Te Tari Taiwhenua
Internal Affairs

New Zealand Government

Fire and Emergency New Zealand Funding Review

Consultation document

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Message from Hon Tracey Martin

Minister of Internal Affairs

Fire and Emergency New Zealand is a relatively new organisation, being an amalgamation of the former rural and urban fire authorities and the national body for all fire and emergency services in New Zealand. Since it was established in 2017, New Zealanders have started to see the benefits of a unified fire and emergency service.

The coordination involved in the Tasman wildfire, which saw Fire and Emergency deploy firefighters and equipment from the length and breadth of the country, is a good example of the strength of the new organisation.

When I became Minister in 2017, Fire and Emergency was less than six months old and in the process of preparing to set a new levy under the provisions in the Fire and Emergency New Zealand Act 2017. It was apparent to me that there were some issues with the new levy model and that some property owners were facing substantial possibly unfair levy increases.

In initiating a review of the funding model for Fire and Emergency, while its current funding is set and level of reserves are strong we have an opportunity to take a clean-slate approach to funding this new organisation rather than simply stick with the model we've had historically.

The services that Fire and Emergency provides are essential to the ongoing safety of New Zealanders. That is why it is important for the Government to ensure that the organisation has a stable and secure source of funding both in the short and long term. At the same time, we want to ensure that the funding regime reflects costs, benefits and peoples' ability to pay.

The purpose of this review is to see if there are more suitable options for funding Fire and Emergency than the current levy on property insurance. We are taking a fresh look at the options and talking to a wide range of people and organisations to ensure we understand both the benefits and challenges in any potential funding model. We want to hear what you think about the best way to fund our fire and emergency services.

Hon Tracey Martin
Minister of Internal Affairs

Executive Summary

Fire and Emergency New Zealand provides fire and emergency services 24 hours a day, seven days a week, from 652 fire stations across New Zealand. Fire and Emergency responds to incidents through a mixed model that includes 1800 career fire fighters concentrated in urban areas, 11,800 volunteers all over New Zealand, and through partnerships with other agencies.

Fire and Emergency is mainly funded through a levy on commercial and residential property, and motor vehicle insurance. Internationally, there is a growing trend to move away from insurance-based funding models for fire and emergency services. This is likely due to the inherent limitations of insurance-based approaches.

The Government is reviewing how Fire and Emergency is funded to consider better ways to fund such an important organisation so that it can remain responsive and fit for purpose in future. The Government is interested in:

- your views on ways to fund Fire and Emergency;
- understanding the value New Zealanders receive from Fire and Emergency; and
- how to best share Fire and Emergency's costs between those who benefit.

The first phase of the review is about collecting information. This feedback will be used to develop a preferred approach for Cabinet consideration. Any changes will take time to implement. We will be consulting again in in phase two of the review on the impacts on businesses and households. We want to ensure the system is fair and affordable for everyone.

This review is only considering the funding options for Fire and Emergency. It is not considering wider changes to the Fire and Emergency Act, Fire and Emergency's structure, nor funding options for other emergency services such as ambulance services. Fire and Emergency's existing funding arrangements will remain in place during the review.

Chapter 1: Background and scope of review

We want to hear from you

The Government is reviewing the way Fire and Emergency New Zealand is funded. We want to find out whether there are more suitable options than the current approach, which is based on a levy paid on insurance contracts.

Background

The Fire and Emergency Act came into force in July 2017. It established Fire and Emergency from the amalgamation of the former New Zealand Fire Service Commission, the National Rural Fire Authority, twelve enlarged rural fire districts and 26 territorial rural fire authorities.

Fire and Emergency is almost entirely funded by a transitional levy on property insurance. The transitional levy continues much of the levy regime that funded the New Zealand Fire Service Commission under the Fire Service Act 1975, with an increased levy rate to fund the transition to a unified organisation, and to reflect Fire and Emergency's new functions. Under the Fire and Emergency New Zealand Act as it currently stands, the current regime will apply until 1 July 2024.

A levy is:
A charge imposed on a group of individuals or organisations (e.g. an industry) as a proxy for the individuals or individual organisations who directly receive or would benefit from the good, service or regulation.

An updated and modernised insurance-based levy regime is authorised under the Fire and Emergency Act and will come into effect on 1 July 2024 if no other action is taken. While the funding regime was reviewed as part of the reforms that led to this new regime, the only options considered at that time were variations on the existing insurance-based model.

Purpose of review

The purpose of the review is to identify whether more suitable options exist for funding Fire and Emergency than an insurance-based levy. The Government has commissioned the Department of Internal Affairs (DIA) to undertake the review under the direction of the Minister of Internal Affairs. The Government's objective is to ensure that Fire and Emergency can continue to deliver the fire and emergency services that New Zealanders need and expect into the future.

