Guide 2016/17

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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 units and volunteer fire and emergency services throughout the whole State.

1.2. When did it start?

The ESL was introduced on 1 July 2003. 2016/17 is the fourteenth year the ESL 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. Prior to 2003/04 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. Prior to 2003/04 most of the required emergency services funding was collected through levies on building and contents insurance, council rates and donations. These ad-hoc and unequal funding arrangements meant that not all property owners contributed to the emergency services available to them.
- Property owners were not aware of how much they were contributing prior to 2003/04 as they contributed via several sources and many contributions were hidden. The ESL funding system is transparent.

1.4. What the ESL funds

The ESL funds the operating costs of the operation of the:

- Career Fire and Rescue Service (CFRS);
- Volunteer Fire and Rescue Service (VFRS);
- Local Government Bush Fire Brigades (BFB);
- State Emergency Service (SES); and
- DFES Volunteer Fire and Emergency Service Units (VFES).

The ESL also provides funding towards the cost of:

- aviation services contracted by the Department of Fire and Emergency Services (DFES) during emergencies (since 2010/11); and
- the Volunteer Marine Rescue Service (VMRS) (since 2015/16).

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 DFES' corporate support costs.

1.5. What the ESL does not fund

The ESL does not fund:

- Emergency Rescue Helicopter Service;
- Unexploded Ordnance;
- St John Ambulance;
- WA Police; or
- Surf Life Saving WA.

1.6. How the money is distributed

Funding to SES units and local government BFBs is through an ESL funded grants program. This year grants for operating expenses and capital items totaling \$29.303 million will be provided.

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

Funding to the CFRS, VFRS and VFES units, which are all managed by DFES, is provided directly through DFES' internal financial processes.

1.7. How the ESL is helping volunteers

Over the 14 year period 2003/04 to 2016/17 local government grant allocations approximating \$306 million have been approved to fund BFBs and SES units and provide for new/refurbished fire appliances, vehicles and boats, new/upgraded facilities, new equipment, and personal protective clothing for these essential volunteer groups.

This has significantly increased the funding provided to BFBs and SES units. In addition more funding has been provided for DFES VFES units. More detailed information is available on the DFES website (www.dfes.wa.gov.au under "Emergency Services Levy" and "Grants").

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 DFES 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 2016/17

2.1. DFES Budget

Each year the cost of operating fire and emergency services is determined through the State Government's budgetary process. The DFES budget in 2016/17 is \$385.764 million and is raised from several sources:

Funding Source	\$Million
Emergency Services Levy *	338.891
State Government Appropriation	18.702
Other Revenue & Commonwealth Government Grants	28.171
Total DFES Funding	385.764

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

2.2. 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 2016/17 the levy will raise \$338.891 million representing an \$18.37 million (5.7%) increase on the 2015/16 approved ESL budget of \$320.521 million.

2.3. Continuing support to frontline emergency services in WA

The 5.7% increase in the amount of ESL to be raised in 2016/17 reflects the Government's ongoing commitment to the safety of Western Australians and our paid and volunteer emergency service workers.

2.4. State Government’s contribution

The estimated total State Government contribution to DFES in 2016/17 will be approximately \$34.702 million. This consists of \$16 million in ESL on State Government property and a further contribution of \$18.702 million.

3.0 ESL CHARGES 2016/17

3.1. Calculating ESL charges

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

1. the location of the property (which determines the ESL Category classification);
2. the declared ESL rate for that ESL Category;
3. the property’s Gross Rental Value (GRV); and
4. the declared minimum and maximum ESL charge thresholds 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 \$71 per rates notice in 2016/17.

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.

ESL CATEGORY	LOCATION DESCRIPTION	EMERGENCY RESPONSE
1	Perth Metropolitan Fire District	Network of CFRS stations and the SES
2	Regional Cities	CFRS station plus a VFRS brigade and the SES
3	Urban Metropolitan Area	A VFRS brigade and/or BFB supported by the network of CFRS stations in the metropolitan region and the SES
4	Country Towns	VFRS and the SES <u>OR</u> BFB equipped with breathing apparatus and the SES
5	Pastoral / Rural Areas	Communities supported by the statewide SES network and generally a BFB

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 CFRS station is opened;
- the development of vacant land so that the area that the local fire brigade/s respond to is expanded; and
- 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.

