



Quarterly Report

July 2025



Acknowledgment of Country

IPART acknowledges the Traditional Owners of the lands where we live and work. Our office is located on Gadigal land and our work touches on Aboriginal lands and waterways across NSW.

We pay respect to their Elders both past and present, and recognise Aboriginal people's unique and continuing cultural connections, rights and relationships to land, water and Country.

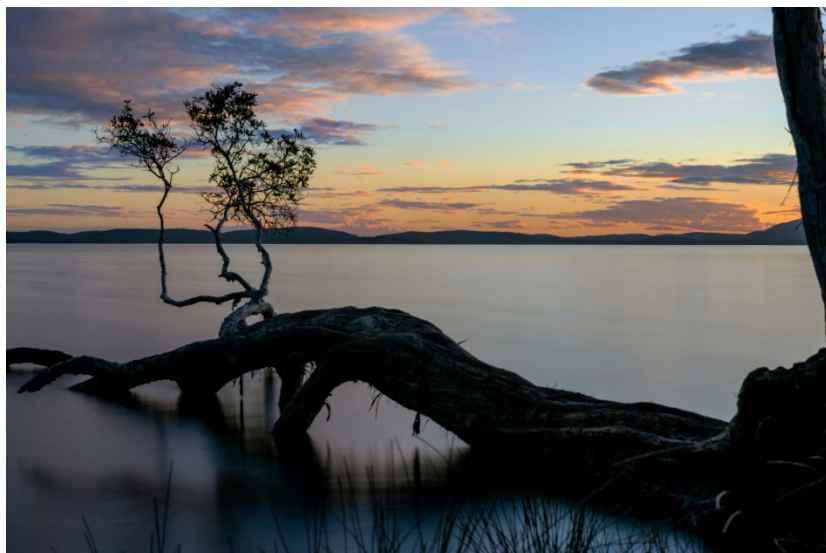


Image taken on Worimi Country (Myall Lakes)

The Independent Pricing and Regulatory Tribunal

IPART's independence is underpinned by an Act of Parliament. Further information on IPART can be obtained from [IPART's website](#).

Tribunal Members

The Tribunal members for this review are:

Carmel Donnelly PSM, Chair
Jonathan Coppel
Sharon Henrick

Enquiries regarding this document should be directed to a staff member:
Caitlin Davies (02) 9019 1931
Matthew Furlan (02) 9113 7727

© Independent Pricing and Regulatory Tribunal (2025).

With the exception of any:

- a. coat of arms, logo, trade mark or other branding;
- b. photographs, icons or other images;
- c. third party intellectual property; and
- d. personal information such as photos of people,

this publication is licensed under the Creative Commons Attribution-NonCommercial-NoDerivs 3.0 Australia Licence.



The licence terms are available at the [Creative Commons website](https://creativecommons.org/licenses/by-nc-nd/3.0/au/)

IPART requires that it be attributed as creator of the licensed material in the following manner: © Independent Pricing and Regulatory Tribunal (2025).

The use of any material from this publication in a way not permitted by the above licence or otherwise allowed under the Copyright Act 1968 (Cth) may be an infringement of copyright. Where you wish to use the material in a way that is not permitted, you must lodge a request for further authorisation with IPART.

Disclaimer

This document is published for the purpose of IPART fulfilling its statutory or delegated functions as set out in this document. Use of the information in this document for any other purpose is at the user's own risk, and is not endorsed by IPART.

ISBN 978-1-76049-824-5

Contents

1	About this report	5
2	Our work in the context of the Emergency Services Funding reform	6
3	Our activities from April to June 2025	7
3.1	We are designing our approach to collecting and utilising data to support our functions	7
3.2	We are developing our approach to assessing over-collections of the ESL	8
3.3	We are developing our approach to monitoring prohibited conduct and enforcing compliance with the Act	9
3.4	We are developing our approach to monitoring the impact of the reform	11
4	Stakeholder engagement	12
4.1	Engagement with insurance customer representatives	12
4.2	Engagement with industry stakeholders	12
4.3	Engagement with the NSW Government and co-regulators	13

1 About this report

This is the Independent Pricing and Regulatory Tribunal's (IPART) 4th quarterly report on the performance of our functions as the NSW Emergency Services Levy Insurance Monitor (Insurance Monitor).^a

Our role as Insurance Monitor is to give the community confidence that insurers will remove the Emergency Services Levy from their insurance premiums as NSW transitions to a new model for funding Fire and Rescue NSW, the NSW State Emergency Service and the NSW Rural Fire Service (together, the NSW emergency services).

