

# The Hon. Ron Hoenig MP

Leader of the House in the Legislative Assembly  
Vice-President of the Executive Council  
Minister for Local Government



Your Ref: R12/0060 Out-35875  
Our Ref: A865886

Cr Darriea Turley AM  
President  
Local Government NSW  
GPO Box 7003  
SYDNEY NSW 2001

via email: [lgnsw@lgnsw.org.au](mailto:lgnsw@lgnsw.org.au)

Dear Cr Turley,

Thank you for your letter of 29 May 2023 about the NSW Government discontinuing its subsidy toward the 2023/24 Emergency Services Levy contributions and a proposal to decouple the levy from the rate peg. I apologise for the delay in responding.

I acknowledge councils' concerns about the financial impact of the decision to discontinue the subsidy and I appreciate you sharing your views on this matter. As you will understand, tough budgetary decisions are being taken across the NSW Government sector to ensure the financial sustainability of NSW and to provide priority services and infrastructure to communities and councils.

I also acknowledge the view of some councils that the Emergency Services Levy should be decoupled from the rate peg. While I note Local Government NSW's (LGNSW) support for this position, I must advise that this proposal is not supported by the NSW Government at this time.

Council emergency services contributions have not risen since 2019-20 because of the annual ad-hoc subsidy by the former Government. However, at the same time the costs of emergency services have risen significantly. This situation is unsustainable in the current fiscal climate. Due to pressures on the NSW Budget and the lack of funding made available in the forward estimates, the NSW Government is not able to apply a subsidy to council contributions this financial year.

NSW emergency services agencies including Fire and Rescue NSW, NSW Rural Fire Service and the NSW State Emergency Service have long been funded through a three-way cost-sharing arrangement. Local government contributions to the cost of emergency services date back to the 1800s. These costs are a shared responsibility, and we all need to do our part to ensure communities get the services they deserve.

I note IPART has proposed changes to the rate peg methodology to incorporate changes to the Emergency Services Levy and await community feedback on these draft changes.

The NSW Government has committed to a review of financial modelling for councils to address concerns about resources and the increasing cost burdens on councils and their residents. Any change to the financial model for Councils arising from the IPART review will be looked at as part of this comprehensive review.

I will continue to advocate on behalf of all NSW local councils for continued financial support to assist with their operational functions.

As the Minister with carriage over the *Rural Fires Act 1997*, potential policy reform including possible amendments should be directed to the office of the Hon. Jihad Dib MP, Minister for Emergency Services, on 02 7225 6090 or via [office@dib.minister.nsw.gov.au](mailto:office@dib.minister.nsw.gov.au).

Yours sincerely,



**The Hon. Ron Hoenig MP**  
Leader of the House in the Legislative Assembly  
Vice-President of the Executive Council  
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CC: The Hon. Jihad Dib MP, Minister for Emergency Services  
Ms Bronwen Regan, Government Relations Manager, LGNSW