

## **EMERGENCY SERVICES LEVY — ADMINISTRATION**

### *Grievance*

**MR F.A. ALBAN (Swan Hills)** [9.07 am]: My grievance is to the Minister for Emergency Services about an issue that has been an impost on a number of my constituents and, indeed, many constituents outside my electorate, and has been further highlighted by various associations in the area. The concerns I raise affect a number of businesses in the Swan Valley. The emergency services levy seeks to raise funds necessary to supply a service—that service is to fund the state’s fire and emergency services, career fire stations, volunteer fire brigades, State Emergency Service units, and multipurpose volunteer emergency service units. The “Emergency Services Levy Q&A Guide” point 2.3 states —

The levy does not raise more money than is needed.

I believe we have seen significant benefits from the levy, which was originally introduced in 2003, particularly within the area of volunteer fire and rescue services. With the Emergency Services Levy Act 2002 under review and submissions open, it seems appropriate to raise a concern about the administration of the levy. This review is well timed, as a number of factors are threatening the viability of Swan Valley and Perth hills agriculture—though I will stay on the topic of the emergency services levy.

Located within the Perth metropolitan fire district and rated as ESL category 1, the Swan Valley has a history of farming and winemaking. The valley is zoned rural under the Swan Valley Planning Act, yet is without question part of the Perth metropolitan region. Although farming is indeed a commercial interest—that is, a business—it is still farming. The emergency services levy is charged on two different rate scales according to property use: one is vacant, residential land and farming; the other is commercial, industrial and miscellaneous. The minimum charge across both is currently \$64. The commercial, industrial and miscellaneous maximum charge for ESL category 1 is currently \$186 000. This is in contrast to the vacant, residential and farming maximum charge of \$330. The emergency services levy question and answer guide, available on the Department of Fire and Emergency Services website, on page 9 states —

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.

Although many farmers are currently and correctly, in my belief, categorised at the vacant, residential and farming rate, there are cases throughout the region where they are categorised at the commercial, industrial and miscellaneous rate. Given that not only does the area lie within the Swan Valley Planning Act’s boundaries, with the restrictions on their land that comes with it, but also their industry is indeed farming, I do not believe that farmers should in any way, shape or form be categorised as anything other than farming. Their situation is in significant contrast to that of corporations such as Houghton and Sandalford that also exist in the valley.

The other concern is the effect of gross rental value on the administration of the emergency services levy, and this is where things become a little more difficult because it falls under another portfolio. The gross rental value calculation of land is the estimated amount that a person could rent their property for in a year, independently determined by the Valuer-General under the planning portfolio. How do we establish a gross rental value on a grower’s land when wine grapes are left on the vine due to lack of demand and table grapes sell for less than the cost of production? I believe that the gross rental value they have received is, in some cases, far higher than the rental market will realistically support, and given the effect on their ESL charge, this results in an unfair impost on these farmers. This is in addition to charges that had seen them previously rated as ESL category 3, urban metropolitan area, under vacant, residential and farming until the 2011 financial year. In dollar terms and according to the current ESL minimum and maximum charges in 2014–15, this means that from a minimum of \$64 and a maximum of \$164, growers are now categorised in a manner that has a minimum of \$64 and a maximum of \$186 000. I have seen ESL charges on specific rate notices for well over \$1 000—which is a significant increase and impost for what, under the ESL category and property use that previously applied to these growers, would have been a maximum of \$164—with the current charges.

Of additional note is that some farmers have more than one landholding, very small ones, due to previous subdivisions in the valley, further multiplying this impost across each property title. This practice has been relied upon for farmers to expand; however, it significantly increases their levy charges, particularly when considered with the previous points I have raised. Further, it is generally accepted that grapevines do not constitute a fire hazard; rather, they act as a buffer to other flammable circumstances, such as road verges, parks et cetera. Everyone is prepared to pay their fair share.

I believe that the current review of legislation offers us an opportunity to address the concerns these farmers have in an appropriate and equitable manner. I would like to acknowledge both the Grape Growers Association of Western Australia’s assistance with raising the concerns of its members, and the individual growers who have

raised this directly with my office, who have invited me to their vineyards and taken the time to discuss this issue. I also acknowledge the Swan Valley Progress Association and its chairman, Rod Henderson, who has been involved with this issue through members in the other place, but it would be remiss of me to not raise the direct concerns my office has received. Thank you.