More information about our role and links to our previous reports are available on our [website](#).

^a Under section 10 of the *Emergency Services Levy Insurance Monitor Act 2024*, we must provide these reports on our performance to the Treasurer every quarter and publish them on our website.

2 Our work in the context of the Emergency Services Funding reform

Over the 1 April to 30 June 2025 quarter, IPART has continued to progress its work to prepare to deliver our Insurance Monitor functions.

The NSW Government announced in its 2025-2026 Budget 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.”¹

The NSW Government recognised in the Budget Statement that “[t]he Independent Pricing and Regulatory Tribunal has progressed its work as the Insurance Monitor to prepare its approach for monitoring the removal of the ESL from insurance premiums.”²

3 Our activities from April to June 2025

The *Emergency Services Levy Insurance Monitor 2024 Act* (the Act) gives the Insurance Monitor a range of functions. These functions can be summarised into three categories, set out in Figure 3.1.

Figure 3.1 The Insurance Monitor's functions

Over-collection of the ESL	Prohibited conduct	Monitor prices and the reform
<ul style="list-style-type: none"> Investigate and assess whether insurers over-collect ESL Accept refund undertakings from insurers Institute proceedings to enforce refund undertakings 	<ul style="list-style-type: none"> Monitor prohibited conduct Receive complaints about prohibited conduct Investigate and institute proceedings 	<ul style="list-style-type: none"> Monitor insurance prices Monitor the impact of the emergency services funding reform Provide information, advice and guidance

We are also required to publish quarterly reports such as this one and any other reports as required by the NSW Treasurer. We may also publish guidelines relating to the operation and enforcement of the Act and regulations, including on when conduct may be regarded as prohibited conduct.

3.1 We are designing our approach to collecting and utilising data to support our functions

The Insurance Monitor is committed to taking a data-driven approach, using high quality and up-to-date information to deliver our functions. We have recently engaged with all insurers registered to contribute to the Emergency Services Levy (ESL). We have powers to require insurers to provide information. We are establishing our approach to collecting and using data so that we:

- protect the privacy of insurance customers' personal and financial information
- securely access and hold insurers' commercial information
- collect the information we require to fulfil our functions, while minimising insurers' cost of compliance.

3.2 We are developing our approach to assessing over-collections of the ESL

One of our functions under the Act is to investigate and assess whether insurance companies are liable for an over-collection amount in the final years of the scheme. We will work to ensure that an insurance company that is liable for an over-collection amount issues refunds to relevant policyholders if practicable or pays the over-collection amount to the Chief Commissioner for State Revenue.³ For more information see Box 3.1

This quarter, we met with insurers (outlined below at Section 4.2) to gather information on how insurers collect the ESL each year. We sought specific information on current industry practices, including how insurers calculate ESL rates, and how insurers balance ESL collection activity throughout the year.

We will take into account the information we obtain from insurers and customers as we develop our approach to assessing over-collection amounts and where appropriate taking action to protect customer interests and require refunds of over-collection amounts.

Box 3.1 When are insurance companies liable for an over-collection amount?

Under the ESLIM Act:

1. An insurance company is liable for an over-collection amount in the final years of the scheme if the total amount collected by the insurance company in the final years of the scheme exceeds the total amount contributed by the insurance company in the final years of the scheme.

The final years of the scheme are defined in the Act as the following financial years:

- a. the financial year commencing on 1 July 2023,
- b. the financial year commencing on 1 July 2024,
- c. a financial year that commences after 1 July 2024 in which a contribution under the *Emergency Services Levy Act 2017* is levied.

Note: The **collection amount** is the amount of Emergency Services Levy that, in the Insurance Monitor's opinion, the insurance company collected from relevant policyholders.

The **contribution amount** is the contribution payable by the insurance company to the Chief Commissioner of State Revenue under the Emergency Services Levy scheme.

Source: *Emergency Services Levy Insurance Monitor Act 2024*, s 30, 32.

We are developing a robust data-driven process for assessing over-collection amounts, using data provided by Revenue NSW. We are developing our approach to:

- serving notices on insurers when we assess that they are liable for an over-collection amount
- receiving and handling any objections insurers may raise in response to being assessed as being liable for an over-collection amount
- accepting refund undertakings from insurers to issue refunds to relevant policyholders and/or remit over-collection amounts to the Chief Commissioner of State Revenue
- enforcement actions if insurers fail to comply with accepted refund undertakings or fail to offer an acceptable refund undertaking.

