



Media Statement

Date 7 July 2017

ERA recommends independent agency take charge of emergency levy

A review into the emergency services levy (ESL) in Western Australia has found a need for greater transparency about how the money is spent on emergency services.

The Economic Regulation Authority (ERA) was asked by the Treasurer to review arrangements for managing and distributing the levy to fund emergency services in the State.

The draft review recommends an independent agency advises the Government on how much landholders pay for emergency services and how that levy is spent.

It recommends responsibility for the oversight of the ESL transfers from the Department of Fire and Emergency Services to an independent Office of Emergency Management.

“Transparent information on how and where the ESL is spent along with processes to ensure it is carefully targeted and spent effectively will help to sustain community confidence in the levy,” ERA chair Nicky Cusworth said.

Many submissions to the ERA’s review argued the levy should be spent on community prevention and preparedness.

“The ERA agrees with stakeholders that prevention is important, and may have been underfunded,” Ms Cusworth said.

“However the ERA considers the responsibility for prevention lies primarily with property owners and land custodians, including local and state government agencies.

There is no strong case for using the ESL to fund prevention, except for activities that landowners are unlikely to be able to do themselves like coordination and planning.”

The ERA considers the main purpose of the ESL is to enable all emergency workers to be ready to respond to emergencies across the State.

The ERA was also asked to review to what extent the ESL should be available to fund a Rural Fire Service, and what effect that would have on how much people pay for emergency services.

“The ERA was not asked to give a view on whether the State should establish a rural fire service, but it was asked to give a costing for such a service if the Government decides to introduce one,” Ms Cusworth said.

“There are many ways a rural fire service could be configured and costs of each possible model vary greatly depending mainly on whether it is staffed by career firefighters or volunteers.”

The ERA has found a rural fire service will cost Western Australians between \$4.2 million to \$560 million extra.

For residential ratepayers, these amounts are the equivalent of an extra \$2.41 on average ELS charges for the purely volunteer based model, up to \$362.74 for a service staffed by career firefighters.

The amount landowners pay for the ESL has increased markedly since it was introduced in 2003.

In that time services once funded through the tax system have been rolled into the ESL, including volunteer marine rescue services.

The volunteer marine rescue service is used by a small segment of the community, and the ERA recommends a levy on vessel registrations to fund the approximately \$6 million cost of this service.

To read the draft report, visit the ERA website at <http://www.erawa.com.au/home>.

The ERA is seeking stakeholder feedback on this draft report and its recommendations. Submissions should be made online at <https://www.erawa.com.au/consultation> by 4pm on 11 August 2017.

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