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SOUTH AUSTRALIA



RevenueSA

Emergency Services Levy (Fixed Property)

Circular No. 4

A GUIDE TO LEGISLATION

EMERGENCY SERVICES FUNDING ACT 1998 (Fixed Property Component)

This circular has been prepared as a general guide to the provisions of the **Fixed Property** component of the Emergency Services Funding Act 1998. It is not intended and cannot be taken to be a complete statement of law and must not be construed to waive or modify any legal obligation imposed by the Act.

1. Introduction

In September 1998, the Emergency Services Funding Act 1998 (“the Act”), was passed, in order to collect funds for the provision of emergency services in South Australia. The Act was designed to provide a fairer way of collecting funds for emergency services, and replaced the levies on comprehensive and third party property vehicle insurance, and the fire levies on insurance premiums on building and contents policies and crop insurance.

The Emergency Services Levy (ESL) is applied to fixed and mobile property and came into effect on 1st July 1999.

The Minister responsible for the Emergency Services Funding Act 1998, is the Minister for Police, Correctional Services and Emergency Services. RevenueSA has been appointed as the levy collector for the fixed property component of the Act, and TransportSA the collector for the mobile property component.

This circular contains information only in relation to the fixed property component of the Act.

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2. Funds Raised Under the Act

All money collected under the Act is placed into the Community Emergency Services Fund, which is managed and controlled by the Minister. Monies from this fund are used in administering and providing emergency services. Organisations to benefit from this fund include the Metropolitan Fire Service (MFS), Country Fire Service (CFS), State Emergency Service and Volunteer Marine Rescue as well as rescue services provided by the South Australian Police, Surf Life Saving SA and the State Rescue Helicopter.

3. Liability of the Levy

The Emergency Services Levy is calculated in accordance with the ownership of land as at 12:01am July 1, each year. The owner(s) at that time is (are) liable for payment of the whole of the Levy for the financial year. If the property is sold on or after July 1, any adjustment of the Levy, if it is to take place, is a matter for resolution between the parties concerned (normally adjusted by conveyancers at the settlement, which occurs after a house or other property is sold).

4. Basis of the Levy

The levy is based around the capital value of the land as determined by the Office of the Valuer-General, as at 1st July in the financial year to which the levy relates. The levy amount also contains a fixed charge and applies different factors in the calculation of the levy in regards to property location and land use.

5. Formula (refer to the Appendix for a summary of the formula and factors for 1999/2000 year)

(Capital Value x Area Factor x Land Use Factor x Effective Levy Rate) + Fixed Charge –
Concession

= **TOTAL AMOUNT DUE**

6. Capital Value

The capital value used in the calculation of the levy is determined by the Office of the Valuer-General. The Valuer-General updates the values of properties as at 1st July of each year. The value is determined from the sale of comparable property in the same or nearby comparable areas.

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7. Area Factor

The State has been divided into 4 areas. Each area has a differing factor applicable reflecting varying levels of emergency service provision. The areas and factors are as follows:

Emergency Service Area		Factor
Greater Adelaide (GA)	Includes all Metropolitan councils and Adelaide Hills Council, Alexandrina Council, The Barossa Council, Corporation of the Town of Gawler, District Council of Mt Barker, City of Onkaparinga, City of Playford, District Council of Victor Harbor and District Council of Yankalilla.	1.0
Regional Area 1 (R1)	Includes Berri, Ceduna, Clare, Kadina, Loxton, Millicent, Mt Gambier, Murray Bridge, Naracoorte, Port Augusta, Pt Lincoln, Pt Pirie, Renmark and Whyalla.	0.8
Regional Area 2 (R2)	Includes land that is outside of “Greater Adelaide” and “Regional Area 1” but still within council boundaries.	0.5
Regional Area 3 (R3)	Includes all South Australian land that is not within incorporated areas.	0.2

8. Land Use Factor

All land has been broadly classified according to its use. The land use codes are similar to those used by councils and, as with the areas, there are different factors applicable depending on the land use. The land uses and factors are as follows:

Land Use	Factor
Residential (RE)	0.4
Commercial (CO)	1.0
Industrial (IN)	1.0
Rural (RU)	0.3
Vacant Land (VA)	0.3
Other (OT)	0.5

9. Levy Rate

The Levy Rate for 1999/2000 year is 0.001675.