The review is working within the existing principles set out in the Fire and Emergency Act. These principles state that Fire and Emergency's funding should be Stable, Universal, Equitable, Predictable and Flexible. There is more information in Chapter Three on how these principles will guide our thinking on future fit for purpose funding models.

Broader review timeline

The review of Fire and Emergency's funding regime is proceeding in two phases.

- **Phase One (March 2019 – February 2020):** This phase looks at the high-level ways to fund Fire and Emergency and seeks views from the public and stakeholders.

- **Phase Two (March 2020 onwards):** The Government will select the preferred funding model for Fire and Emergency.

Phase Two will include assessing the options and analysing feedback, and further consultation on the details of any new model. There will also be further consultation on the levy rate and how it should be applied before any changes to the levy occur.

What this consultation is not about

We are seeking views on approaches to fund Fire and Emergency at this stage, not the level of funding itself. The following is outside the scope of the review:

- Fire and Emergency's expenditure;
- Fire and Emergency's operations;
- legislative settings not related to funding Fire and Emergency;
- funding arrangements for other emergency services; and
- funding Fire and Emergency predominantly through general taxation.

How to respond to this consultation

Anyone can make a submission. You do not need to respond to all our consultation questions. Feel free to limit your responses to those topics of most relevance or interest to you.

Submissions can be emailed to:
firefundingreview@dia.govt.nz

Alternatively, submissions can be posted to
Fire Funding Review
Department of Internal Affairs
PO Box 805
Wellington 6140

The review team will be conducting a series of open meetings, and meetings with targeted stakeholder groups, on this discussion document.

See our website for more information:
www.dia.govt.nz/firefundingreview

The closing date for submissions is Wednesday 5 February 2020.

Use and release of information

The information provided in submissions will be used to inform DIA's policy development process, and will inform advice to the Minister of Internal Affairs on progressing changes to the Fire and Emergency funding model. DIA intends to upload PDF copies of submissions received to its website at www.dia.govt.nz.

DIA will consider you to have consented to uploading by making a submission, unless you clearly specify otherwise in your submission.

If your submission contains any information that is confidential, or you otherwise wish us not to publish, please:

- indicate this on the front of the submission, with any confidential information clearly marked within the text; and
- provide a separate version excluding the relevant information for publication on our website.

Submissions remain subject to request under the Official Information Act 1982. Please set out clearly in the cover letter or e-mail accompanying your submission if you have any objection to the release of any information in the submission, and in particular, which parts you consider should be withheld, together with the reasons for withholding the information. DIA will take such objections into account and will consult with submitters when responding to requests under the Official Information Act 1982.

Private information

The Privacy Act 1993 establishes certain principles with respect to the collection, use and disclosure of information about individuals by various agencies, including DIA. Any personal information you supply to DIA in the course of making a submission will only be used for the purpose of assisting in the development of policy advice in relation to the Fire and Emergency funding model review. Please clearly indicate in the cover letter or e-mail accompanying your submission if you do not wish your name, or any other personal information, to be included in any summary of submissions that DIA may publish.

Chapter 2: Why is the funding model being reviewed?

The Government wants to ensure Fire and Emergency can continue to deliver the fire and emergency services that New Zealanders need and expect. To do this, Fire and Emergency must have a stable and secure funding model. At the same time, the costs associated with this need to be shared in a way that is fair and affordable for households and businesses.

Given the limitations with insurance-based models and the recent amalgamation of services to create a single agency in Fire and Emergency, there is an opportunity to consider how to fund fire and emergency services in New Zealand. This could align New Zealand with other overseas jurisdictions that have moved away from an insurance-based approach.

Benefits of insurance-based system

There are a number of benefits to our insurance-based system:

- the system is established and works well to fund Fire and Emergency;
- people understand and are used to working with the current system;
- moving to a new system would involve some costs and risks, and a degree of uncertainty;
- insurance levels are relatively stable year to year, but can change over time; and
- insurance, where available, generally reflects value.

The current insurance-based funding model has limitations

Any insurance-based levy system will have limitations:

- property owners who do not insure still benefit from Fire and Emergency's services, 'freeriding' on those who do insure;
- levels of insurance are market-driven and can change over time, and do not necessarily match the benefit that Fire and Emergency's services provide;
- charging a levy on insurance increases the overall cost of insurance, which may stop some people from getting insurance;
- levy systems can be complex to administer for insurers;
- the complexity of insurance contracts can result in similar properties paying different amounts; and
- the commercial sensitivity of insurance contracts can prevent information about some of these limitations being shared with the Government. This can make it hard to know how significant these problems are based on the information available.

Many international jurisdictions have moved away from using an insurance-based model to fund fire services

Several Australian states have fire services that were initially formed and funded through an insurance-based levy like New Zealand's fire services.