Fire District and ESL Category boundary changes in 2016/17

More information and maps showing all boundary changes are available in the Emergency Services Levy section of the DFES website (www.dfes.wa.gov.au) under “Charges and Payments” at the “Boundary Amendments” link under the heading “ESL Categories Boundaries”.

Metropolitan Fire District (MFD) Amendment

The boundary of the MFD, which delineates the area serviced by the metropolitan network of CFRS brigades and the SES, has been:

- expanded to fully include a property in Baskerville in the City of Swan and a coastal area of reclaimed land in north Fremantle in the City of Fremantle; and
- contracted to exclude 3 properties in the Greenmount and Swan View regions that form part of the John Forrest National Park in the Shire of Mundaring.

With effect from 1 July 2016 the properties incorporated into the MFD were reclassified ESL Category 1 (previously ESL Category 3 or 5) and the properties removed from the MFD were reclassified ESL Category 3 (previously ESL Category 1).

Broome Fire District (FD) Expansion

The Broome FD boundary in the Shire of Broome, which delineates the area serviced by the Broome VFRS brigade and the SES, has been expanded to the north-east to include a serviced LNG storage facility to the north to include the Morrel Park community. With effect from 1 July 2016 the properties incorporated into the expanded FD boundary were reclassified ESL Category 4 (previously ESL Category 5).

Bunbury FD Expansion

The Bunbury FD boundary, which delineates the area serviced by the Bunbury CFRS and VFRS brigades and the SES, has been expanded to the east to include parts of Picton. With effect from 1 July 2016 the properties incorporated into the expanded FD boundary were reclassified ESL Category 2 (previously ESL Category 4 or 5).

Eaton-Australind FD Contraction

The Eaton-Australind FD boundary in the Shire of Dardanup, which delineates the area serviced by the Eaton-Australind VFRS brigade and the SES, has been contracted in the south to exclude an area in Picton that has been transferred into the Bunbury FD. With effect from 1 July 2016 the properties transferred into the Bunbury FD were reclassified ESL Category 2 (previously ESL Category 4).

Cowaramup FD Expansion

The Cowaramup FD boundary in the Shire of Augusta-Margaret River, which delineates the area serviced by the Cowaramup VFRS brigade and the SES, has been expanded to the south-east to include a serviced area of development. With effect from 1 July 2016 the properties incorporated into the expanded FD boundary were reclassified ESL Category 4 (previously ESL Category 5).

Derby FD Expansion

The Derby FD boundary in the Shire of Derby-West Kimberley, which delineates the area serviced by the Derby VFRS brigade and the SES, has been expanded to the south to include a water treatment plant. With effect from 1 July 2016 a property will be incorporated into the expanded FD boundary and reclassified ESL Category 4 (previously ESL Category 5).

Esperance FD Amendment

The Esperance FD boundary in the Shire of Esperance, which delineates the area serviced by the Esperance VFRS brigade and the SES, has been expanded to include serviced areas of development to the west, north-west, north-east and south, and contracted along the north-eastern perimeter to exclude 2 pockets of land in Walkabout. With effect from 1 July 2016 the properties incorporated into the FD were reclassified ESL Category 4 (previously ESL Category 5) and the properties removed from the FD were reclassified ESL Category 5 (previously ESL Category 4).

Fitzroy Crossing FD Amendment

The Fitzroy Crossing ESL Category 4 boundary in the Shire of Derby-West Kimberley, which delineates the area serviced by the Fitzroy Crossing VFES unit and the SES, has been expanded to include a serviced area of development to the east and an LNG storage facility located on Mindi Rardi Community land and contracted to the south-west, east and south-east to exclude 3 pockets of undeveloped land. With effect from 1 July 2016 the properties incorporated into the boundary were reclassified ESL Category 4 (previously ESL Category 5) and the properties removed from the boundary were reclassified ESL Category 5 (previously ESL Category 4).

Mandurah FD Expansion

The Mandurah FD boundary, which delineates the area serviced by the Mandurah CFRS brigades and local VFRS brigades and the SES, has been expanded to the north-east to include Karnup in the City of Rockingham. With effect from 1 July 2016 the properties incorporated into the FD were reclassified ESL Category 2 (previously ESL Category 5).

