



**The Hon Mike Baird MP
NSW Treasurer
State Member for Manly**

**The Hon Michael Gallacher MLC
Leader of the Government in the
Legislative Council
Minister for Police & Emergency Services
Minister for the Hunter**

MEDIA RELEASE

Thursday 5 July 2012

NSW GOVERNMENT TO MOVE TO A BETTER WAY OF FUNDING EMERGENCY SERVICES

The NSW Government is seeking community feedback to develop a better, fairer and more efficient way of funding emergency services in NSW, Treasurer Mike Baird and Minister for Police and Emergency Services, Michael Gallacher said today.

“Our combined fire and emergency services have a proud and long history of helping the people of NSW. However, the way we currently fund these services in NSW is complicated, inefficient and unfair,” said Mr Baird.

“Recent reviews of the state tax system, including the Henry Tax Review, have recommended we move to a property based levy. Today, the NSW Government has released a *Funding our Emergency Services* Discussion Paper, as part of a three month consultation period to identify a better way to fund emergency services in NSW.”

Funding currently comes from three sources, with the bulk of funding (73.7 per cent) provided by a tax on insurance companies, while the remainder of the funds are provided by local governments (11.7 per cent) and the State Government (14.6 per cent).

“The current system has serious weaknesses and is economically inefficient. Taxing insurance increases the price of insurance and can lead some people to under-insure and others not to insure at all.”

“The system is also unfair because people who are either not insured or are under-insured do not contribute to the funding of our emergency services, but still receive the same coverage as those who do pay insurance.

“NSW property owners who insure their properties are subsidising the 36 per cent of households who don’t have home contents insurance – the highest rate of non-insurance in Australia.

“A better and fairer system would spread the costs across the whole community. The Government is considering a number of ways to replace the current insurance-based levy to bring NSW into line with most States and Territories,” said Mr Baird.

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Mr Gallacher said no final decision has been made and the Government was now seeking community input on the potential design, scope, features and transition to a new Emergency Services Levy.

“Whatever the final shape of the new levy, there will be no change to the total level of funds currently provided for fire and emergency services,” Mr Gallacher said

“This review and consultation process fulfils an election promise. The NSW Government is committed to consulting with the community, emergency services, local government and industry to move to a simpler, fairer and more competitive system for funding our essential fire and emergencies services,” Mr Gallacher concluded.

The Discussion Paper and public submissions can be found at:

www.haveyoursay.nsw.gov.au/ESL .

The public consultation period is open until 8 October 2012.

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