

## ***Fire and Emergency Services Levy Bill 2017 (NSW)***

**This alert generally applies to all owners of land in New South Wales and will likely form a new module**

Please be advised that the *Fire and Emergency Services Levy Bill 2017 (NSW)* (the **Bill**) passed its Third Reading on 29 March 2017 and received Royal Assent on 4 April 2017.

The Bill commenced on the date of Assent.

The Bill proposes to impose a fire and emergency services levy (the **levy**), which will be payable on all land that is situated in a council area or on Lord Howe Island. Only government land will be exempt from the levy.

Land owned by the Crown or a State-owned corporation will be classified as government land unless the land is the subject of a lease for value and the dominant use of the land is for the purposes of the lease, (however there are some exceptions to this classification requirement). 'Crown' is defined in the Bill to mean the Crown in right of New South Wales and includes any NSW Government agency and any statutory body representing the Crown in right of New South Wales.

The owner of the land will generally be the person liable for the levy, however, in some cases a lessee of land owned by the Crown or a State-owned corporation will be liable, as mentioned above.

Where there are 2 or more owners, or 2 or more lessees, who are liable to pay the levy in respect of the same land, they will be jointly and severally liable to pay the levy.

The levy will be payable each financial year, beginning with the financial year commencing 1 July 2017.

The levy will be comprised of two components – a fixed base rate, and an ad valorem rate which will be calculated in accordance with the land value of the land. Both components of the levy will vary according to the classification of the land on which the levy is charged.

Under the Bill, land will be classified into the following property sectors:

- government land;
- public benefit land;
- farmland;
- residential land;
- industrial land; and
- commercial land.

Importantly, residential land, industrial land and commercial land will be able to be sub-classified as vacant land, in which case the levy will be discounted to 0.5 (unless the regulations prescribe otherwise). A discount will also apply for land owned by eligible pensioners.

Councils will be responsible for classifying the land, as well as collecting the levy on behalf of the State. The procedure for the charging of the levy will be similar to the procedure for the charging of rates by the council, where the levy will be charged annually but will be able to be paid in quarterly instalments.

### **Requirements for classification as public benefit land**

Section 43 of the Bill provides that land will meet the requirements for classification as public benefit land if:

- the land is not-for-profit land; and
- the liable person is using the land for a purpose referred to in Schedule 1; and
- that purpose is the dominant use of the land.

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Land will be considered not-for-profit land if the land is not used for any profit-making purpose, or if the dominant use of the land is for a purpose that is not a profit-making purpose. Schedule 1 provides a list of the purposes related to public benefit land, and includes the following:

- a community centre, being a facility used for the physical, social, cultural or intellectual development or welfare of the community; and
- a hospital (within the meaning of the *Public Health Act 2010* (NSW)), being:
  - a public hospital within the meaning of the *Health Services Act 1997* (NSW); or
  - a declared mental health facility within the meaning of the *Mental Health Act 2007* (NSW); or
  - a private health facility within the meaning of the *Private Health Facilities Act 2007* (NSW); or
  - a nursing home; or
  - any other institution declared by the regulations to be a hospital for the purposes of this definition; and
- a rehabilitation clinic.

The levy replaces the emergency services contribution scheme that is currently required to be made by insurance companies. The existing contribution scheme will be abolished from 1 July 2017.

Please [click here](#) to access the Bill.

## Contact

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