**Hearing date: 5/09/2025**

**Question taken on notice**

**Directed to:** Municipal Association of Victoria, James McLean

**Received date:** 24/09/2025

1. **P.62 – 63 Gaelle BROAD**

**Question:** Local governments do reflect communities, and engagement is an important part of that, particularly as you are doing work on behalf of state government. But with the emergency services tax, that was a big change that sort of shifted another responsibility onto local governments - what are your insights into what consultation took place in that process?

**James McLEAN:** Can I take that one on notice? It was not my area in MAV, but we can certainly get an answer back to you shortly.

**Response:**

Changes to the Fire Services Levy, to become a broader Emergency Services and Volunteer Fund, were announced by the Treasurer on 13 December 2024.

Councils and our communities were taken by surprise by the announcement, as the Victorian Government did not consult with the MAV or local government beforehand.

At the time, the MAV promptly advised the Victorian Government of these reactions and the significant administrative burden that would be placed on councils to administer the state levy. The MAV also raised the likelihood of cost shock to ratepayers; and regulatory complications that would need to be considered in the expanded Emergency Services and Volunteer Fund.

Between 13 December 2024 and the introduction of the *Fire Services Property Amendment (Emergency Services and Volunteers Fund) Bill 2025* on 5 March 2025 the MAV proactively facilitated a meeting between the Department of Treasury and Finance (DTF) and council CEOs; and representatives of the local government sector, to highlight the administrative and communication burden of local government administering this expanded state levy.

During this time, the MAV also proactively secured meetings with the Treasurer and the Minister for Local Government and DTF officials to highlight the issues associated with this unjust levy, particularly on rural ratepayers on primary production land. Following these meetings, the Government:

* Committed to take sole responsibility for the administration for the volunteer rebate;
* Agreed to provide an administrative implementation support package to ensure that councils could update their rating systems without financial loss;
* Agreed to provide additional one-off funding to every council to support administration of the new levy;
* Put a 12-month freeze on ESVF charges for primary production land; and
* Established the State Government's Contact Centre to answer questions or concerns specifically about the ESVF to alleviate the burden on council customer service and rates teams.

The MAV negotiated these implementation improvements while maintaining the threshold position that the ESVF is a state levy that should be administered by the State Revenue Office, not by councils; and the levy is an unjust burden not only on councils but also on ratepayers across Victoria. Local Government’s strong opposition to collecting levies on behalf of the Victorian Government has been consistent.

The MAV considers that the *Victorian State-Local Government Agreement* placed an obligation on the Victorian Government to consult with the MAV and local government prior to the announcement of the expanded levy and that, because this did not occur, the Agreement was not upheld on this occasion.

The *Victorian State-Local Government Agreement* “applies to arrangements where the State: i. intends for local government to administer or enforce new or revised primary legislation or regulation, or act as an agent and deliver services on its behalf”.

The Agreement requires that, “Where the Victorian Government intends for local government to administer or enforce new primary legislation, or new or revised regulation, the relevant lead department shall, subject to exceptional circumstances, consult with local government in accordance with the Victorian Guide to Regulation. In doing so, the relevant department shall consider the impacts of the regulation on local governments, including any cost and resource impacts on local governments of administering the regulation.”