Queensland, South Australia, Western Australia, and Victoria have moved away from an insurance-based model to a property-value based model. These states collect the levy through local councils. Some of these states include variable charges in their levy calculations – these can be based on location, size, or use of the property. These models include an allowance for the value of building contents that is calculated on the value of the property.

New South Wales and Tasmania both have an insurance-based model; New South Wales has previously considered moving to a property-based model but deferred the transition due to implementation issues, and Tasmania is considering a move to a property-based model. Northern Territory funds its fire service entirely from Commonwealth funds.

South Australia and Tasmania are the only Australian states that collect a fire levy on motor vehicles – South Australia collects a rate of levy dependent on the value of the vehicle as part of the vehicle licensing fee, and Tasmania collects a flat fee as part of vehicle licensing.

Some American states have composite models that fund fire services through a combination of charges. For example, districts in Washington State and Florida fund their fire services through a property tax, a Fire Benefit Charge (a service-benefit charge on properties based on size and use rather than value), fees and permits, and some government funding.

The options in this discussion document are similar to funding models used overseas. However, fire services in overseas jurisdictions may have different functions and responsibilities.

More detailed information on funding regimes in other jurisdictions is attached at **Appendix A**.

The current transitional funding model was never intended to be long term

The legislative changes in the 2017 Fire and Emergency Act included changes to the insurance-based levy regime to update and modernise it. These proposed changes have not yet taken effect and a transitional funding model is operating until 2024. This transitional model is not intended to fund Fire and Emergency in the long term, and the updated approach in the Fire and Emergency Act only considered new ways to fund Fire and Emergency under an insurance-based levy.

The proposed new levy regime under the Fire and Emergency Act, although more equitable than the levy system that came before it, still contains the inherent limitations of an insurance-based model. In addition, initial work done on the impact of moving to this model indicated that there could be substantial increases for some property holders and businesses.

For example, those that insure older buildings currently pay a levy calculated on the indemnity value (i.e. the present day or market value) of the building, rather than the sum insured or replacement value in the insurance policy which is typically higher. Under the Fire and Emergency Act 2017, it was proposed that the levy would be calculated on the sum insured not the indemnity value. So, for some owners of older buildings (large and small) the annual levy paid may increase significantly under the proposed new approach. Policyholders with "split perils" policies[1] would be affected in a similar way by the proposed changes from charging the levy based on fire cover to sum insured. This could affect their profitability or could result in a decision to reduce their insurance cover.

In looking for better ways to fund Fire and Emergency, the Government is aware of the need to consider the costs in moving to a new system, both in terms of how it is set up and administered, and in how affordable the new model is for everyone.

1. Some policyholders, generally those with large buildings or property portfolios, insure for a lower sum against fire damage, than for other risks such as earth quake or severe weather. This arrangement is known as a 'split perils' policy.

Chapter 3: What is Fire and Emergency and what does it do?

What Fire and Emergency does

Fire and Emergency New Zealand protects lives, limits injuries, and protects property, land and the environment. It also works with communities to reduce the likelihood of unwanted fires and consequences from emergencies. Fire and Emergency is connected to all communities throughout New Zealand to undertake prevention and response work. It must be ready for any emergency or incident, so it can respond quickly and effectively.

New Zealand's integrated approach to emergency management can be described by the four areas of activity, known as the '4 Rs'; Risk reduction, Readiness, Response, and Recovery.

Risk Reduction	Readiness
Response	Recovery

Risk Reduction

An increasing focus of Fire and Emergency is to prevent fire and incidents involving hazardous substances from occurring in the first place. Fire and Emergency personnel work with New Zealanders, businesses and communities on awareness, education and adopting safer practices.

The number of fires in buildings has decreased over time. This is due to a combination of more fire-resistant building materials, changes to building codes brought about by partner agencies, and fire education by Fire and Emergency and its partner agencies.

Tasman wildfires

One of New Zealand's largest wildfires in the last 50 years broke out in Pigeon Valley in the Tasman area on Tuesday, 5 February 2019. Twenty-three helicopters, two fixed-wing aircraft and more than 150 firefighters fought the blaze at its peak. Fire and Emergency brought firefighters, trucks and equipment from the length and breadth of the country.

Fire and Emergency worked closely with others including the Ministry of Civil Defence and Emergency Management, the New Zealand Defence Force, New Zealand Police, the Ministry for Primary Industries and local government with more than 50 people planning and managing the operation.

Firefighters from a range of backgrounds worked together to protect homes and stop the spread of the fire, using skills and tactics honed on overseas deployments. With accommodation in short supply, Fire and Emergency's Urban Search and Rescue teams constructed a camp providing tents, cots and washing facilities for up to 100 people per night.

