# SUBMISSION TO THE INQUIRY INTO EMERGENCY SERVICES FUNDING REFORM

**Background**

The Property Owners Association of NSW Inc (POA NSW), established in 1951, is the peak body representing everyday property owners across New South Wales. These "mum and dads" account for some 96% of residential property ownership in the state. While 2.3 million individual investors play a central role in Australia's housing market, collectively supplying some 60% residential rental accommodation in Australia.

POA NSW is an independent, non-government funded organisation that draws on the experience and feedback of its membership base to advocate for practical, fair and sustainable policy outcomes.

**Executive Summary**

The Property Owners Association of NSW (POANSW) welcomes the opportunity to contribute to the Legislative Assembly Select Committee's inquiry into Emergency Services Funding Reform. On behalf of 'mums and dads' property owners across New South Wales, this submission supports abolishing the Emergency Services Levy (ESL) on insurance policies and replacing it with a fairer, broader and more sustainable funding model.

In POANSW's view, the current funding model is inequitable and increasingly difficult to justify. It treats an essential public service as though it were an optional add-on to insurance, which places a disproportionate burden on households that act responsibly by insuring their homes while leaving others outside the contribution base.

Emergency services protect everyone in NSW—every citizen, visitor, property, vehicle, and piece of infrastructure.

POANSW advocates for a **broad multi-sector beneficiary model** that spreads the funding burden efficiently and equitably across the entire population. We propose that the ongoing funding pool be shared across the state revenue system, property holdings, and transit sectors.

**The Five Pillars of a Fair and Efficient Funding Model**

POANSW strongly opposes replacing the insurance levy with a model that simply shifts the full financial burden onto everyday property owners. To achieve a more equitable outcome, funding should reflect the breadth of those who benefit from emergency services.

We propose that **a significant portion of the total emergency services cost—in the order of 50%—be permanently carried by State Consolidated Revenue**. The remaining 50% cost should be pro-rated across the remaining sectors, using historical agency dispatch data, ensuring that the financial weighting placed on properties, motor vehicles, boats, and aircraft directly reflects their historical and ongoing share of emergency service calls and operational needs.

**Pillar 1: The NSW Consolidated Revenue Fund (State Government Core Funding)**

Protecting the lives, health, and property of its citizens is the primary, foundational duty of any sovereign government. Emergency services are a universal public good, much like public health, policing, and education.

- **Action:** Direct a baseline funding allocation of approximately 50% of the total state emergency services budget from general state revenue.
- **Justification:** Every person in NSW benefits from a stable, well-resourced emergency services network, regardless of asset ownership. Funding a major percentage via consolidated revenue ensures that all taxpayers contribute equitably to a core function of the state.

**Pillar 2: A Broad, Tiered Property-Based Levy**

POANSW supports transitioning the property-focused portion of emergency funding away from insurance and onto a direct property levy, provided it is designed to protect everyday families.

- **Action:** Implement a broad property levy based on a progressive, tiered land-value framework, aligning closely with **Option A (The Four-Tier Model)** from the Treasury Options Paper, weighted strictly according to historical property-related incident data.
- **Justification:** Shifting the levy to a property base captures all land beneficiaries, eliminates the free-rider problem, instantly strips out the tax loading from home insurance policies, and protects established areas of Sydney via the simplest available structure.
- **Safeguards Recommended:** The model should include robust statutory exemptions, concessions, and hardship provisions for pensioners, self-funded retirees, and low-income "asset-rich, cash-poor" families to help shield them from sudden cost-of-living shocks.

**Pillar 3: A Motor Vehicle Registration Contribution**

A substantial percentage of day-to-day responses managed by the State Emergency Service (SES), Fire and Rescue NSW, and the Rural Fire Service (RFS) involve motor vehicle accidents, highway rescues, and vehicle fires etc.

- **Action:** Introduce a dedicated emergency services contribution attached to annual NSW motor vehicle registrations, pro-rated to match the historical volume of road rescues and traffic incidents.
- **Justification:** Vehicle owners are direct beneficiaries of rapid-response rescue services across the state's road network. Incorporating a vehicle contribution ensures that the funding base reflects actual operational service demand.

