

23 November 2017

Mr Mark Ronsisvalle

Deputy Secretary
NSW Treasury
GPO Box 5469, Sydney, NSW 2001

Dear Mr Ronsisvalle

RE: Funding method for the Fire and Emergency Services Levy (FESL).

The Property Council welcomed the deferral of the Fire and Emergency Services Levy by the Government earlier this year.

Had it progressed in the form it was presented, it would have led to some commercial, inner city and industrial property owners seeing rises in their contributions of nearly 600 per cent. This would have been a serious and unforeseen impact on the cost of property and doing business in NSW.

Fire and Emergency Services are available and called upon in times of need by all inhabitants of NSW regardless of whether they own a property with insurance or not. Other similar essential services in NSW such as police and health services are funded through consolidated revenue. There is no reason to deviate from this source of funding for Fire and Emergency Services.

Funding fire and emergency services costs approximately one billion dollars annually (of which the Government is already funding a portion). At a time when the State Budget delivered a four-billion-dollar surplus, the time to redress historical inequalities in shouldering the tax burden is now. It would cost the state approximately 730 million to fund these essential services through consolidated revenue. This would be a more efficient form of taxation and contribute to reducing red-tape and encouraging economic activity in NSW.

The Property Council urges the government to source the funding for Fire and Emergency Services through consolidated revenue. We would welcome the opportunity to work with Government to achieve this.

If you would like to discuss this further, please don't hesitate to contact Tim Wheeler, NSW Senior Policy Advisor on 02 9033 1909 or twheeler@propertycouncil.com.au.

Sincerely



p.p.

Jane Fitzgerald
NSW Executive Director