

DRAFT SECOND READING SPEECH

HON. M. T. (RENE) HIDDING MP

Fire Service (Extension of Regulations) Bill 2017

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Madam Speaker,

I move that the Bill now be read a second time.

The purpose of the Bill is to retrospectively postpone the repeal of the *Fire Service (Finance) Regulations 2006*.

Madam Speaker, the operating costs of fire brigades in Tasmania are paid for by disbursements from the State Fire Commission. The Commission in turn, is funded from a number of sources, including contributions from insurance companies and local councils through the Fire Service Levy, pursuant to the *Fire Service Act 1979*.

The actual rates that insurance companies must pay are prescribed in regulations made under the *Fire Service Act 1979*. Additionally, the same regulations also prescribe the percentage of the Fire Levy that councils may retain as a collection fee. Recently, those rates were prescribed in the *Fire Service (Finance) Regulations 2006*, which were made on the 15th of May 2006.

On the 15th of May 2016, the *Fire Service (Finance) Regulations 2006* expired as a consequence of section 11(2) of the *Subordinate Legislation Act 1992*. Section 11(2) automatically repeals subordinate legislation on the tenth anniversary of its making. The purpose of this provision is to force the review of subordinate legislation every ten years. Where a review indicates that the subordinate legislation should continue, it must be remade before it expires.

Madam Speaker, at the time the regulations expired in 2006, the need to undertake a review was overlooked, and the 2006 regulations expired without replacement regulations being drafted.

When the lack of regulations was brought to the Department of Police, Fire and Emergency Management's attention, new regulations, the *Fire Service (Finance) Regulations 2017* were drafted. These new regulations took effect on 19 April 2017, reinstating the previously prescribed rates.

Whilst new regulations are now in place, there is a gap, where no regulations have been in force between the expiry of the 2006 regulations, and the commencement of the 2017 regulations. This gap runs between 16 May 2016 and 18 April 2017, and in that period the previously prescribed rates were not in force.

Consequently, in that period, the portion of relevant insurance premiums payable to the Commission, defaulted back to the rate set in the *Fire Service Act* which is a flat 10%. This differs significantly from the previous, and currently prescribed rates, which are 14% for aviation hull insurance, 2% for marine cargo insurance, and 28% for all other classes of business property insurance.

Madam Speaker, since the expiry of the 2006 regulations, insurance companies have continued to pay contributions to the Commission at the previously prescribed rate, they also apparently being unaware the regulations had expired.

In addition to the change of rates for insurance premiums, the regulations also set a prescribed collection fee of 4% that councils retained for collecting the fire service contribution from rate payers, and a pensioner rebate percentage of 20%. These also temporarily lapsed until new regulations took effect.

The new *Fire Service (Finance) Regulations 2017* cannot retrospectively cover the period between when the prior regulations expired and the new regulations commenced. To retain the excess monies paid during this period, and avoid the potential necessity for reimbursement, an Act of Parliament is be required to reinstate the expired 2006 regulations for the period from their expiry until the date of commencement of the new regulations.

The *Fire Service (Extension of Regulations) Bill 2017* has been drafted to retrospectively postpone the expiry of the 2006 regulations on 15 May 2016. The Bill extends the expiry date until midnight on 18 April 2017, the moment the new regulations took effect.

Madam Speaker, the failure to remake the regulations was an administrative oversight. An internal review of the management protocols for subordinate legislation administered by the Department of Police, Fire and Emergency Management has since been undertaken, which will prevent a repeat of this omission. It is vital that our Fire Service is adequately funded to do its job and protect our citizens from the threat of fire. This Bill does not add or subtract from the monies that have been collected from councils or insurance companies in that period, but simply reinstates what should have been the status quo and ensures that the Tasmania Fire Service can continue to do its work.

The Bill will take effect upon the day it receives the Royal Assent and I commend the Bill to the House.