



News release

Insurance Council
of Australia

Monday, 27 March 2023

Insurers welcome new NSW Labor Government

The Insurance Council of Australia (ICA) today congratulated the incoming NSW Labor Government on its election victory after a fair policy-driven campaign from both sides.

During the election campaign, the Insurance Council released '*A Stronger NSW*', which outlined nine policy recommendations for the next NSW Government to put downward pressure on the cost of insurance.

The report called on the NSW Government to find a fairer way to fund emergency services and bring NSW in line with every other mainland state and territories in Australia.

The Emergency Services Levy (ESL) is a tax applied to insurance, adding around 18 per cent to home insurance premiums and up to 40 per cent to business premiums in the State.

Removing the ESL from insurance would result in a drop in premiums, reducing cost of living pressure on NSW families.

The urgency of this task is magnified by the growing impact of extreme weather events, which are increasing in frequency and severity because of climate change - an issue highlighted in 2022 in the Northern Rivers and Central West regions of the State.

To reduce this risk and put downward pressure on insurance costs for households and businesses, the Insurance Council is calling on the new NSW Government to invest in resilience measures such as community infrastructure, improved early warning systems and home retrofit programs.

The extension of the Resilient Homes Program beyond the Northern Rivers to other high-risk areas of the State would also see communities become more resilient and durable to extreme weather events.

The Insurance Council also calls on the NSW Government to review land use planning arrangements to prevent the development of homes in high-risk areas. Effective land use planning in areas that are at risk of flood can significantly enhance the resilience of existing and future communities.

Quotes attributable to ICA CEO Andrew Hall:

The Insurance Council congratulates the Minns Labor Government on the NSW election win and looks forward to working with the new Government on measures that improve community resilience and put downward pressure on insurance costs for households and businesses.

In this context, the new NSW Government should act to remove the Emergency Services Levy from insurance premiums and look at alternative solutions for funding, as shown to work in other states and territories.

At a time when adequate insurance cover is more important than ever, home insurance customers in NSW are paying the most tax in Australia and this is leading to lower levels of insurance when compared to other states.