

ADDITIONAL ITEM

Item No: 1.4
Title: Mayoral Minute - Emergency Services Levy Increase
Department: Councillor



13 May 2019 Ordinary Council Meeting

Trim Reference: F2019/00041 - D13536532

Author: Jane Smith, Mayor

Background:

Each year, the NSW Government collects payments from councils and insurers to fund emergency services agencies in NSW, with councils required to pay 11.7 per cent of the budget required by NSW Emergency Services. These charges are embedded in council rates and insurance premiums.

From 1 July 2019 the NSW Government plans to collect an additional \$160 million (in the 2019-20 financial year) from NSW councils, communities and those paying insurance premiums to provide better workers' compensation coverage for volunteer and career firefighters who are diagnosed with one of twelve specific work-related cancers.

Councils were sent bills with a letter from Revenue NSW in May 2019, saying council contributions will increase by \$19 million in 2019-20. The letter also foreshadows increases in the 2020-21 financial year, but not the amount.

Central Coast Council has received an invoice from Revenue NSW for \$4,825,320 for its emergency services levy contribution for 2019-20. This is \$624,977 more than last year's levy (a 14.9%) increase. This will mean Council will need to find additional funds and/or cut planned initiatives or services.

Council supports career and volunteer firefighters in NSW – as it does all emergency services workers and volunteers. Indeed, many NSW council staff and Councillors are volunteers. Council also supports legislation passed in November 2018 to address what was a workers' compensation shortfall.

However, councils were not consulted or advised that they would be required to cover the cost via significant increases to the emergency services levy, or what this cost would be.

Local Government NSW is calling upon the NSW Government to fund the first 12 months of this extra cost and work with local government to ensure the implementation of the funding mechanism is fairer into the future. This Mayoral Minute recommends Council support Local Government NSW's approach.

I formally move:

That Council

1. Notes:

- a) Last December, the NSW Government enacted laws to provide better workers compensation coverage for firefighters who are diagnosed with one of twelve specific work-related cancers**
- b) That in many areas of NSW, fire services are made up of elected and staff members of local government, and that local governments strongly support this expanded workers compensation scheme**
- c) That as a result of these changes, the State Government has decided to implement the new scheme by charging local government an increased Emergency Services Levy, without consultation**
- d) That the expected increase in costs to local government will be \$19 million in the first year alone, and that there is little or no time to enshrine this additional charge in 2019-2020 budgets**
- e) That Local Government NSW has long advocated for the Emergency Services Levy to be significantly modified to ensure it is transparent, equitable and accountable.**

2. Supports Local Government NSW's calls for:

- a) the NSW Government to cover the initial additional \$19 million increase to local governments for the first year and**
- b) the NSW Government work with NSW councils to redesign the funding mechanism for the scheme to ensure fairness into the future.**

3. Requests that the Chief Executive Officer liaise with Local Government NSW to provide information on:

- a) The impact on council budgets and**
- b) Council advocacy actions undertaken**

4. Requests the Mayor

- a) write to the NSW Premier and NSW Interim Opposition Leader, NSW Minister for Customer Services, NSW Minister for Emergency Services, Minister for Local Government and Shadow Minister for Local Government, and local State Members to:**
 - i. call upon the NSW Government to fund the first 12 months of this extra cost rather than requiring councils to find the funds at short notice when budgets have already been allocated**
 - ii. explain how this sudden increase will impact council services and the local community**

- iii. highlight that councils were not warned of the increased cost until May 2019, despite the new laws being passed in November 2018*
 - iv. explain that the poor planning and implementation of the increase is inconsistent with the NSW Government's commitment to work in partnership with the sector*
 - v. ask the Government to work with local governments to redesign the implementation of the scheme to ensure it is fairer for councils and communities into the future.*
- b) Send a copy of the above letter to Local Government NSW.*

Attachments

Nil.