Fire and Emergency needs to maintain the capacity to respond across New Zealand while attending large-scale incidents like this one. The ability of Fire and Emergency to surge its capacity to meet any situation that may arise is essential to the safety of New Zealanders.

Hazardous substance incident closes State Highway One

A large truck and trailer carrying a range of hazardous substances hit a bank and rolled onto its side at Pukerua Bay, North of Wellington, in the early hours of Friday 19 October 2018. The incident blocked State Highway One in both directions. State Highway One was closed until around 9pm causing considerable disruption to commuter traffic and commercial road users.

The nature of the incident meant the safety of firefighters, other responders and the public had to be given priority. Fire and Emergency NZ personnel from Porirua, Plimmerton, and Johnsonville and the Hazardous Materials Command Unit from Wellington attended the incident.

Working with Mainfreight, Responsible Care NZ, NZ Police, Wellington Free Ambulance, Porirua City Council, the Environment Protection Authority, a tow salvage company and crane operators, the incident was brought to a safe conclusion with no injuries reported.

Readiness

Fire and Emergency needs to be ready to respond when and where an emergency may occur. Fire and Emergency must have distributed services spread throughout the country to ensure it is ready to respond. Fire and Emergency also assesses major risks in an area and makes plans to protect people and key assets.

Being ready means being able to quickly increase its capacity to respond when large or multiple incidents occur. This ensures both an adequate response to the incident, and cover for the rest of New Zealand during the same time.

Response

Fire and Emergency responds to incidents through a mixed model that includes 1800 career fire fighters concentrated in urban areas, 11,800 volunteers all over New Zealand, and through partnerships with other agencies.

These partnerships include NZ Police, ambulance services, civil defence and other emergency services, Department of Conservation and the NZ Defence Force. Fire and Emergency also works with the private sector including rural and forestry sectors, industry brigades and other fire related businesses.

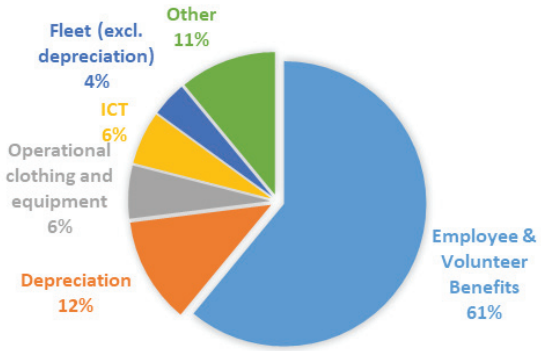
Firefighters spend increasing amounts of time on non-fire emergencies such as natural disasters, medical call outs, floods, spills of hazardous substances and motor vehicle incidents.

Recovery

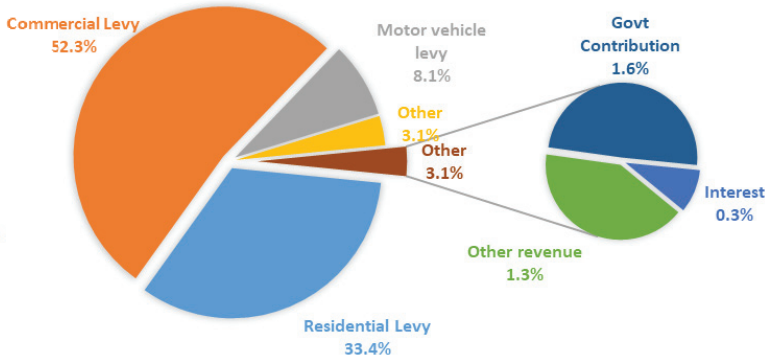
Fire and Emergency supports New Zealanders following emergencies in partnership with other agencies. This includes providing support to victims and communities immediately after an incident and helping to get them back to ‘business as usual’.

A snapshot of Fire and Emergency NZ

Fire and Emergency NZ's primary expenditure (total $617m)*



Fire and Emergency NZ's primary funding sources (total $624m)*



*2020/21 year

Fire and Emergency's responses

Total incidents attended: **79,921*** including...

