



# News release

Insurance Council  
of Australia

Tuesday, 24 June 2025

## NSW & Qld budget day – ICA welcomes ongoing ESL reform

The Insurance Council of Australia (ICA) has welcomed the New South Wales Government's renewed commitment in today's State Budget to reforming the Emergency Services Levy (ESL).

Currently, New South Wales is the only mainland state to fund emergency services by taxing insurance customers and the Budget numbers clearly set out the case for the ESL's abolition.

Budget Papers show that the average ESL paid by home insurance customers in the last financial year was around \$285 per policy but that this varied considerably, with insured property owners at the median land value paying from \$107 to \$461 in ESL each year.

This significant spread in tax paid on the same land value is the result of properties' location, exposure to extreme weather risks, level of insurance, and replacement value.

The Insurance Council welcomed the Minns Government's statement that it "continues to work to design a replacement levy that is budget neutral, informed by detailed tax modelling and the views of industry and stakeholders in the wider community".

Without reform, New South Wales insurance customers are forecast to pay \$5.6 billion in ESL over the forward estimates.

The Insurance Council welcomed the allocation by the New South Wales Government, in partnership with the Federal Government, of \$4.2 billion to support recovery efforts, including \$63 million to open land for safe residential development and support relocations in the Northern Rivers.

In its first budget, the Crisafulli Government will deliver an additional \$280 million to improve disaster resilience for communities facing extreme weather.

New South Wales and Queensland are home to the majority of the 300,000 properties across the country that face an extreme or severe risk of flooding, including 171,000 in NSW and 91,000 in Queensland, making today's investments in risk reduction welcome and timely.

However, both governments project combined revenue of more than \$21 billion from insurance-based taxes over the forward estimates, with both states forecast to collect almost \$8 billion each in insurance stamp duty.

The removal of these taxes on household and business insurance is the most immediate way to reduce insurance premiums.

The ICA also welcomed the Queensland Government's ongoing commitment to progress the 2023 Compulsory Third Party Insurance Scheme Review to ensure the sustainability of the scheme.

The ICA continues to work with local, state and federal governments to improve access to affordable insurance and looks forward to ongoing work by the New South Wales Government to deliver its important ESL reform.

### Quote attributable to ICA Deputy CEO, Kylie Macfarlane:

The ICA congratulates the New South Wales Government on its ongoing commitment to reform the ESL and will continue to work with the Government on this important work.

This discourages adequate insurance, placing more pressure on publicly funded recovery services.

The most immediate way to lower insurance premiums is through the removal of state insurance-based taxes, which are reaching record levels in both states.

The insurance industry welcomes the New South Wales and Queensland governments' investments in disaster mitigation that will uplift protections for communities facing extreme weather.

With insured losses already exceeding \$1.5 billion this year and four major flood events across both states so far, every dollar toward risk reduction will help to reduce losses and deliver better resilience.