

Fire services levy

From 1 July 2013, the Victorian Government replaced the insurance-based fire services levy, as recommended by the Victorian Bushfires Royal Commission.

Rather than contributing through insurance premiums, a property-based levy is now collected with council rates. Eligible pensioners and veterans also receive a \$50 concession.

The Fire Services Property Levy funds vital lifesaving equipment, firefighters, staff and volunteers, training, infrastructure and community education.

All revenue collected through the Fire Services Property Levy goes to supporting the State's fire services.

The Fire Services Property Levy is collected with every Victorian property owner's council rates. Councils collect the levy from non-ratable properties through a separate notice. This levy replaces the Fire Services Levy charged on building and contents insurance premiums.

The levy can be paid in the same manner as council rates, either by instalments or as a lump sum (depending on the options provided by your council).

Contributions are based on a property's value.

A fixed charge of \$105 for residential and \$213 for non-residential properties applies for the 2016-17 year as well as a variable cost.

The variable cost is calculated depending on the type of property you own, its capital improved value (CIV) and which fire service covers your area. The variable levy rates for 2016-17 are:

CFA Variable rates (cents per \$1,000 of capital improved value)

Property Sector	CFA
Residential	12.8
Commercial	104.7
Industrial	165
Primary production	26
Public benefit	13.2
Vacant (excluding vacant residential land)	49

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MFB Variable rates (cents per \$1,000 of capital improved value)

Property Sector	MFB
Residential	5.9
Commercial	54.8
Industrial	85.4
Primary production	14.5
Public benefit	5.9
Vacant (excluding vacant residential land)	6.8

The levy is calculated using the following formula:

Levy = fixed charge + (Capital Improved Value x levy rate) – concession (if any)

The State Government continues to make a statutory contribution of 12.5 per cent of the MFB budget and 22.5 per cent of the CFA budget to fund the state's fire services

MACEDON RANGES LAND OWNERS COMMITTEE INCORPORATED supports the fire levy as it covers all property owners not just the property owners who fully insure their property within Victoria. Our disagreement with the levy is the manner in which it is calculated.

We see no justification in the manner that of the calculation that each property owner is not equal in carrying the load of the fire service levy.

We see no justification in charging a different rate to Residential, Commercial, Industrial, Primary Production, Public Benefit and Vacant Land. We see the risk is equal to all so the premium should be equal to all.

For example, a residential home in the Macedon Ranges of \$1,000,000 and a farm freehold of \$1,000,000 in the Macedon Ranges should in our opinion carry the same cost of fire service levy.

The manner in which the fire service levy is calculated is a disincentive to small business in its current manner of calculation and we believe that there is need for the Government to relook at the manner of calculation of the fire service levy and review their current policy as to the ability to pay.