We will release draft over-collections guidelines for public consultation.

3.3 We are developing our approach to monitoring prohibited conduct and enforcing compliance with the Act

Our functions under the Act include monitoring, investigating and instituting proceedings in relation to prohibited conduct or contraventions of the Act or regulations.⁴ Prohibited conduct includes price exploitation and false or misleading conduct – see Box 3.2.

Box 3.2 Prohibited conduct under the *Emergency Services Levy Insurance Monitor Act 2024*

There are two types of prohibited conduct defined under the Act: price exploitation and false or misleading conduct in relation to the emergency services funding reform.

Under s 13 of the Act an insurance company engages in **price exploitation** if –

- a. the insurance company issues, or has during the relevant period issued, a regulated contract of insurance, and
- b. the price for the issue of the regulated contract of insurance is unreasonably high, having regard to –
 - i the emergency services funding reform, and
 - ii the emergency services contributions required to be paid by the insurance company, and
 - iii the historical emergency services levy rates charged by the insurance company, and
 - iv the costs of supplying insurance against loss of or damage to property, and
 - v the fees or charges charged by the insurance company, and
 - vi other matters prescribed by the regulations.

Box 3.2 Prohibited conduct under the *Emergency Services Levy Insurance Monitor Act 2024*

Under s 14 of the Act, a person engages in **false or misleading conduct** in relation to the emergency services funding reform if the person engages in conduct, trade or commerce, that –

- a. falsely represents, whether expressly or impliedly, the effect, or likely effect, of the emergency services funding reform, or
- b. misleads or deceives, or is likely to mislead or deceive, a person about the effect or likely effect of the emergency services funding reform.

Source: *Emergency Services Levy Insurance Monitor Act 2024*, ss 13-14.

In this quarter, we have continued developing our strategy and operating model for monitoring and investigating prohibited conduct by insurers and enforcing compliance with the Act. We will monitor and enforce compliance in an outcome-focused, risk-based, and proportionate way. We have an important role in monitoring the removal of the ESL from insurance premiums, and we will take action to promote compliance and respond to any failure by insurers to meet their obligations.

We will publish guidelines on prohibited conduct that clearly explain our expectations for insurers. Stakeholders will have the chance to provide feedback on our approach when we publish draft guidelines for consultation.

Monitoring insurance premiums

One of our functions under the Act is to monitor prices for the issue of regulated contracts of insurance.⁵ We will monitor prices to check whether insurance companies pass on the expected savings of removing the ESL on to consumers. This will assist the Insurance Monitor to assess the general effect of the reform on insurers' prices, and to detect and respond to prohibited conduct including price exploitation.

NSW Treasury identified that the ESL increases insurance premiums by about 18% for residential property.⁶ However, insurance premiums are impacted by several factors such as inflation, natural disaster risks, and reinsurance costs. It is not always simple for policyholders to understand why their premium has changed year to year. The Insurance Monitor's price monitoring will help to verify whether insurers pass on the expected savings to policyholders.

To deliver this function, we will track insurance premiums over time and analyse those premiums using modelling to help identify potential price exploitation. We have engaged actuarial consultants to support the design and implementation of the model.

Receiving complaints about prohibited conduct

One of our functions under the Act is to receive complaints about prohibited conduct and to deal with these complaints in accordance with the Act.⁷ Monitoring complaints from customers about their insurers will be an important source of information for us to monitor insurer conduct. The Insurance Monitor is not a dispute resolution body,^b but we are aware that customers may need help to navigate concerns about pricing and conduct. We are building links with other regulators and dispute resolution bodies so that we can connect customers with the help they need.

In this quarter, we have continued designing our systems for customers to understand what to expect from their insurers and to make it easy to contact us and make a complaint. We have been designing webforms for customers to use when making complaints about their insurers' conduct, or when they need to ask the Insurance Monitor questions or send us feedback. Our webforms will be easy to navigate and accessible and will allow customers to upload relevant information. We will make those webforms available soon after the Government has announced the expected reform and transition start date. Until then, customers can still contact the Insurance Monitor via our dedicated mailbox at insurancemonitor@ipart.nsw.gov.au.

