

Summary of Fire Levy changes In NSW 26th May 2017

The New South Wales government have attempted to change the way the fire services levy under the prefix to make the uninsured pay their fair share of the fire services levy which we all believe is a good idea. In reality they have used commercial and industrial property owners to pay more to fill the gap of the excluded areas that are now not included in the scheme.

Currently the fire levy is charges on you insurance policy as it represent s the values placed on the products and structures, in most cases this is 17.5% of your policy + Stamp Duty and GST.

The move is now to drastically remove the number of participants who contribute to this levy and replace with just property owners and the commercial and industrial property owners paying a far higher proportion than previously

The new rates for the fire Levy are as follows

| Your property classification | Fixed rate | Variable rate per \$100,000 of land value |
|------------------------------|------------|---|
| Residential | \$100.00 | \$21.90 |
| Farmland | \$200.00 | \$23.50 |
| Public Benefit | \$100.00 | \$21.90 |
| Commercial | \$200.00 | \$179.10 |
| Industrial | \$200.00 | \$268.70 |

We have selected the following actual properties to show the increase. This is not recoverable with for owners who have gross leases.

| Suburb | Prop Type | Current Fire Levy | New Fire Levy | Increase | % Increase |
|------------|---------------|-------------------|---------------|-------------|------------|
| Springwood | Retail | \$330.66 | \$2,008.91 | \$1,678.25 | 507.55% |
| Burwood | Retail/Office | \$1,400.00 | \$11,987.00 | \$10,587.00 | 756.21% |
| Burwood | Strata Office | \$431.35 | \$2,065.90 | \$1,634.55 | 378.94% |
| Brookvale | Industrial | \$1,329.17 | \$2,720.40 | \$1,391.23 | 104.67% |
| Enfield | Industrial | \$2,636.56 | \$28,144.80 | \$25,508.24 | 967.48% |
| Botany | Industrial | \$12,318.61 | \$77,155.68 | \$64,837.07 | 526.33% |

By our estimates the commercial and industrial property sector which represents 3.85% of property lots in NSW will contribute 32.85% of the income. And property as a whole will contribute 100% of the Levy. This is not what was promoted. The promotion by the NSW State Government was that this change was to include all that did not have insurance.

This drastic increase in the fire levy has a direct relationship to the removal of the following sectors who previously contributed to the Levy. These include

| | |
|-------------------------|-----------------|
| Home contents insurance | Motor insurance |
| Personal effects | Motorcycle |
| Marine | Baggage |
| Crop (for fire & hail) | Livestock |

For those with further interest below is an extract from the NSW Fire and Rescue NSW Annual Report

1.4.1. Emergency incidents

| Number and Type of Incidents and Emergencies Attended | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|
| Profile of incidents attended | 2011/12 | 2012/13 | 2013/14 | 2014/14 | 2015/16 |
| Fires and explosions | | | | | |
| Structure fires | 6,711 | 6,766 | 6,259 | 6,286 | 5,772 |
| Outside storage fires | 257 | 234 | 232 | 262 | 257 |
| Vehicle fires | 3,939 | 3,763 | 3,303 | 3,091 | 3,080 |
| Bush and grass fires | 6,393 | 10,153 | 8,449 | 5,959 | 6,411 |
| Rubbish fires | 7,926 | 7,593 | 6,753 | 5,684 | 5,207 |
| Other fires | 360 | 375 | 345 | 664 | 1,315 |
| Total fires and explosions | 25,586 | 28,884 | 25,341 | 21,964 | 22,042 |
| Non-fire rescue calls | | | | | |
| Motor vehicle accidents involving the extrication of victims | 5,086 | 4,909 | 5,012 | 4,829 | 4,681 |
| Other non-fire rescues including industrial and vertical rescues | 2,962 | 2,878 | 3,132 | 3,340 | 3,113 |
| Medical assistance | 1,057 | 1,062 | 1,178 | 1,477 | 2,056 |
| Animal rescues | 2,117 | 1,894 | 1,745 | 1,802 | 1,670 |
| Total non-fire rescue calls | 11,223 | 10,745 | 11,067 | 11,448 | 11,520 |
| Hazardous material incidents and other hazardous conditions including power lines down | 15,594 | 15,901 | 15,453 | 16,272 | 15,621 |
| Storm, floods and other natural disasters | 3,679 | 3,713 | 3,973 | 5,675 | 4,528 |
| Other service calls | 3,359 | 3,388 | 3,307 | 3,861 | 3,776 |
| Good intent calls | 11,127 | 12,059 | 11,753 | 12,129 | 13,831 |
| Malicious false calls | 2,147 | 2,071 | 1,615 | 1,266 | 1,385 |
| System initiated false alarms | 52,235 | 49,181 | 46,384 | 49,077 | 45,541 |
| Other calls | 5,785 | 7,665 | 8,069 | 6,363 | 4,583 |
| Total other emergencies and incidents | 105,149 | 104,723 | 101,621 | 106,091 | 100,785 |
| Total fires, explosions and other emergencies | 130,735 | 133,607 | 126,962 | 128,037 | 122,827 |

A rough calculation of where the money is coming from

| Land Use | Property Count | % | Value | Total Recovery | Percentage |
|-------------|----------------|---------|------------------------|------------------|------------|
| Residential | 2,103,394.00 | 83.04% | \$1,203,386,248,141.00 | \$473,880,988.34 | 55.84% |
| Commercial | 59,656.00 | 2.36% | \$83,123,236,469.00 | \$160,804,916.52 | 18.95% |
| Industrial | 37,842.00 | 1.49% | \$41,091,468,129.00 | \$117,981,174.86 | 13.90% |
| Rural | 238,696.00 | 9.42% | \$112,197,228,626.00 | \$74,105,548.73 | 8.73% |
| Other | 93,509.00 | 3.69% | \$56,899,994,273.00 | \$21,811,998.75 | 2.57% |
| | 2,533,097.00 | 100.00% | \$1,496,698,175,638.00 | \$848,584,627.19 | 100.00% |

What the figures would look like \$25 for each motor vehicle registration was charged and all property \$100 plus \$21.9 per \$100,000 of UC

| Land Use | Property Count | Value | Total Recovery | Percentage |
|----------------|----------------|------------------------|------------------|------------|
| Residential | 2,103,394.00 | \$1,203,386,248,141.00 | \$541,017,424.81 | 65.20% |
| Commercial | 59,656.00 | \$83,123,236,469.00 | \$53,492,818.23 | 6.45% |
| Industrial | 37,842.00 | \$41,091,468,129.00 | \$28,114,134.06 | 3.39% |
| Rural | 238,696.00 | \$112,197,228,626.00 | \$50,992,919.63 | 6.15% |
| Other | 93,509.00 | \$56,899,994,273.00 | \$31,162,898.75 | 3.76% |
| Motor Vehicles | 5,000,000.00 | | \$125,000,000.00 | 15.06% |
| | 7,533,097.00 | \$1,496,698,175,638.00 | \$829,780,195.49 | 100.00% |

Glossary

NSW Fire and Rescue NSW Annual Report 2015/2016

http://www.fire.nsw.gov.au/gallery/files/pdf/annual_reports/annual_report_2015_16.pdf

Number of Properties and values

http://www.valuergeneral.nsw.gov.au/_data/assets/pdf_file/0019/216280/Valuer_Generals_Report_on_NS_W_Land_Values_at_1_July_2016.pdf