



# Mike Baird MP

NSW Treasurer  
Minister for Industrial Relations

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## MEDIA RELEASE

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### **ALLAN FELS TO REPORT ON EMERGENCY SERVICES FUNDING**

Victorian Fire Services Levy Monitor, Allan Fels AO, will report to the NSW Government on learnings from Victoria's transition to a Fire Services Levy, NSW Treasurer Mike Baird announced today.

The NSW Government will use Professor Fels's report on Victoria's experience during the first 18 months of its Fire Services Levy (introduced on 1 July this year) as the basis for any changes it might make to the system for funding fire and emergency services in NSW.

"We have asked Professor Fels to report on any challenges associated with Victoria's shift from insurance taxes to a broad-based levy to fund their fire services," Mr Baird said.

"In particular, he will report on whether Victoria's system satisfies the key principles we have set down for any reform, which include that it should be fair and efficient, and that it should also improve the affordability of both insurance and local government rates."

During the 2011 NSW election, the Liberals & Nationals made a commitment to review the funding arrangements for fire and emergency services.

The present system of funding, which relies heavily on insurance taxes, is unfair because people who are uninsured or under-insured do not contribute their fair share, but still receive the full coverage of fire and emergency services.

Funding for fire and emergency services is currently drawn from a tax on insurance companies, plus funding from the State Government and local governments: the mix between the three is approximately 75/15/10.

In 2009-10, 36 per cent of NSW households did not have contents insurance and 5 per cent of home owners did not have building insurance.

The Government has made clear any changes to the current system will affect neither the overall amount available for fire and emergency services, nor the size of the State Government contribution.

"Based on the experience in Victoria, Professor Fels will report to us on the most effective way to protect consumers and guarantee insurers would pass on the full benefit of any change to the funding system," Mr Baird said.

"The NSW Government is committed to a fair and efficient system of funding, but will not proceed with any reforms unless we are satisfied that a clear majority of fully insured households would be financially better off."

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