13,640 Medical emergencies

5,202 Structure fires

9,982 Motor vehicle incidents

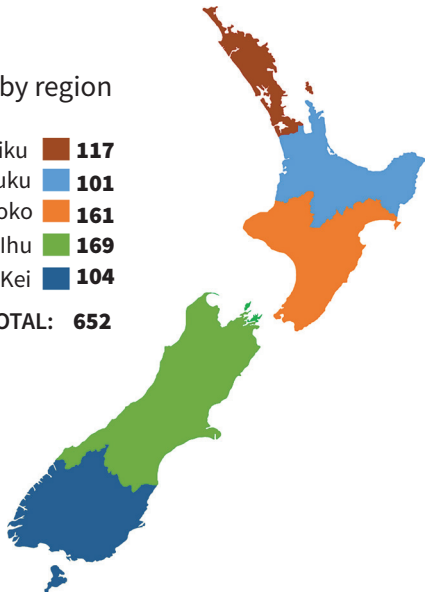
4,416 Vegetation fires

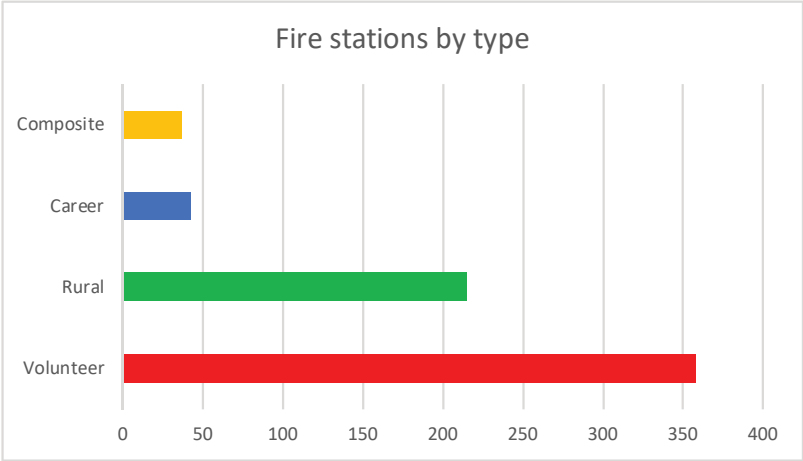
832 Hazardous substance emergencies

*2018/19 year

Fire stations by region

Te Hiku	117
Ngā Tai ki te Puku	101
Te Ūpoko	161
Te Ihu	169
Te Kei	104
TOTAL:	652





Chapter 4: Options for feedback

The key question the Government is seeking to answer is:

How to best split the cost of funding Fire and Emergency between those who would benefit (e.g. businesses and households, urban, rural and remote communities, and motorists), given the different level of benefit they receive from Fire and Emergency?

What principles will be used to assess the options?

The funding principles set out in the Fire and Emergency Act 2017[2] have been retained for the review. These are:

(a) a **stable** source of funding to support Fire and Emergency in the performance of functions and duties and exercise of powers under this Act:

(b) **universal**, so that Fire and Emergency's costs are generally shared among all who benefit from the potential to use Fire and Emergency's services:

(c) **equitable**, so that policyholders should generally pay a levy at a level commensurate with their use of, or benefit from the potential to use, Fire and Emergency's services and with the risks associated with the activities that policyholders carry out (but without strict apportionment according to use, benefit, or risk having to be observed):

(d) **predictable**, so that policyholders and levy payers are able to predict the amounts that they will need to pay and Fire and Emergency is able to predict how much levy income it will receive:

(e) **flexible**, so that the levy can adapt to—

(i) changes in the use, benefit, or risk associated with those who benefit from the potential to use Fire and Emergency's services; and
(ii) variations in Fire and Emergency's costs; and
(iii) changes to the expectations of the Crown and the strategic needs of Fire and Emergency.

2. See section 80 - http://legislation.govt.nz/act/public/2017/0017/latest/DLM6712701.html?src=qs

QUESTIONS:

1. Are there other principles the Government should consider?

2. Which of the principles is/are the most important to you, and why?

Initial options have been chosen to address the issues with an insurance-based approach, based on the principles of the Fire and Emergency Act:

- **Universal** – insurance coverage is market based and is not universal;
- **Equitable** – there is a potential mismatch between insurance cover and the benefit from Fire and Emergency's services; and
- **Stable** – insurance coverage can change over time.

Predictability and **Flexibility** can generally be built into any funding model. They will be important considerations in later phases of the review when looking at the design of the preferred approach.

No one option needs to be the sole basis for funding Fire and Emergency. It may be best to fund it based on a mixed option approach, to reflect the benefit that different sectors of New Zealand receive from Fire and Emergency's services. Caps and exemptions for certain kinds of property are an option available to limit the impact of the levy in some circumstances.

Most New Zealanders are not involved in an incident in any given year. This does not mean they do not benefit from Fire and Emergency's network coverage and readiness. Fire and Emergency's services also have a wider benefit to communities and the environment. Consistent with the **universal** principle, funding for Fire and Emergency should reflect both the indirect and direct benefits and these costs should be shared as broadly as possible.

To reflect the possibility of a mixed option approach, options have been split out for businesses and households, and motorists. We have also included some options around other potential sources of funding including Crown or local government funding.

