

ASSOCIATION OF INDEPENDENT RETIREES (A.I.R) Ltd.

ACN 102 164 385

MEDIA RELEASE

SELF-FUNDED RETIREES SLAM THE VICTORIAN FIRE SERVICES LEVY

State President, Ms. Patsy Haywood, reports that the Victoria Division of the Association of Independent Retirees (A.I.R.) Limited has strongly urged the Brumby Government to adopt a more equitable Victorian Fire Services Levy (FSL).

A.I.R.'s review of the level of taxation imposed by the Victorian Government on property insurance policies has found that:

- The Victorian system collects the Fire Services Levy only from property owners who choose to insure their combustible assets.
- These property owners pay a base insurance premium, and are then faced with a 20% Fire Services Levy, to which is added 10% GST and then a further 10% state stamp duty on the total.
- This **tax on a tax on a tax** means that Victorians who insure their property pay an extra 45.2% on their premium – **a total tax rip-off**.
- These are reportedly the highest domestic insurance taxes charged in Australia.
- Rises in property values and more costly insurance premiums have brought extra windfall income to the Victorian State Government.
- In Victoria, over 23% of properties are uninsured, and up to 81% are underinsured, yet all property owners retain and expect the use of the fire services.
- The FSL exists only in Victoria, NSW and Tasmania. All other States and Territories have abolished the levy and moved to a system which spreads the burden. A.I.R. contends that the Victorian Government should adopt a system similar to the Western Australian model, which covers all emergency services.

A.I.R. Victoria Division has recommended the following:-

- That the Fire Services Levy (FSL) be applied to all rateable properties in Victoria, free of Stamp Duty, at a rate based on the local municipal Council's property valuation, with a minimum and maximum charge similar to the system used in Western Australia.
- That the local council become responsible for collection of the FSL as part of annual rates.
- That the FSL fund all emergency services including Metropolitan Fire Brigade, Country Fire Authority and State Emergency Services.
- That the Brumby Government provide an annual transparent FSL budget to the Victorian public.

A.I.R. believes that this proposal would result in a dramatic reduction in the FSL cost to property owners and provide emergency services with a clear and open budgetary process.

The Association of Independent Retirees (A.I.R.) Limited is the peak body representing the views of fully and partly self-funded retirees. It is a non-party political, not-for-profit volunteer organisation, with Branches in every State and Territory throughout Australia. There are 13 Branches in Victoria. Membership enquiries may be made through the National Secretariat, 1800 063 304.

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