



**SUPPLEMENTARY  
BUSINESS PAPER  
(Mayoral Minute MM6/19)  
GENERAL MEETING**

**Wednesday 12 June 2019  
at 6:30PM**



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## **15 EMERGENCY SERVICES LEVY INCREASE**

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Each year, the NSW Government collects payments from councils and insurers to fund emergency service agencies in NSW, with councils required to pay 11.7% of the funding amount required. These payments, known as the Emergency Services Levy (ESL), are embedded in council rates and insurance premiums.

From 1 July 2019, the NSW Government plans to collect an additional \$160 million (for 2019/20) 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 12 specific work-related cancers.

Councils received their ESL contribution bills for 2019/20 and a letter from Revenue NSW in May 2019. The letter advised that council ESL contributions across NSW will increase by \$19 million in 2019/20. The letter also foreshadowed further increases in the ESL in 2020/21, although the amount of the expected increase was not specified.

The invoice received by Hornsby Shire Council from Revenue NSW for its 2019/20 ESL contribution was for an amount of \$2.84 million. That amount is \$529,000 more than Council's 2018/19 ESL contribution i.e. a 22.9% increase. To fund this increase, and noting that the NSW Government limited general rate increases for councils to 2.7% for 2019/20, Council will need to find additional funds and/or cut planned initiatives or services from its 2019/20 Budget.

Council supports career and volunteer firefighters in NSW – as it does all emergency service workers and volunteers. Indeed, many NSW council staff and councillors, including at Hornsby Shire Council, are volunteers. Council also supports the Bill passed in November 2018 to address what was a workers' compensation shortfall. The local government sector was not, however, ever advised that it would be required to cover the cost via significant increases to the ESL or what this cost would be.

Proportional to its annual revenue, the extra \$529,000 that Hornsby Shire Council is being asked to pay for its ESL contribution is a large amount and the impact of such an unplanned cost will certainly be felt by the community.

It is noted that Local Government NSW is currently lobbying the NSW Government in an effort to seek agreement that the NSW Government will fund the first 12 months of the extra cost of the ESL.

**RECOMMENDATION**

THAT

1. Council note that:
  - a) In December 2018, the NSW Government enacted laws to provide better workers compensation coverage for firefighters who are diagnosed with one of 12 specific work-related cancers.
  - b) In many areas of NSW, including Hornsby Shire, fire services include elected officials and staff members of local government. Local governments strongly support this expanded workers compensation scheme.
  - c) As a result of the workers compensation changes, the NSW Government has decided to implement the new scheme by charging local government an increased Emergency Service Levy (ESL).
  - d) The expected increase in costs to NSW local governments for the ESL will be \$19 million in the first year alone, and there is little or no time to enshrine this charge in councils' 2019/20 budgets without impacting on council services.
2. The Mayor write to the Premier; Minister for Emergency Services; Minister for Local Government; and local State Members and call upon the NSW Government to:
  - a) Fund the first 12 months of the extra ESL cost rather than requiring Council to find the funds at short notice when budgets have already been allocated.
  - b) Work with local governments to redesign the implementation of the ESL scheme to ensure it is fairer for councils and communities into the future.
3. A copy of the Mayor's letters detailed in 2. above be provided to Local Government NSW for information.

The Honourable Cr PHILIP RUDDOCK

Mayor

**Attachments:**

There are no attachments for this report.

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