Businesses and households

Businesses and households benefit from Fire and Emergency:

- responding to incidents with fire prevention or suppression, or incidents involving hazardous substances;
- risk reduction and fire safety work through reduced risk of incident; and
- readiness as Fire and Emergency's network and capacity allow it to respond in a timely way across New Zealand.

Options for businesses and households:

- **Insurance-based approach** – a levy charged on the value of property insured (including both building and contents). This is the status quo.
- **Property based approach** – a charge based on property data held by local authorities, such as value or size.
- **Property and use-based approach** – a charge based on property data held by local authorities, such as value or size, alongside considering how the property is used (e.g. the contents of buildings).

QUESTIONS:

3. Do you agree with the summary of benefits to businesses and households?

4. Which option do you prefer and why?

5. What are the likely issues or challenges with implementing these options?

6. Is there another option or options the Government should consider?

Option	Universal	Stable	Equitable
Insurance (status quo)	✗ About 85 to 87% of property is insured	✓ Insurance levels are relatively stable year to year, but can change over time	✓ Insurance, where available, generally reflects value (but also appetite for risk)
Property based	✓ Almost 100% for buildings, but unclear on contents	✓ Property numbers are slowly increasing	✓ (when combined with a cap on residential households)
Property and use	✓✓ Almost 100% of buildings and contents	✓ Property numbers are slowly increasing	✓✓ (when combined with a cap on residential households) Adjustments for usage can allow for greater equity

Motorists

Motorist benefits from Fire and Emergency:

- responding to incidents to rescue people trapped because of transport or other accidents and getting traffic moving again;
- protecting the safety of persons and property endangered by transport incidents including those involving hazardous substances; and
- readiness as Fire and Emergency is often first on the scene at motor vehicle incidents to aid those involved.

Options for motorists:

- **Insurance-based approach** – a levy charged on the value of vehicle insurance. This is the status quo.

- **Vehicle licencing-based approach –** a charge collected alongside the annual motor vehicle licencing fee.

- **Transfer from land transport revenue –** transferring funds from the land transport revenue which is funded by taxes on petrol, Road User Charges and motor vehicle licensing and registration fees. The land transport revenue already provides some funding for road safety but does not provide funding to Fire and Emergency.

How do the options compare?

QUESTIONS:

7. Do you agree with the summary of benefits to motorists?

8. Which option do you prefer and why?

9. What are the likely issues or challenges with implementing these options?

10. Is there another option or options the Government should consider?

Option	Universal	Stable	Equitable
Insurance (status quo)	✓ About 93% of motorists	✓ Insurance levels are relatively stable	✓ (when combined with a cap per vehicle)
Licencing	✓ Over 98% of vehicle registrations are renewed annually	✓✓ Vehicle numbers are slowly increasing	✓ (when combined with a cap per vehicle)
Land transport revenue	✓✓ Indirectly almost 100% of motorists	✗ There are competing priorities on land transport revenue	✗ Cannot cap contribution via land transport revenue. Land transport revenue is already fully committed to funding transport projects

Other potential sources of funding

Other/wider benefits from Fire and Emergency:

- responding to incidents and getting traffic moving again or communities back to "business as usual";
- responding to large-scale incidents typically provides a wider benefit than to directly affected properties;
- medical responses reduce risk for individuals and communities from harm; and
- fire permits and evacuation plans help reduce risk to individuals and the environment.

Other potential sources of funding:

- **Crown direct contribution** – the Crown currently contributes $10 million per year to support Fire and Emergency's non-fire related work. This amount is periodically reviewed.

- **Local authority contribution** – local authorities could provide some support to reflect Fire and Emergency's wider benefits for local communities. This could be an in-kind contribution (e.g. collecting the levy on Fire and Emergency's behalf or providing the data if a property based approach is preferred).

- **Fire and Emergency charging for some services** – Fire and Emergency does not charge for assisting with evacuation plans. For discrete services like this, Fire and Emergency could charge a fee to reflect the direct benefit from its services. Nuisance charges for events such as repetitive false call-outs could also be considered.

How do the options compare?

These options would potentially be secondary sources of funding to recognise the wider benefit Fire and Emergency provides.

QUESTIONS:

11. What do you like or dislike about these options?

12. What are the likely issues or challenges with implementing these options?

13. Is there another option or options the Government should consider?

Collection mechanisms for levy

Depending on which option or options make up the preferred approach, there are options for collecting Fire and Emergency funding.

Under an insurance-based approach, insurers would continue to collect the levy on Fire and Emergency's behalf. The costs of setting up and administering the current system are passed on to consumers through their insurance contracts.

If vehicle licencing is preferred for motorists, then the logical collection agent would be the New Zealand Transport Agency.

If funding moved to a property based approach, the levy could be collected by local authorities alongside rates or via a purpose built central collection agency (e.g. Fire and Emergency could be responsible for collecting its own funding) using local authority information.

