



Dominic Perrottet
Treasurer
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MEDIA RELEASE

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FAIRER FUNDING FOR FIRE AND EMERGENCY SERVICES

A fairer system for funding NSW fire and emergency services is one step closer today, with Treasurer Dominic Perrottet to introduce the Fire and Emergency Services Levy Bill.

The legislation gives effect to reforms announced in 2015 to abolish the Emergency Services Levy (ESL) – paid on insurance – and replace it with a land-based Fire and Emergency Services Levy (FESL), bringing NSW into line with all other mainland states.

Mr Perrottet said the reform would transform an archaic, complex system into one that is fair for everyone.

"Everyone in NSW values the work of our fire and emergency services personnel, but the way we currently fund them is complicated, inefficient and unfair," Mr Perrottet said.

"Only people with insurance pay the ESL, even though everyone benefits, and at the same time it makes insurance more expensive."

"This legislation ushers in an important reform – a fairer system where all property owners make a contribution, while also bringing down the cost of insurance."

Under the legislation:

- FESL is calculated on unimproved land value determined by the Valuer General, with different rates for residential, public benefit, commercial, industrial and farm land.
- The levy comprises a different base amount for each land category, plus a variable amount based on land value.
- Councils would collect the FESL on behalf of the NSW Government.
- The old ESL paid on top of insurance premiums is abolished.

Owners of residential and public benefit land will pay lower rates, and vacant land will have a discount applied. There will also be discounts available for pensioners and veterans, and a hardship policy for those who need it.

Eliminating the old ESL is expected to reduce insurance costs on residential property by an average of \$233, leaving fully-insured residential property owners better off by \$47 per year on average.

To ensure insurance companies pass on any benefit to consumers, last year the Government appointed Professors Allan Fels AO and David Cousins AM as Insurance Monitors with power to fine insurers up to \$10 million for failing to pass on savings.

The legislation will be considered by Parliament in the coming weeks and if passed, will take effect on July 1. For more information visit www.fesl.nsw.gov.au.

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