**MR J.M. FRANCIS (Jandakot — Minister for Emergency Services)** [9.14 am]: I thank the member for Swan Hills for his grievance, which is timely. As we know, the emergency services levy has been in existence in Western Australia for just over 10 years. It contributes a significant amount of the money required to fund both career and volunteer resources. Interestingly enough, I think just this week, I sent an email to the member for Swan Hills that West Giddegannup will receive in the very near future a new light tanker—just by the by, over \$100 000 odd. These appliances are expensive, especially when we consider the standard that is now being rolled out with all the extra equipment and crew protection and stuff rolled into them; they start to get very costly, and obviously the ESL makes up a large part of paying for that.

The member for Swan Hills makes a really good point. To be quite frank, there are two issues here. One is the overall review of emergency services legislation that is being undertaken. That process will take some time, but in the meantime there is a lot to be said and a lot to be done about looking at how the ESL categories—before we even start getting to the input variables into the charges in each category—are calculated. When I was a backbencher in Jandakot, I had a number of concerns about different areas that had the potential every year to be zoned differently. I looked at the requirements then and I look at them now. Some of the smartest people in this game have looked at these requirements and if anyone can make perfect sense of the guidelines as to what different categories different areas fall into, good luck! I would love to get some advice on it; it is complicated. There are a number of different factors that “should be considered” or “could be considered”, which leaves the whole issue of which areas are in or out of different categories open to fairly broad interpretation and, in fact, open to almost—unfortunately—political interference.

For some time, even before I was the Minister for Emergency Services, I had concerns about that. What happens every year is that the Department of Fire and Emergency Services starts a consultation process with local governments, which starts an almost political barnstorm in many members’ electorates, not only the member for Swan Hills’ electorate, but also the electorates of the members for Wanneroo, Serpentine-Jarrahdale and Kwinana. In fact, the member for Kwinana during estimates raised this issue with me and asked whether certain areas will be reconsidered and whether there was a move, as the metropolitan area expanded into residential zoning, to remove from his particular area volunteer fire brigades. That obviously, ultimately, is a decision for local government.

Certainly, the point I am making is that when we have guidelines that allow open liberal interpretation as to what areas are in and what areas are out, depending on different resources; whether we have career fire stations backed up by career fire stations or whether a career fire station is backed up by volunteers or vice versa; whether we have reticulated water and on response times. The whole risk to resources equation becomes fairly complicated. I am a firm believer that we need to clarify this process so that all the ambiguity, the rumours and innuendo and the uncertainty for landowners are taken away from the equation so that we can develop a checklist as to whether a particular area is zoned a certain category, with less ambiguity and far more ins or outs whereby landowners will either qualify or not. That will allow landowners across all these kinds of areas to get certainty into the future, and it will take away the ability for people to, in a way, play politics with the uncertainty of whether their ESL category will change.

I will move to the area that the member talked about in the Swan Valley. There are a number of different issues, and I accept at the moment that there are certain areas across the metropolitan area—I will include the Swan Valley for the sake of this issue in that—that are still zoned rural. Some of these areas are ESL category 1 and some are ESL category 3. Some of those that are further away from career and even volunteer fire stations are ESL category 3, paying the lower levy; whereas others that have even greater resources still pay the lower levy. None have features such as reticulated water. Obviously, the response time from the fire brigades is a variable in that. It is clear that an unjust standard is applied. I accept that, which is why the Department of Fire and Emergency Services and my office are undergoing a thorough review to try to bring in a system that provides certainty.

As the member for Swan Hills pointed out, when we start getting into what is applied to certain emergency services levy categories, one of the key factors influencing that is the gross rental value, which is obviously determined by the Valuer-General, for obvious reasons. That is a key factor in how much is charged. In 2013, a review of land use classifications in the Swan Valley linked the GRV and affected the commercial classification of land use undertaken by Landgate. Properties deemed commercial received a higher GRV from the Valuer-General, for obvious reasons. About 50 per cent of the land classified as “vineyard residence” or “vineyard properties” and rated as commercial or miscellaneous were reclassified, as they were borderline low-intensity hobby or lifestyle farming types of properties. As a consequence, Landgate reviewed the ESL paid by those

properties and most of them have fallen into the lower GRV category. I accept, though, that it is more difficult to charge a higher rent for land that is not producing a financial income. What I can tell the member for Swan Hills right now is that we are undertaking a thorough review of the process used to calculate the ESL categories. I will keep the member informed of the outcome of that. I cannot make promises at the moment but I think the member raises a very good point. We will continue to work with the people the member spoke of.