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10. Fixed Charge

The fixed charge is \$50 for 1999/2000 and represents a minimum fixed amount payable on each property or contiguous/single farming enterprise properties. The Notice shall reflect those properties within a group classed as Contiguous Land (CL) or a Single Farming Enterprise (SF), or both.

11. Remissions

Land Use Remission

The State Government has recently announced that it will contribute an additional \$20.5 million to reduce the impact of the Levy on certain classes of fixed property holders. These funds are to be applied via a “Land Use” remission to reduce the variable component of the Levy. The application of this “Land Use” remission has had the following effect:

Land Use	Remission
Residential	All properties with a “Residential” land use code have had the variable component of the Levy reduced by 47.7612% resulting in an effective Levy rate of 0.000875 .
Other	All properties with a “Other” land use code have had the variable component of the Levy reduced by 47.7612% resulting in an effective Levy rate of 0.000875 .
Rural (Primary Production)	Properties in “Greater Adelaide” with a “Rural” land use code, where the land is used for the business of Primary Production, has had the variable component of the Levy reduced by 47.7612% resulting in an effective Levy rate of 0.000875 .
Rural (Primary Production)	Properties in “Regional Area 1” and “Regional Area 2” with a “Rural” land use code, where the land is used for the business of Primary Production, has had the variable component of the Levy reduced by 25.3731% resulting in an effective Levy rate of 0.001250 .

Regional Area 3 Remission

With respect to Regional Area 3 the State Government announced a further remission on all properties. This remission equals half the variable component of the Levy, after deducting (where applicable) the “Land Use” remission above.

12. Concessions

Pensioners and self-funded retirees with seniors cards will receive a concession of up to \$40 on their principal place of residence, with a maximum of one property per person.

- Pensioner Concession Card Holders
- Beneficiaries of the following Federal Government allowances:

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- Newstart Allowance • Sickness Allowance • Widows Allowance • NEIS (New Enterprise Incentive Scheme) Allowance • Youth Allowance • Partner Allowance • Parenting Payment Partnered (more than basic rate of \$66.20 per fortnight only) • CDEP (Commonwealth Development Employment Program)
- State Concession Card holders
- Veterans' Affairs Gold Repatriation Health Card (TPI and War Widows) holders
- War Widows in receipt of a War Widow's Pension from United Kingdom or New Zealand
- State Seniors Card holders (in the case of married or de-facto couples, both partners must qualify).

How to apply and proof of eligibility required

Pensioners, State Concession Card holders or Veterans' Affairs Gold Repatriation Health Card (TPI) holders who are already registered with SA Water to receive council and water concessions, will automatically have the concession deducted from their account before it is received.

A person who is eligible, but is not already registered with SA Water, will need to apply for a concession at their nearest Family and Youth Services (FAYS) office and show proof of eligibility:

- Pensioners must bring their Pensioner Concession Card;
- Centrelink Beneficiaries must bring their Fortnightly Lodgement Form or a Centrelink Income and Assets Statement or a Payment Information Letter that shows receipt of payment within the last 14 days;
- NEIS recipients must bring a copy of their NEIS Schedule from Department of Employment, Workplace Relation and Small Business;
- CDEP recipients must bring proof of CDEP income;
- State Concession Card holders must bring their State Concession Card;
- Veterans, TPI or War Widows must bring their Veterans' Affairs Gold Repatriation Health Card (flagged with TPI or War Widow);
- New Zealand or British War Widows must already be registered with ETSA for receipt of electricity concessions or bring proof of receipt of a War Widows Pension from New Zealand or the United Kingdom; and
- State Seniors must bring their State Seniors Card or proof of age and apply for a State Seniors Card at the same time the concession is applied for.

A person applying for a concession as above must take their *unpaid* Levy Notice and proof of eligibility with them when they apply. A new Levy Notice, taking into account the relevant concession, will be forwarded in due course.

For further information regarding concessions contact your local FAYS Office
(page 425 White Pages 1999/2000 issue).

The determination of the concession value depends upon the proportionate interest the applicants have in the residential property in question eg. a pensioner who has a half interest with a non-eligible person in the property constituting the pensioner's principal place of residence will receive a \$20 concession.

