



Emergency Services Levy Question & Answer Guide 2018-19

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1.0 BACKGROUND INFORMATION

1.1. What is the ESL?

The Emergency Services Levy (ESL) is the main source of funding for the Department of Fire and Emergency Services (DFES) and used solely to provide volunteer and career fire and emergency services throughout the whole State.

1.2. When did it start?

The ESL was introduced on 1 July 2003.

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 provides facilities, vehicles, protective clothing, equipment and general operating funding for the:

- Career Fire and Rescue Service (CFRS);
- Volunteer Fire and Rescue Service (VFRS);
- DFES Volunteer Fire and Emergency Service units;
- new Rural Fire Division within DFES and Local Government Bush Fire Brigades (BFB);
- DFES contracted Aerial firefighting fleet (since 2010-11);
- South West RAC Rescue Helicopter Service;
- Volunteer Marine Rescue Service (VMRS) (since 2015-16); and
- State Emergency Service (SES).

Operating costs include running and maintaining vehicles and buildings, insurance, personal protective equipment and operational consumables. Capital equipment purchases include firefighting appliances, vehicles, SES rescue boats, 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 services. In 2018-19 the ESL will also secure long term funding for the VMRS and provide for important new initiatives including a Bush Fire Centre of Excellence and unprecedented mitigation funding.

1.5. What the ESL does not fund

The ESL does not fund:

- Metropolitan Emergency Rescue Helicopter Service;
- St John Ambulance;
- WA Police;
- Surf Life Saving WA (DFES administers Government grant funding) or
- Unexploded Ordnance.

1.6. How the money is distributed

Funding to SES units and local government BFBs is through an ESL funded grants program. This year approximately \$31.83 million will be provided.

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

The provision of funding for the CFRS, VFRS, VFES units, VMRS units and the aerial firefighting fleet, is directly managed by DFES through its internal financial processes.

1.7. How the ESL is helping volunteers

Over the 16 year period 2003-04 to 2018-19 local government grant allocations in excess of \$375 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. More detailed information is available on the DFES website (www.dfes.wa.gov.au under "Emergency Services Levy" and "Local Government Grants BFS and SES").

In addition more funding has been provided for DFES VFES units and funding for VMRS units has been increased significantly.

The ESL has resulted in more flexible funding arrangements that can accommodate the urgent replacement of critical equipment and 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. The ESL applies to all property (including property owned by 'not for profit' and charitable organisations that may be exempt from local government rates), except property specifically exempted from ESL (by Regulations) including:

- vacant land owned by a Council, which is exempt from ESL;
- mining tenements that are only for exploration or prospecting activities; and
- the Wittenoom Townsite (being contaminated land with no service provision) .

All of the ESL collected by local governments 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 2018-19

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 operating budget in 2018-19 is \$429.881 million and, in addition, capital funding totaling \$14.154 million will be funded through the ESL. The sources of funding for DFES in 2018-19 are shown below:

Funding Source	\$Million
Emergency Services Levy *	\$391.392
State Government Appropriation	\$23.812
Other Revenue & Commonwealth Government Grants	\$28.831

* The ESL includes \$19.159 million paid by the State Government for ESL on its own property.

2.2. How much ESL is raised

The ESL 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 2018-19 the ESL will raise \$391.392 million, a \$38.545 million (10.9%) increase on the 2017-18 approved ESL budget of \$352.847 million.

2.3. Continuing support to frontline emergency services in WA

The 10.9% increase in the amount of ESL to be raised in 2018-19 reflects the Government's ongoing commitment to the safety of Western Australians and our paid and volunteer emergency service workers, and includes funding for the new Rural Fire Division of DFES.

2.4. State Government’s contribution

The total State Government contribution to DFES in 2018-19 will be approximately \$42.971 million. This consists of \$19.159 million in ESL on State Government property and a further appropriation of \$23.812 million.

3.0 **ESL CHARGES 2018-19**

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 (subject to the declared minimum and maximum ESL charge thresholds).

Properties located in ESL Category 5 and certain mining tenements (where infrastructure may exist) receive a fixed charge of \$82 per Rates Notice in 2018-19.

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 2018-19

More information regarding boundary changes (including maps showing the areas affected) is 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 extended to include parts of Alkimos, Jindalee and Eglinton in the City of Wanneroo.

The boundary of the MFD, which delineates the area serviced by the metropolitan network of CFRS brigades and the SES, has been extended to include the Nowergup Public Transport Authority Rail Yard in the City of Wanneroo.

With effect from 1 July 2018 the properties incorporated into the MFD were reclassified ESL Category 1 (previously ESL Category 3).

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 2018 in 25 local government areas.

In 10 of these local government areas all properties have an ESL category classification of 5, so the property revaluation program does not affect the 2018-19 ESL charge.

The remaining 15 local government areas (listed below) have some properties with an ESL category classification of 2 and/or 4 where GRV-based ESL charges apply, so the revaluation program does impact the 2018-19 ESL charge:

- Ashburton
- Augusta-Margaret River
- Busselton
- Dalwallinu
- Dandaragan
- East Pilbara
- Greater Geraldton
- Karratha
- Manjimup
- Moora
- Northampton
- Port Hedland
- Wyalkatchem
- Wyndham-East Kimberley
- Yilgarn

For further questions about GRV contact Landgate - Valuations Services:

- Phone: (08) 9273 7373
- 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 2018-19	
Category 1	\$0.014486
Category 2	\$0.010864
Category 3	\$0.007243
Category 4	\$0.005070
Category 5	\$82 fixed charge per rate notice
Mining Tenement	\$82 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 2018-19

ESL Category	Vacant, Residential and Farming		Commercial, Industrial and Miscellaneous	
	Minimum	Maximum	Minimum	Maximum
1	\$82	\$430 *	\$82	\$245,000
2	\$82	\$322 *	\$82	\$183,000
3	\$82	\$214 *	\$82	\$122,000
4	\$82	\$150 *	\$82	\$85,000
5	\$82 per Rate Notice			
Mining Tenements	\$82 per Rate Notice			

**Special conditions apply to multiple residential properties on a single rates notice (see below)*
 The minimum charge has increased to \$82 in 2018/19 from the \$75 minimum threshold that applied in 2017-18.

Varying maximum charge ceilings apply for the various Property Use groupings within each ESL Category in 2018-19. These ceilings have also increased from those that applied in 2017-18.

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. Hence, the \$430 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.

For example in 2018-19, the **maximum ESL charge threshold** for a multi-unit metropolitan residential property that has ten units is \$4,300 (i.e. \$430 x 10).

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 local government in consultation with the manager/administrator of the complex.

It should be noted that the maximum monetary capping that the Government sets 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.

- Approximately 26,000 volunteers who undertake operational and support roles as emergency service 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 Francis Logan MLA;

Minister for Emergency Services; Corrective Services

Mail: 10th Floor, Dumas House
2 Havelock St. Georges Terrace
West Perth WA 6005

Phone: (08) 6552 6300

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