There would be costs for Fire and Emergency and the collection agent associated with moving to a new funding model. These would include set up costs and ongoing administrative costs. There may also be costs or issues associated with the ownership and upkeep of property data.

QUESTIONS:

14. Which option do you think is the most suitable and why?

15. What do you like and/or dislike about the different collection mechanism options?

Consultation approach

The review team will be conducting a series of open meetings, and meetings with targeted stakeholder groups, on this discussion document.

See our website for more information:
www.dia.govt.nz/firefundingreview

Appendix A: Funding models in overseas jurisdictions

Northern Territory: Fire and emergency services are funded directly from the State consolidated fund.

Fire and Emergency structures	Motor vehicles	Fixed charges	Variable charge factors	Exemptions or discounts
Northern Territory Police, Fire and Emergency services.	No charge	No charge	No charge	N/A

South Australia: Largely funded through the Emergency Services Levy (ESL) which is collected by local government.

Fire and Emergency structures	Motor vehicles	Fixed charges	Variable charge factors	Exemptions or discounts
Sector operates under the guidance of the South Australia Fire and Emergency Services (SAFECOM) Board. Agencies are the Country Fire Service, the Metropolitan Fire Service and State Emergency Service.	Levy paid with vehicle registration. Rate of levy depends on value of the vehicle.	Fixed charge ($50 in 2016/17) charged equally on all properties with exceptions for community use ($20) and those in Regional Area 3 ($0)	Based on: • **Capital Value** - value of the property as determined by the Valuer-General. • **Area Factor** - Four areas given an area factor based on level of emergency service provision. Metro areas have highest factor of 1 and rural the lowest of 0.1. • **Land-use factor** - properties are divided into 7 land-use categories and given a land-use factor. Commercial and industrial properties have higher factors than residential or special community use • **Prescribed levy factor** - Set annually by the SA govt and charged equally over all properties.	Concessions available for pensioners and people receiving some Centrelink payments. These are made by a reduction to the prescribed levy factor and/or a concession of up to $46.

Australian Capital Territory: Fire and Emergency Services Levy (FESL) collected by local government funds around 90%, user charges fund around 8% and the remainder comes from other revenue.

Fire and Emergency structures	Motor vehicles	Fixed charges	Variable charge factors	Exemptions or discounts
FESL funds ACT Fire and Rescue, State Emergency Services, and Ambulance Services.	No charge	Residential and rural properties are charged a fixed levy ($336 in 2018).	FESL for commercial properties is calculated on: • **Average Unimproved Value** (AUV) of the property, and a **marginal rating factor** which relates to the position of the properties AUV within 3 bands ($1-$300k, $300k-$2m, $2m+).	Pensioners eligible for a rates rebate will receive a rebate on the levy capped at $98.

Western Australia: Largely funded through the Emergency Services Levy (ESL) which is collected by local government. Around 10% of funding from government.

Fire and Emergency structures	Motor vehicles	Fixed charges	Variable charge factors	Exemptions or discounts
Department of Fire and Emergency Services is a govt department headed by a Commissioner. The levy funds the: Career Fire and Rescue Service, Volunteer Fire and Rescue Service, Local govt bush fire brigades, Volunteer State Emergency Service units, Volunteer Marine Rescue Service, Volunteer Fire and Emergency Service units.	No charge.	People who live in a location categorised as Pastoral/rural areas or mining tenants pay a fixed rate of $71 and no variable charges.	Variable charge based on: • **Location** - 6 areas with rates set according to services available to them, with properties with more services available to them paying a higher rate. • **Gross rental value (GRV)** - as calculated by the Valuer General at Landgate, this is an accepted measure for calculating what a property is worth and generally an indication of the owner's capacity to pay.	Minimum and maximum thresholds set for all property types and areas to ensure the charge does not go beyond what is reasonable and fair. Pensioner and senior rebates are also available.

Queensland: Emergency Management Levy (EML) collected by local government funds around 75%, with the remainder made from government contributions, direct user charges, and grants.

Fire and Emergency structures	Motor vehicles	Fixed charges	Variable charge factors	Exemptions or discounts
Queensland Fire and Emergency Services (QFES) is the primary provider of fire and emergency services. The Rural Fire Service is the volunteer arm of the QFES operating in areas where there is no urban fire service coverage.	No charge	Some rural districts are charged an annual 'rural fire levy' (between $12-$60) as well as the EML to contribute to small volunteer fire services in certain districts.	Variable charge based on: • **Levy Class** - five classes where properties are categorised based on the kind of fire services provided in their area. Classes with greater fire service provision are charged more. • **Levy group** - properties are classed into 16 levy groups based on the use of the property. Each of these 16 groups has an EML rate for each levy class. Group 1 is largely vacant land, Group 2 is largely single residences, and Groups 3-16 are commercial properties increasing in size and risk factors.	Some property types in Levy Class E (located in rural areas) are not included in the EML, e.g. cemetery, library. A 20% discount is available for pensioners and repatriation health card owners.

