



News release

Insurance Council
of Australia

Sunday, 15 February 2026

Insurance Council welcomes Emergency Services Levy reform

The Insurance Council of Australia today welcomed the New South Wales Government's commitment to reform the Emergency Services Levy through a Parliamentary inquiry.

After extreme weather risk, the second biggest component of insurance premiums is taxation, with the New South Wales Government collecting \$1.3 billion directly from insurance customers through this tax in 2024-25.

The ESL is levied in proportion to premium costs, meaning households facing greater extreme weather risk, and so higher premiums, pay disproportionately higher taxes.

These are often those with the least capacity to pay – around 70 per cent of households exposed to the highest level of flood risk are in areas where the median income is below the national average and around 35 per cent of these households are in areas where the median income is below the poverty line.

The Parliamentary inquiry announced today by Treasurer Daniel Mookhey is a welcome next step in addressing this burden.

This inquiry is a genuine opportunity to build a fairer, more sustainable system through bipartisan support from across the Parliament that recognises emergency services protect all New South Wales residents, not just those with property insurance.

The Insurance Council looks forward to engaging meaningfully in the Parliamentary inquiry to ensure the reform delivers a more equitable solutions for New South Wales households and businesses.

Quotes attributable to ICA CEO Andrew Hall:

The announcement today by Treasurer Daniel Mookhey is an important next step toward fairer emergency services funding in New South Wales.

The current system has repeatedly been found by multiple independent reviews to be unfair and unsustainable.

We're committed to working with the Government and Parliament to develop a model that improves affordability while sustainably funding emergency services.