

# Fire and Emergency Services (Levy Groups) Amendment Regulation 2019

Explanatory notes for SL 2019 No. 130

made under the

*Fire and Emergency Services Act 1990*

## General Outline

### Short title

Fire and Emergency Services (Levy Groups) Amendment Regulation 2019

### Authorising law

Sections 108 and 154E of the *Fire and Emergency Services Act 1990*.

### Policy objectives and the reasons for them

The *Fire and Emergency Services Act 1990* (the Act) provides that, for each financial year, the owners of prescribed property must contribute to the cost of administering and giving effect to the Act, and that a regulation may prescribe the amounts of the contributions to be paid.

The *Fire and Emergency Services Regulation 2011* (the Regulation), at Schedule 2, sets out annual contributions of owners of prescribed properties, organised by levy group, category and levy district class.

Existing categories of levy group include (at Levy Group 12):

- Brewery, other than brewery at which most of the brewed product is served (12.01); and
- Distillery (12.03).

In 2018-19, the levy applicable to breweries and distilleries ranges from \$1,562.20 per annum in Levy Class E (the rural and remote areas of Queensland) to \$89,162.20 per annum in Levy Class A (metropolitan and regional centres).

Historically, in Queensland, there have been a number of large breweries and distilleries with significant turnover, for which the existing levy group category is still appropriate. In more recent times, however, the emergent craft brewery and distillery industries have become more prevalent. These industries are generally smaller and local, with lower turnover. Given that the majority are located in metropolitan and regional centres, attracting the highest levy for this category, the existing levy is likely to have a significant impact on the viability of these individual small businesses.

Due to audit and education activities undertaken by Queensland Fire and Emergency Services, and the local governments that administer the levy, 2019-20 will be the first year in which this significant impact will be widely felt.

The objective of the *Fire and Emergency Services (Levy Groups) Amendment Regulation 2019* (the Amendment Regulation) is to introduce a levy group category for craft breweries and distilleries that more appropriately aligns with the size and nature of businesses of this type.

## **Achievement of policy objectives**

The policy objectives of the Amendment Regulation will be achieved by creating categories of breweries and distilleries that have a gross floor area of either more than 15,000 square metres, or 15,000 square metres or less (craft breweries and distilleries).

The existing brewery and distillery categories remain at Levy Group 12, and the craft brewery and distillery categories are inserted at Levy Group 7. In 2018-19, the highest levy amount applicable in Levy Group 7 was approximately \$84,000 less than the highest levy amount applicable in Levy Group 12.

## **Consistency with policy objectives of authorising law**

The Amendment Regulation is consistent with the policy objectives of the Act.

## **Inconsistency with policy objectives of other legislation**

The Amendment Regulation is consistent with the policy objectives of other legislation.

## **Benefits and costs of implementation**

The Amendment Regulation will not impose any additional cost on Government. Implementation costs are limited to adjustment of levy systems and will be met through existing budgets.

Levying of existing craft breweries and distilleries in accordance with the Regulation would result in application of a levy at Levy Group 12. Introduction of craft brewery and distillery categories at Levy Group 7 provides for an appropriate lesser levy for those businesses.

## **Consistency with fundamental legislative principles**

The Amendment Regulation is consistent with the fundamental legislative principles as defined in section 4 of the *Legislative Standards Act 1992*.

## **Consultation**

Local governments administering the levy were involved in the early identification of issues prompting development of the Amendment Regulation. Feedback was also provided by some local governments, primarily relating to administrative activities such as data collection and system numbering. Queensland Fire and Emergency Services will continue to support local governments on these matters as the amendments take effect.

The Office of Best Practice Regulation was consulted regarding exclusion from regulatory impact assessment and considered that the proposed amendment will reduce the burden of regulation and is unlikely to lead to significant adverse impacts. Further regulatory impact analysis under the Queensland Government Guide to Better Regulation was not required.