

EMERGENCY SERVICES LEVY

21 June 2006

The Hon. D.G.E. HOOD: I seek leave to make a brief explanation before asking the Minister for Police, representing the Treasurer, a question about the Economic and Finance Committee 2006-07 forward report.

Leave granted.

The Hon. D.G.E. HOOD: The 2005-06 Economic and Finance Committee report states that there was \$7.2 million in uncommitted cash balances in the Community Emergency Services Fund (CESF). The 2006-07 Economic and Finance Committee report, recently noted in the other place, at page 23 states:

In the overall expenditure of the emergency services levy, 'other organisations for the provision of emergency services' accounted for \$22.7 million. Of this amount the committee heard that \$17 million went to the police, \$500 000 for the state rescue helicopter, \$1 million to the SA Ambulance Service; and the Department of Environment and Heritage received \$2.2 million.

The committee expressed some concern about the lack of particularity of this spending. The same 2006-07 estimates report of the committee states that the cash balances in the CESF are now 'expected to reach \$13.5 million by 30 June 2006, of which \$3 million relates to working capital requirements'.

As a result of my calculations, conservatively that is a figure of \$10.5 million in uncommitted cash reserves—up from \$7.2 million in uncommitted cash reserves in the previous reporting year; in other words, an increase of \$3.3 million in uncommitted cash reserves. In February this year (that is, before the state election) I called for the abolition of the emergency services levy and complained that it was just not going to emergency services but being used as general revenue. My questions are:

1. What proportion of the \$22.7 million in spending which I have just mentioned was previously financed from general revenue?
2. How much of the uncommitted CESF cash reserves will be returned to members of the South Australian voting public?

3. If none, will the Treasurer amend the emergency services levy calculation so that the income more accurately matches projected expenditure?

The Hon. P. HOLLOWAY (Minister for Police): It is certainly my understanding that the expenditure on emergency services in this state is significantly in excess of the money that is received from the—

The Hon. Carmel Zollo: We have to more than double it.

The Hon. P. HOLLOWAY: Yes, it is more than double. As my colleague the Minister for Emergency Services says, the actual money spent on emergency services is more than double what comes in through the levy—

The Hon. Carmel Zollo: About double.

The Hon. P. HOLLOWAY: It is about double what comes in through the levy. As to the question involving cash balances and what that means, that is obviously a matter for the Treasury, and I will get that information and bring back a response.

EMERGENCY SERVICES LEVY

23 November 2006

In reply to **Hon. D.G.E. HOOD** (21 June).

The Hon. P. HOLLOWAY: The Treasurer has provided the following information:

1. The Emergency Services Levy was established with the introduction of the *Emergency Services Funding Act 1998*. Under the *Emergency Services Funding Act 1998* payments can only be made for the provision of emergency services.

The \$22.7 million includes payments made from the Community Emergency Service Fund (CESF) to the Department for Environment and Heritage, SA Police, SA Ambulance Service, State Rescue Helicopter Service and beach patrols. For example, the Department for Environment and Heritage maintains a fleet of fire fighting appliances for use in bushfire suppression.

The Emergency Services Levy raises only approximately half of the amount spent from the CESF on the provision of emergency services, with the Government funding the balance from general revenue.

2. Under the *Emergency Services Funding Act 1998*, payments from the CESF can only be made for the provision of emergency services. The Emergency Services Levy collected from the public is returned in the form of the provision of emergency services to the community. None of the Emergency Services Levy is paid into general revenue.

3. Cash balances in the CESF can arise from delays in expenditure.

There will be an uncommitted cash balance in the CESF from time to time due to higher than anticipated growth in levy collections. Conversely, should

revenue collections fall short of budgeted expenditure for a particular year, expenditures can still proceed by drawing on the accumulated cash balance. The uncommitted cash balance could also be used to fund unanticipated major emergency incidents.

Levy rate settings always seek to achieve a matching of income and expenditure for the year ahead.