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BUSINESS NSW BACKS ACTION ON SKY-HIGH INSURANCE COSTS

The state's peak business body has welcomed a long-overdue move to overhaul the Emergency Services Levy (ESL).

Business NSW CEO Daniel Hunter said the decision to refer ESL reform to a NSW parliamentary inquiry marks a turning point in the push to rein in spiralling insurance premiums.

"We've been fighting for insurance reform for years because the system has been failing small businesses for far too long," he said.

"Businesses are being squeezed by relentless premium hikes and too many simply can't get the cover they need."

Under the present arrangement, emergency services are largely funded through a levy paid only by those who take out property insurance – generating \$1.3 billion for the NSW Government in 2024-25.

The ESL adds at least 23 per cent to the average business insurance premium. Insurance has been the number one cost concern for businesses since 2023.

"We have cafés, manufacturers, farmers and retailers doing everything right – yet they're paying more and getting less. That's not sustainable, and it's not fair," Mr Hunter said.

"Improving premium affordability is especially critical for communities in disaster-prone areas, where securing insurance is difficult and rebuilding after an event is already challenging enough."

NSW is now the only mainland state still relying on an insurance-based levy, with every other mainland jurisdiction moving years ago to a broader property-funded approach.

Mr Hunter said the parliamentary inquiry, together with the Government's forthcoming options paper outlining five alternative levy models, shows NSW is finally serious about meaningful reform.

“Businesses want certainty. They want fairness. And they want a system that doesn’t push them out of the insurance market,” he said.

“This reform is about more than lowering premiums. It’s about building a funding model that is transparent, sustainable and fit for the future.

“We urge all sides of politics to approach this inquiry constructively and deliver the model NSW businesses deserve.”

About Business NSW

Formerly the NSW Business Chamber, **Business NSW** is the peak policy and advocacy body which has been representing businesses in NSW since 1826. We represent almost 50,000 businesses.

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