Nannup FD Expansion

The Nannup FD boundary in the Shire of Nannup, which delineates the area serviced by the Nannup VFRS brigade and the SES, has been expanded to the east and south to include serviced areas of development. With effect from 1 July 2016 the properties incorporated into the FD were reclassified ESL Category 4 (previously ESL Category 5).

Waroona FD Expansion

The Waroona FD boundary in the Shire of Waroona, which delineates the area serviced by the Waroona VFRS brigade and the SES, has been expanded to the north and south to include serviced areas of development. With effect from 1 July 2016 the properties incorporated into the FD were reclassified ESL Category 4 (previously ESL Category 5).

3.4. Gross Rental Values (GRV)

A Gross Rental Value (GRV) approximates the amount a property could be rented 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 come into force from 1 July 2016 in the following 17 local government areas:

- Capel #
- Collie
- Coolgardie
- Derby-West Kimberley
- Donnybrook-Balingup
- Gingin
- Halls Creek
- Kalgoorlie-Boulder
- Kondinin #
- Kulin
- Mandurah
- Nannup
- Northam
- Shark Bay
- York

All properties in the 2 local government areas marked “#” are classified ESL Category 5 and a \$3 (4.4%) increase in the fixed annual ESL charge will apply in 2016/17.

Property valuation changes in the other 15 local government areas will impact the 2016/17 ESL charge for properties with ESL Category classifications 2 and/or 4.

For further questions about GRV contact Landgate - Valuations Services on (08) 9273 7373 or via email: customerservice@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 2016/17	
Category 1	\$0.012672
Category 2	\$0.009504
Category 3	\$0.006336
Category 4	\$0.004435
Category 5	\$71 fixed charge per rate notice
Mining Tenement	\$71 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 2016/17

ESL Category	Vacant, Residential and Farming		Commercial, Industrial and Miscellaneous	
	Minimum	Maximum	Minimum	Maximum
1	\$71	\$375 *	\$71	\$213,000
2	\$71	\$275 *	\$71	\$156,000
3	\$71	\$184 *	\$71	\$104,000
4	\$71	\$130 *	\$71	\$73,000
5	\$71 per Rate Notice			
Mining Tenements	\$71 per Rate Notice			

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

The minimum charge has increased to \$71 in 2016/17 from the \$68 minimum threshold that applied in 2015/16.

Varying maximum charge ceilings apply for the various Property Use groupings within each ESL Category in 2016/17. These ceilings have also increased from those that applied in 2015/16.

3.8. Multiple residential properties

A multi-residential property is where a duplex or a block of flats/apartments receives a single rates notice for the complex. In such cases the maximum ESL charge threshold for a multi-residential property is calculated by multiplying the number of residences/flats/apartments by the maximum residential charge that applies to single residential property.

For example the \$375 maximum residential charge that applies to single metropolitan-based residential property with an ESL Category 1 classification does not apply to multi-residential property in that same area as this would provide a significant and unfair saving for the property owner. In this example, assuming the multi-unit metropolitan residential property has four units, the **maximum** ESL charge threshold in 2016/17 is \$1,500 (i.e. \$375 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.

The recent Government announcement to introduce a maximum monetary capping (of \$550 from 1 July 2016) on the Council rates rebate entitlement for eligible pensioners (applicable to their principal place of residence) does not apply to, or impact, the ESL rebate entitlement for eligible pensioners.

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% per annum will be charged.

However, late ESL payment penalty interest will not be charged when eligible pensioners choose to defer the payment of their ESL charge.

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 Council 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 29,000 volunteers who undertake operational and support roles as firefighters or 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?

Hon Joe Francis MLA;

Minister for Emergency Services; Fisheries, Corrective Services; Veterans

Mail: 7th Floor, Dumas House
2 Havelock St. Georges Terrace
West Perth WA 6005

Phone: (08) 6552 6500

4.4. ESL contact details

ESL Enquiries Telephone Number: 1300 136 099 (cost of a local call)

Mail: ESL Enquiry
Department of Fire and Emergency Services
PO Box P1174
Perth WA 6844

Email: esl@dfes.wa.gov.au

4.5. DFES contact details for non-levy matters

For information on community safety and other DFES matters:

Mail: Department of Fire and Emergency Services
PO Box P1174
Perth WA 6844

Phone: (08) 9395 9300

Email: dfes@dfes.wa.gov.au

Website: www.dfes.wa.gov.au