

27 August 2010

## Fire Services Levy to be abolished

The Insurance Council of Australia (ICA) today welcomed the Victorian government's announcement to replace the Fire Services Levy (FSL) with a property-based system to fund emergency services.

ICA CEO, Mr Rob Whelan, said this historic decision to adopt Recommendation 64 of the Bushfire Royal Commission will provide a more equitable system of funding for all Victorians.

Mr Whelan said the ICA supports the government's process and timetable for change and the move to a property-based levy requires careful implementation and ongoing consultation.

He said the government's decision to use the Green/White Paper process to design a fair and efficient property-based system is appropriate as it will provide opportunities for consultation.

"With the Victorian Opposition already supporting the implementation of Recommendation 64 it is an ideal opportunity to move forward with bipartisan support to ensure the process is as smooth as possible," Mr Whelan said.

The ICA has been collaborating with the government throughout the Green Paper process by providing submissions and relevant data.

"This process has allowed all stakeholders to gather evidence on available options and will play a central role in the development of a system that is more efficient and equitable than the current insurance based system," Mr Whelan said.

"The ICA welcomes the government's commitment to ongoing dialogue during the design and implementation phase which is paramount to ensure a smooth transition to a new property based system."

Mr Whelan said the ICA will be working hard to ensure the government's principles and objectives for the new funding system are met and the transition to a new system is seamless.

"The ICA has long-held the position that the FSL is an unfair and economically inefficient tax that lacks transparency. We congratulate the government for adopting this important reform," he said.

"It means the funding burden no longer falls on the shoulders of a few but will now be shared by all those that benefit from the state's emergency services."

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