New South Wales: Around 75% funded through a levy on property insurance collected by insurers, 10% from increased stamp duty revenue from insurance levy and the remainder from local and state government.

Fire and Emergency structures	Motor vehicles	Fixed charges	Variable charge factors	Exemptions or discounts
Fire and Rescue NSW, NSW Rural Fire Service and NSW State Emergency Service.	No charge.			2009/10 data suggested 5% of home owners don't have building insurance and 36% of households did not take out contents insurance. There is an Insurance Monitor appointed to hold insurance companies to account.

Tasmania: Around 45% funded through a Fire Service Contribution (FSC) collected by local government, 20% from Insurance Fire Levy collected by insurance companies, 9% from Motor Vehicle Levy, and the remainder from contributions from State and Federal government and revenue received from the State Fire Commission (through user charges and provision of training services).

Fire and Emergency structures	Motor vehicles	Fixed charges	Variable charge factors	Exemptions or discounts
State Fire Commission responsible for the Tasmania Fire Service, and funds the State Emergency Service.	Flat fee collected as part of registration fee. $17 per vehicle in 2017/18	Residential and rural properties are charged a fixed levy ($336 in 2018).	FSC is based on: • **Land Rating** which represents the type of fire service the area receives, and • **Assessed value of the property.** Insurance Fire Levy: Only applies to businesses, not households. The rate of the levy depends on the nature of the business.	There is a minimum levy which is adjusted with the CPI ($39 in 2017/18). Pensioners and health card holders receive discounts on their FSC. The FSC does not apply to a broad range of land including that owned by local council, the Crown, most Government Business Enterprises or to Commonwealth land, to which a fire protection services agreement applies. The Motor Vehicle Levy doesn't apply to caravans, horse floats, motorcycles or trailers.

Washington State: Funding ratios vary by district, but for example, one district received about 48.5% of funding from a Fire Benefit Charge (FBC), 42.5% from property tax, 1.5% from transport fees, 5.5% from government contracts and the remainder from permits, fees and other revenue.

Fire and Emergency structures	Motor vehicles	Fixed charges	Variable charge factors	Exemptions or discounts
Regional Fire Authorities operate in districts/ counties.	No charge	No charge	Fire Benefit Charge = property size x 18 x category factor x response factor x discount x hazard factor. • **Property size** is the square footage of each property. • **Category factor** - properties generally categorised into one of four (residential, mobile homes, apartments and commercial). • **Response factor** - the 'cost per gallon' of providing fire services. • **Discounts** - reductions for the elderly; properties with sprinklers; alarms and other factors. • **Hazard factor** (only included in a couple of districts) - the degree of risk caused by the use, processing, or storage of hazard materials within a building. The hazard factor reflects the need for larger and/ or more specialised response forces.	Properties owned by religious organisations used for religious services are exempt from the FBC. Other common exemptions are public schools (because they already pay a per student stipend for fire services), federal property, and entities who contract with the fire service. All districts have discounts for the elderly and certified sprinkler systems. Some districts also provide discounts for properties with monitored fire-alarm systems and discounts for auxillary structures like barns or storage sheds used in agricultural operations.

Florida: Varies, but Districts that use assessments usually fund 30-50% of their budget through them, with the remainder coming from property tax.

Fire and Emergency structures	Motor vehicles	Fixed charges	Variable charge factors	Exemptions or discounts
District brigades.	No charge		Assessment example: Gainesville - 'Factored Fire Protection Units' (FFPU) are used as a proxy for fire-fighting resources required to provide fire protection to a particular building. Fire assessment charges are based on its number of FFPUs. FFPUs are calculated using a property's **hazard classification**, its **total square footage** and **historical demand for fire services**.	There is an elderly discount and a low-income discount available. There is also a 10% discount available for properties with approved automatic sprinklers.

Denmark: 2/3s of Danish municipalities are covered by a private Multinational organisation 'Falck'. Falck contracts with the local government of each municipality, charging annually for full coverage of a district (regardless of the number of incidents). The remainder are funded by local government.

Fire and Emergency structures	Motor vehicles	Fixed charges	Variable charge factors	Exemptions or discounts
Falck operates internationally, operating across four business areas: Emergency, Assistance, Healthcare and Safety Services. Fire services fall within 'Emergency', but Denmark is the only jurisdiction where they provide public firefighting brigades (elsewhere they provide industrial fire brigades).	No charge	No charge	No charge	N/A

Te Tari Taiwhenua
Internal Affairs

New Zealand Government

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