



12 May 2025

Hon. Vicki Ward MP
Minister for Emergency Services
Via email: vicki.ward@parliament.vic.gov.au

Dear Minister

Emergency Services and Volunteers Fund

I am writing on behalf of Glenelg Shire Council to strongly object to the Emergency Services Volunteer Fund Levy in its current form. While we value the critical role of emergency services and acknowledge the importance of supporting volunteers, this levy imposes significant financial and administrative burdens on ratepayers, councils and volunteer organisations.

A Misguided Taxation Approach

The levy is effectively a state-imposed tax disguised as a local charge. Councils are required to collect the levy on behalf of the State Government, placing us in an untenable position. This approach undermines the principle of fairness, as councils have the administrative burden while ratepayers are unfairly targeted, especially in rural areas where economic challenges are acute.

The policy demonstrates a striking inconsistency when comparing the significant levy increase, which will exceed 100% for some ratepayers, with the 3% cap on council rate increases. This imbalance places an undue burden on rural councils, which lack alternative revenue streams to offset the financial strain, amplifying the inequities faced by smaller communities.

In addition to this, it reflects badly on Council as ratepayers see it as a charge imposed by Council as opposed to a charge collected on behalf of the State Government.

Administrative Challenges

Councils are already under significant strain with limited resources and in Glenelg Shires case, we are currently transitioning to a new software system involving all areas of staff including rating at this time. The requirement to collect and administer this levy adds unnecessary time constraints and complexity to our operations, including system changes, rate adjustments, and ongoing compliance. If councils are to act as collection agents, full cost compensation must be provided for both the initial and ongoing costs. Alternatively, the State Government should collect the levy directly, akin to land tax or the windfall gains tax.

Lack of Consultation

The lack of meaningful consultation prior to the levy's announcement has further eroded confidence in the policy. Communities were blindsided by the decision, and there is an urgent need for the State Government to communicate transparently about the levy's purpose and allocation. Ratepayers must understand that councils are not the beneficiaries of these funds.

Impact on Communities

The timing of this levy exacerbates existing hardships in rural communities. Many of our residents are already grappling with cost-of-living pressures, the effects of bushfires, and a "green drought." Cashflow issues for farmers and small businesses compound the problem, creating a ripple effect that impacts local economies, service provision, and community well-being.

The introduction of this levy will hit hard for those already experiencing hardship in our rural communities. Many residents are already grappling with cost-of-living pressures, the financial and physical effects of storm and fire events and drought conditions. The financial effect of introducing the ESVF on our community will have ripple effects and impact local economies, service provision and community wellbeing.

South-West Victoria especially is experiencing a significant drought climate event, with multiple years of below average rainfall resulting in empty water storages across the shire. Rising costs for feed and forced destocking are impacting this section of our community at levels not seen for many years. This is having a detrimental impact on the long term viability of farms and associated supply chain businesses.

Our calculations indicate that the ESVFL has the potential to cost \$7.7 million. This represents an increase of \$3.5 million on the Fire Services Property Levy (FSPL) raised in the 2024/25 financial year which is a 86% increase. In addition to this, the Fire Services Property Levy (FSPL) increased significantly on the prior year. We calculate that some ratepayers will experience a doubling in the cost of the levy under the new ESVF. This is inequitable and unjust and will undoubtedly result in additional hardship and job losses for our community.

Furthermore, it appears that there is also an inequitable distribution of the levy, with substantial levy increases for our rural communities that far exceed the increases of the general land owner, further exacerbating the impact of this ill-considered tax.

Our Call to Action

Glenelg Shire Council urges the State Government to:

1. Shift levy collection responsibilities to the State Government.
2. Implement a comprehensive communication strategy to clarify the levy's purpose and allocation.
3. Reassess the funding model to ensure it is equitable and does not disproportionately burden rural communities.
4. Compensate councils for administrative costs if collection duties remain delegated.

5. Any funds raised locally are proportionally reinvested locally so funds have a direct and tangible benefit to local communities.
6. Provide clear and transparent information on the process to determine exemption eligibility and process for application.

We request an urgent review of this levy and welcome the opportunity to collaborate on a more sustainable and equitable approach to funding emergency services. The current approach undermines trust in local government, as councils are unfairly positioned as enforcers of a state-imposed tax, with no ability to influence its parameters or mitigate its impact. This is not sustainable and is damaging to the relationship between government and the communities we serve

I would appreciate the opportunity to discuss this matter further. Please feel free to contact me directly at karen.stephens@cr.glenelg.vic.gov.au.

Yours sincerely



Cr Karen Stephens
Mayor

cc Roma Britnell, Jacinta Ermacora, Emma Kealy and Danny O'Brien