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13. Contiguous Land (CL)

Contiguous land may be eligible for a reduction of the fixed component of the Levy if:-

- The owner or occupier of all the land concerned is the same person; and
- The land is not used for different purposes.

A person who believes they are eligible for a reduction on these grounds, may apply to RevenueSA, Emergency Services Levy (Fixed Property), GPO Box 1647, Adelaide, SA, 5001. The application must be in writing, including any information required to consider the application.

Note - For the purposes of this Act, pieces of land will be taken to be contiguous if they abut one another at any point or if they are separated only by:-

- A street, road, lane, footway, court, railway, thoroughfare or travelling stock route; or
- A reserve or other similar open space dedicated for public purposes.

Pieces of land will be taken to be separated by intervening land (as described above) if a line projected at right angles from any point on the boundary of one of them with the intervening land would intersect the boundary of the other with the intervening land.

14. Single Farming Enterprise (SF)

Non-contiguous land recognised as a single farming enterprise may be eligible for a reduction of the fixed component of the Levy if:-

- The owner or occupier of all the land concerned is the same person; and
- All the land is used to carry on the business of primary production and managed as a single unit for that purpose; and
- All of the land is situated in the same area under the Local Government Act 1934, or is situated in a part of South Australia which is not in the area of a council.

A person who believes they are eligible for a reduction on these grounds, may apply to the Minister for Emergency Services, GPO Box 1647, Adelaide, SA, 5001, on or before 30 November, 1999 if the application relates to the 1999/2000 financial year (land owned on 1 July 1999). The application must be in writing and include any information required by the Minister to consider the application. Single Farming Enterprise applications are available by contacting the Emergency Services Levy Helpline on 1300 366 150.

Note - A \$50 fixed charge will apply to only one of the properties constituting a Single Farming Enterprise.

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FURTHER INFORMATION

Location

Emergency Services Levy
RevenueSA
Ground Floor
200 Victoria Square
ADELAIDE SA 5000

Postal

Emergency Services Levy
RevenueSA
GPO Box 1647
ADELAIDE SA 5001

Telephone

1300 366 150

Facsimile

(08) 8207 2100

Website

<http://www.treasury.sa.gov.au/revenuesa/esl.html>

E-mail

revsaesl@saugov.sa.gov.au

15th November 1999

COMMISSIONER OF STATE TAXATION

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SUMMARY OF THE ESL FORMULA

for 1999/2000 financial year

(Capital Value x Area Factor x Land Use Factor x Effective Levy Rate) + Fixed Charge – Concession

= **TOTAL AMOUNT DUE**

Area Factor:	<i>Greater Adelaide (GA)</i>	1.0
	<i>Regional Area 1 (R1)</i>	0.8
	<i>Regional Area 2 (R2)</i>	0.5
	<i>Regional Area 3 (R3)</i>	0.2

Land Use Factor:	<i>Residential (RE)</i>	0.4
	<i>Commercial (CO)</i>	1.0
	<i>Industrial (IN)</i>	1.0
	<i>Rural (RU)</i>	0.3
	<i>Vacant (VA)</i>	0.3
	<i>Other (OT)</i>	0.5

Levy Rate: The levy rate is 0.001675, however remissions may apply thereby effectively reducing the levy rate to be applied.		
Land Use	Area	Effective Levy Rate
Residential & Other	GA, R1 & R2	0.000875
Residential & Other	R3	0.0004375
Rural	GA	0.000875
Rural	R1 & R2	0.001250
Rural, Commercial, Industrial & Vacant	R3	0.0008375
Commercial, Industrial & Vacant	GA, R1, R2	0.001675

Fixed Charge:		\$50
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Concessions:	<i>Pensioners & other beneficiaries</i>	Up to \$40
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Levy Calculation Example

The Levy for a *Residential* property in *Greater Adelaide* solely owned by a pensioner and valued at \$100,000, would be determined as follows:

$$\begin{aligned} \text{Total amount payable} &= \text{Variable Charge } (\$100,000 \text{ Capital Value} \times 1.0 \text{ Area Factor} \times 0.4 \\ &\quad \text{Land Use Factor} \times 0.000875 \text{ Effective Levy Rate}) + \$50 \text{ Fixed Charge} \\ &\quad - \$40 \text{ Pensioner Concession.} \\ &= \$35 + \$50 - \$40 \\ &= \mathbf{\$45} \end{aligned}$$