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PLAN TO MAKE FIRE FUNDING FAIRER

The Victorian Liberal Nationals Coalition in government will review the existing Fire Services Levy and implement a fairer system that provides adequate funding for state fire services.

The Fire Services Levy, which is essentially a tax on insurance premiums to fund fire services including the Country Fire Authority (CFA), means that people who insure their home against fire pay for those who do not.

The levy is a strong disincentive to insure against fire, with evidence from the recent bushfires suggesting that approximately 30 per cent of the houses lost were not insured.

There are other fairer models that fund fire services in other states which more evenly distribute the cost of funding fire services.

The Leader of The Nationals Peter Ryan has written to the Henry Review of Australia's taxation system and to the Bushfires Royal Commission requesting the issue of the Fire Services Levy be reviewed.

With the recent announcement by the government of a further five per cent increase in the Fire Services Levy, an already unsatisfactory arrangement has become completely unacceptable.

Given the unfairness of the Fire Services Levy which increases insurance premiums of country Victorians by up to 68 per cent, it is crucial that the current system is reviewed.

The CFA is largely funded by the Fire Services Levy and will not be short-changed in the process of securing a new system.

The same amount of money will need to be provided because it is vital that the CFA gets proper funding, but the question is how best to do it.

The Victorian Liberal Nationals Coalition in government will consider the outcomes of the Henry Review and the Royal Commission's findings regarding the Fire Services Levy with a view to implementing a more equitable arrangement.

John Brumby and Labor refuse to acknowledge the Fire Services Levy is a tax, when it clearly is, and the Premier's inaction demonstrates his complete disregard for country Victorians.