



2009 Victorian Bushfires
Royal Commission

Submissions cover sheet

Post your submission with this cover sheet to: Submissions 2009 Victorian Bushfires Royal Commission
GPO Box 4358, Melbourne VIC 3001

Email your submission with this cover sheet to: enquiries@royalcommission.vic.gov.au

Title: <u>MRS</u>	First Name: <u>SHIRLEY</u>	Surname: <u>DURRANT</u>
Organisation represented by your submission (if applicable):		
Email address:	[REDACTED] (LOWER CASE)	
Postal address:	[REDACTED] MOAMA 2731	
Telephone:	[REDACTED]	
Main topics addressed by your submission (please tick):		
<input type="checkbox"/> Causes and circumstances of the bushfires	<input type="checkbox"/> Essential services, including water and power	
<input type="checkbox"/> Policy, preparation and planning of governments, emergency services	<input type="checkbox"/> Buildings	
<input type="checkbox"/> Preparation and planning by communities and households	<input checked="" type="checkbox"/> Insurance	
<input type="checkbox"/> Response to the bushfires	<input type="checkbox"/> Other (please state):	
Please list any towns or communities that are discussed in detail in your submission:		
Please provide a general description of what materials you are providing as part of your submission (eg. Letter, document, DVD, photos. Please do not send originals):		
• <u>PERSONAL OPINION</u>		

Confidentiality

The Commission will consider all requests for confidentiality. Should you wish for your submission, or parts of your submission, to be treated as confidential, please clearly state the reason in the space provided below. If you require more room, please attach a separate page and provide together with your submission.

Should the Commission consider the request for confidentiality not to be appropriate you will be provided with an opportunity to withdraw your submission or re-submit it in a form suitable for publication.

Please select one of the following options

I acknowledge that my submission will be treated as a public document and may be published, quoted or summarised by the Commission.

OR

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Acknowledgements

I understand that:

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- The name and town or suburb of each submitter will be identified as part of every published submission. Other contact details will be removed before publishing.
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14-12-09

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Date

Insurance
&
Fire Service Levy
Plus a tax on a tax on a tax
An unjust system

Governments are elected in part, to provide SERVICES, such as water, sewerage, energy, roads etc. for everybody. Fire brigades, clearly are a service, and as such, why should they not also be funded by Government?

It is a totally unjust system when part of the community has to pay substantially, to cover the cost, not only for their protection by a service, but also the protection of others, who **CHOOSE NOT** to pay for the same protection, from the same service.

People with insurance have contributed to the cost of maintaining the fire service for the benefit of everybody, but if there is a fire those who are insured and contributed to the Fire Service have no more right of help from the Fire Service, than those who have not contributed, perhaps rightly so. But if both loose their homes in a fire, it tends to be those who have not insured, who then call on the Government for help, and who receive most of the sympathy and assistance.

A Fire Service Levy based on all property and vehicle owners would certainly be an improvement on the present set-up but surely everybody has a vested interesting controlling fire. Of the lives which were lost in Victoria last summer, it would be interesting to know how many of those were property owners.

The Government places great store in the principle of the 'user pays'. Working on this principle, surely it is only right then, that everyone should pay for the security of a well maintained fire service.

Introducing compulsory insurance may have some advantages, but in a democracy, should it not be up to the individual whether or not they choose to take the risk with their own property. But, that really should have nothing to do with a Fire Service Levy, in my book they are two separate things.

It is possible, indeed likely that the problem of under insurance in Victoria is exacerbated by the imposition of the Fire Services Levy, to which is then added a tax on a tax, twice

The idea that people with insurance must be the only group who pay the Fire Service Levy is clearly unfair and unjust. But this pales into insignificance when the Government then chooses to add their taxes, not only on the insurance premium, but also on the levy which **they** have imposed on the insurer. Not just once, but twice.

Who ever dreamt up the scheme where, those who insure their property, then must pay a Fire Service Levy, on which is added GST and just for good measure Stamp Duty is levied on the lot, really could not have thought it through. And yet, the Premier of Victoria says that in his opinion it is quite fair.

All of which comes back to the point that insurance and the Fire Service Levy are two totally different things, and should not be lumped together, just as a fat cow to be milk for revenue.

I have some actual figures to demonstrate my point.

On our farm buildings policy

The premium	\$2037.00
Fire Levy 15.3%	<u>\$ 312.00</u>
Total	<u>\$2349.00</u>

GST 10%	<u>\$ 235.00</u>
Total	<u>\$2584.00</u>

Stamp Duty 8.5%	<u>\$ 220.00</u>
Grand total	<u>\$2804.00</u>

A tax on a tax on a tax, a total of \$767.00 in taxes or an addition on the premium of 37.65%

The figures I have used are for NSW and I am aware that if this property was in Victoria I would have an even greater axe to grind.

If it was in Victoria with the same policy	\$2037.00
Fire Service Levy 84%	<u>\$1711.00</u>
Total	<u>\$3748.00</u>

GST 10%	<u>\$ 375.00</u>
Total	<u>\$4123.00</u>

Stamp Duty 10%	<u>\$ 412.00</u>
Grand total	<u>\$4535.00</u>

The tax on a tax on a tax, a total of \$2498.00 in taxes or an addition on the premium of 122.36%
And the Premier says that it is a fair system!