**Pillar 4: Boating and Maritime Registrations**

Marine Rescue NSW and state emergency agencies dedicate substantial operational resources to coastal, lake, and river rescue operations.

- **Action:** Incorporate an emergency services contribution into all recreational and commercial vessel registrations in NSW, pro-rated to match historical maritime dispatch data.
- **Justification:** Watercraft owners benefit directly from specialized maritime rescue infrastructure, meaning a portion of the operational cost should be borne by users within the boating sector.

**Pillar 5: Aviation Infrastructure and Airspace User Contributions**

General aviation, commercial transport, and private aircraft operators benefit directly from emergency services and should contribute proportionally to its baseline maintenance.

- **Action:** Implement a dual-stream aviation contribution model consisting of an emergency services levy added directly to annual state-level aircraft registrations for private operators, alongside a flat emergency services surcharge levied on all passenger and freight aircraft departures from New South Wales airports, pro-rated to reflect historical aviation sector emergency support data.
- **Justification:** Spreading costs via registration and departure fees reflects a fairer distribution across the entire transport sector.

**Key Implementation Safeguards**

For this reform to succeed, two critical implementation controls should apply:

1. **Guaranteed Insurance Pass-Through Price Cuts:** The state government should empower the Emergency Services Levy Insurance Monitor via IPART with strong enforcement powers. Insurers should be required to promptly pass on the full 18% to 34% cost savings to consumers once the ESL is abolished. Property owners should not face a "double dip" scenario where they pay a new property levy while insurers quietly retain the old premium margins.
2. **Independent Budget Oversight:** To protect taxpayers from unchecked cost inflation, the annual expenditure and budgets of the RFS, SES, and Fire and Rescue NSW should be subject to rigorous, independent review by IPART to promote operational efficiency and transparency.

**Conclusion**

The Select Committee has a historic opportunity to fix a broken system and deliver genuine cost-of-living relief to the families of NSW. By replacing the insurance tax with a balanced model where **Consolidated Revenue carries 50% of the cost**, and the remaining half is pro-rated across a **Tiered Property Levy (Option A), Vehicle, Boat, and Aviation Infrastructure/User Surcharges** based on historical need, the government will create an efficient, sustainable system where the cost of protection is fairly shared by the entire population who benefits from it.

- Always...

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The Property Owners Association of NSW
poa nsw
*The voice of property owners in NSW*

## We invite you to make a written submission to our inquiry

### Inquiry into Emergency Services Funding Reform

Good morning,

I write as Chair of the NSW Parliament's Legislative Assembly Select Committee on Emergency Services Funding Reform.

The Committee is holding an inquiry into the Emergency Service Funding Reform, which will consider the five replacement levy reform models outlined in the NSW Treasury options paper.

The Committee has published terms of reference, which set out issues that it will investigate as part of this inquiry. The terms of reference are on the Committee's webpage here.

On behalf of the Committee, I would like to invite your organisation to make a written submission to this inquiry. The closing date for submissions is **11.59pm, Friday 19 June 2026**.

You can upload your submission document or enter it as text using the Committee's online portal available here.

For more information about making submissions to a parliamentary committee, please see the **attached** brochure.

If you have any questions about the terms of reference or making a submission, please contact committee staff by emailing emergencyservicesfunding@parliament.nsw.gov.au.

The Committee would greatly appreciate your contribution to this inquiry.

Kind regards,

**Jacqui Scruby MP**
Committee Chair

Legislative Assembly Select Committee on Emergency Services Funding Reform
**Parliament of New South Wales**

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**Integrity – Excellence – Respect**

**Acknowledgement of Country** The Department of the Legislative Assembly acknowledges the Traditional Custodians of the lands where we work and live. We celebrate the diversity of Aboriginal peoples and their ongoing cultures and connections to the lands and waters of NSW. We pay our respects to Elders past, present and emerging.

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[1] "*According the ATO there are some 2.3 million property investors in Australia: Where 71% owned just one investment property; 19% owned two properties; 6% owned three properties; 2% owned four properties; 1% owned five properties; 1% owned six or more investment properties*". https://www.yourinvestmentpropertymag.com.au/news/how-many-propertys-do-investors-own-258529.aspx