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BUSINESSES SUPPORT FAIRER PLAN TO FUND OUR FIRE FIGHTERS

Business NSW has put its support behind a plan to reform business insurance and the way our state's emergency services are funded.

The NSW Government today released a [consultation paper](#) on proposed reforms to the Emergency Services Levy. The ESL is collected via insurance premiums and is the way NSW pays for firefighters and our State Emergency Service.

Business NSW CEO Daniel Hunter said "the current system unfairly hits the small to medium enterprise and family business sector the hardest".

"Business insurance has been the number one cost concern for business in 11 of the past 13 [Business Conditions Surveys](#) since December 2019," Mr Hunter said.

"To put this in perspective that beats energy, tax, rent, wages, interest rates, skills, other government charges 11 out of 13 times.

"Business NSW supports the consultation paper and in particular notes the section on business impact. ESL reform is the absolute priority to solve the current cost of doing business crisis, which feeds directly into the cost-of-living crisis.

"SMEs face a double whammy. Smaller business can't self insure and, due to other legal obligations under leases and finance requirements, they also can't opt out of having insurance.

"We support properly resourcing our emergency services. The key is having a sustainable model with everyone who benefits from the emergency services is contributing – not just the households and businesses who pay for insurance."

The consultation paper reveals the existing ESL increases insurance premiums in NSW by around 18 per cent for residential property and around 34 per cent for commercial property.

Businesses in NSW pay considerably more for this insurance than their Victorian counterparts, impacting on whether businesses can afford other types of insurance.

Business NSW's [2023 report into business insurance](#), for example, identified 63% of tourism businesses, 48% of hospitality businesses and 33% of transport businesses as uninsured or underinsured for public liability.

For professional indemnity, it observes 42% of construction businesses and 39% of professional services businesses being uninsured or underinsured.

“Uninsured businesses are vulnerable and their closure may result in bankruptcy, layoffs, legal problems and disrupted services - impacting both business owners and their customers,” Mr Hunter said.

“Business NSW welcomes the opportunity to consult further on new, efficient and equitable funding for Emergency Services in NSW.”

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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