We have continued to design a customer service portal for the Insurance Monitor during this quarter. We will use the portal to analyse the information that customers submit and respond to the customer complaints, enquiries or feedback.

3.4 We are developing our approach to monitoring the impact of the reform

One of our functions under the Act is to monitor the impact of the emergency services funding reform on the insurance industry and levels of insurance coverage.⁸

In its consultation paper on the reform, the NSW Government said that "property owners in NSW have the highest proportion of buildings without insurance and are likely to have the highest level of underinsurance compared with other states."⁹ The NSW Government also said in the same paper "It]he Emergency Services Levy is generally passed onto policyholders by insurers. It increases the price of insurance by adding to the base premium, and consequently also by increasing the price on which goods and services tax (GST) and stamp duty are levied."¹⁰

The Insurance Monitor will monitor the changes in insurance coverage over the period of the reform and assess the extent to which changes in insurance coverage can be attributed to the reform. We will also monitor the impact of the reform on the insurance industry.

To deliver this function, the Insurance Monitor is developing a methodology for measuring the level of insurance coverage and for assessing the change in insurance coverage that is attributable to the reform. Similarly, we are developing an approach to measuring the impact on the insurance industry.

^b A dispute resolution body helps two parties resolve legal disputes outside of court. The dispute resolution body for most insurance related disputes will be the [Australian Financial Complaints Authority](#).

4 Stakeholder engagement

4.1 Engagement with insurance customer representatives

We have begun engagements with a range of organisations that represent insurance customers' interests. We are planning to hold engagements with those groups throughout the next quarter. Our focus will be on:

- raising awareness of our functions with those groups' stakeholders,
- understanding how the Insurance Monitor can establish policy settings that support customers, and
- identifying best-practice mechanisms for customers to contact the Insurance Monitor if they have issues with the removal of the ESL from an insurance policy – including customers from diverse language backgrounds or who require support.

Customer groups we are engaging with at this stage include Business NSW, NSW Farmers Federation, Choice, the Financial Rights Legal Centre, Australian Consumers Insurance Lobby, and the Consumers Federation.

Insurance customers will have further opportunities to provide feedback throughout our appointment. We will provide opportunities for all stakeholders to have input on our work, particularly when we publish our draft guidelines.

4.2 Engagement with industry stakeholders

We are engaging with the insurance industry. This quarter, to inform the development of our overcollections work, we invited the Insurance Council of Australia to identify insurers open to discussing their approach to calculating and recovering the ESL through their insurance premiums. Insurance Monitor staff met with representatives of Insurance Australia Group, Guild Insurance, Suncorp Insurance, and Allianz.

We will continue to engage with a range of insurers as we develop our functions. We are preparing to engage further with all insurance companies commencing in the next quarter. Insurers may at any stage reach out to the Insurance Monitor regarding the reform transition, and they will have opportunities to have input on our work including draft guidelines.

4.3 Engagement with the NSW Government and co-regulators

We have continued to regularly engage with the NSW government agencies leading the reform, including NSW Treasury, to ensure the policy settings for the Insurance Monitor's role are aligned with the reform objectives. We have also consulted with other State and Federal regulators to inform the design of our practices and operating models.

We have engaged closely with Revenue NSW throughout this quarter to inform the development of our overcollections function. Revenue NSW has shared data with us on the amount of ESL collected, and the amount of ESL owed, by insurance companies and insurance brokers over the past several years. We will continue to work closely with Revenue NSW to receive regular updates on the amount of ESL collected by insurers each year.

¹ NSW Government, [2025-2026, Budget Paper No.1 Budget Statement – Revenue](#), p 8.

² NSW Government, [2025-2026, Budget Paper No.1 Budget Statement – Revenue](#), p 8.

³ *Emergency Services Levy Insurance Monitor Act 2024*, s 31.

⁴ *Emergency Services Levy Insurance Monitor Act 2024*, s 7(b).

⁵ *Emergency Services Levy Insurance Monitor Act 2024*, s 7(c).

⁶ NSW Government, [Reforming the emergency services funding system](#), April 2024, p 5.

⁷ *Emergency Services Levy Insurance Monitor Act 2024*, s 7(f).

⁸ *Emergency Services Levy Insurance Monitor Act 2024*, s 7(d).

⁹ NSW Government, [Reforming the emergency services funding system](#), April 2024, p 9.

¹⁰ NSW Government, [Reforming the emergency services funding system](#), April 2024, p 8.