



LEGISLATIVE COUNCIL

PORTFOLIO COMMITTEE NO. 4 – LEGAL AFFAIRS

## **MEDIA RELEASE**

### **FIRE AND EMERGENCY SERVICES LEVY REPORT**

**FOR IMMEDIATE RELEASE**

**30 November 2018**

An Upper House Committee has tabled its Report on the Fire and Emergency Services Levy (FESL).

The Hon Robert Borsak MLC, Chair of the Committee said: 'The committee has found that the NSW Government's failed implementation of the FESL in mid-2017 was a poor public policy decision, undertaken without adequate understanding of the complexities of the issue or the impacts of the proposed reforms. We also found that the late deferral of the levy has caused significant and avoidable costs to local government and the insurance industry'.

Mr Borsak continued: 'Currently, fire and emergency services are funded through three sources: a levy on insurers, who often pass on the fee to owners of home and contents, motor vehicle, and commercial property insurance policies; a levy on local councils; and general revenue'.

'Following extensive work by NSW Treasury, the NSW Valuer General, local councils, insurers and other stakeholders, in April 2017, the NSW Government introduced a new property-based levy, known as the FESL, which was to commence on 1 July 2017'.

Mr Borsak said: 'After the FESL was announced, the NSW Government conducted an advertising and information campaign, including the release of a FESL calculator, to familiarise the community with the new levy. At this time, community feedback suggested that many property owners would be worse off under the new system. On 30 May 2017, the NSW Government deferred the introduction of the FESL citing concerns that the levy failed to meet the desired policy outcomes, including that it unfairly placed an excessive financial burden on a small number of property owners in New South Wales'.

Mr Borsak concluded: 'While the 2017 FESL is 'dead, buried and cremated', the NSW Government is likely to introduce a new property-based levy should it be re-elected in 2019. The committee has therefore made six recommendations which seek to ensure that any new levy is fair, equitable and transparent'.

More information about the inquiry, including the report, can be found on the committee's website: [www.parliament.nsw.gov.au/fireandemergencyserviceslevy](http://www.parliament.nsw.gov.au/fireandemergencyserviceslevy).

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*For further information please contact Committee Chair, the Hon Robert Borsak MLC, on 9230 2573.*