



Gladys Berejiklian

Premier of NSW

Dominic Perrottet

Treasurer

Minister for Industrial Relations

MEDIA RELEASE

Tuesday, 30 May 2017

FIRE AND EMERGENCY SERVICES LEVY TO BE REVIEWED TO ENSURE FAIRNESS

The NSW Government will defer the introduction of the Fire and Emergency Services Levy (FESL) to ensure small to medium businesses do not face an unreasonable burden in their contribution to the State's fire and emergency services, Premier Gladys Berejiklian and Treasurer Dominic Perrottet announced today.

Ms Berejiklian said that in the majority of cases across NSW, fully insured people would be better off under the new system, however it had become clear that some fully insured businesses were facing unintended consequences.

"We are a Government that listens, and we have heard the concerns from the community, and we will take the time to get this right," Ms Berejiklian said.

"While the new system produces fairer outcomes in the majority of cases, some people – particularly in the commercial and industrial sectors – are worse off by too much under the current model, and that is not what we intended."

Mr Perrottet said that in a number of cases identified so far, the lived experience has not matched the intention of the reform for commercial and industrial sectors, particularly for small and medium businesses.

"The FESL is a complex reform and we always knew there would be challenges during the transition phase," Mr Perrottet said.

"It's not enough for this reform to work on paper – its real-life implementation has real life consequences for families and businesses, and we need to make sure they are not placed under unfair strain.

"We are committed to reducing NSW's high rates of under insurance and to making the funding of our fire and emergency services fairer – but we want to get this right."

The NSW Government will work with local government, fire and emergency services, the insurance industry and other stakeholders to find a better and fairer path forward.

The Fire and Emergency Services Levy will continue to be collected via insurance policies until the NSW Government has completed its review of the policy, and the funding requirements of fire and emergency services agencies will be met in full.

The FESL is revenue neutral, raising no more than the amount required to fund the State's fire and emergency services.

The Insurance Monitor will oversee a smooth continuation of the existing system and ensure insurance companies collect only the amounts necessary to meet fire and emergency services funding requirements.

Further information can be found at www.fesl.nsw.gov.au.

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