



PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

Election Costing Request Form

Details of request	
Party:	Liberals/ Nationals
Name of Policy:	Support our rural firefighters in better protecting our communities
Date of request:	10 March 2015

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	Attachment A
What is the purpose or intention of the policy?	Equip our rural firefighters with the tools they need to better protect our communities in times of crisis.
Has the policy been publicly released yet?	N/A

Your estimated costing of the policy ¹						
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	4 Yr Total \$'000	Other years ² \$'000
Impact on General Government Sector (GGS) net operating result ³	-	- 897	312	695	110	
Impact on GGS capital expenditure ⁴	-	3,278	1,785	-310	4,753	
If different from above, impact on total State Sector net financial liabilities ⁵						

¹ Amounts should be expressed in nominal dollars. GGS - General Government Sector.

² Please provide information on other years if spending occurs outside the forward estimate years and will be required to cost the policy.

³ Negative for a saving that reduces expenditure

⁴ Negative for a reduction in capital expenditure.

⁵ Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.

Note: Has the policy been costed by a third party?
If yes, can you provide a copy of this costing and its assumptions?

Key assumptions made in the policy	
Does the policy relate to a previous announcement? If yes, which announcement?	N/A
What assumptions have been made in deriving the financial impacts in your estimated costing? <i>(See checklist)</i>	See Attachments A & B
Is there a range for the costing or any sensitivity analysis that you have undertaken?	N/A
Are there associated savings, offsets or expenses? If yes, please provide details.	See Attachments A & B

Administration of policy	
Intended date of implementation:	1 July 2015
Intended duration of policy:	Ongoing
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	Office of the NSW Rural Fire Service
Are there any specific administrative arrangements for the policy that need to be taken into account?	N/A
Are there transitional arrangements associated with policy implementation?	N/A

If the policy is mainly an expenditure⁶ commitment	
Demand driven or a capped amount:	See Attachments A & B
Eligibility criteria or thresholds:	See Attachments A & B

If the policy is mainly a revenue commitment	
Transaction based or capped:	-
Thresholds and/or exemptions:	-
Collection method:	-
Additional expenditure associated with collection:	-

⁶ Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.

If the policy is mainly a capital costs⁷ commitment	
Type of work, size and capacity:	See Attachments A & B
Proposed start and completion date of work:	See Attachments A & B
Intended construction schedule/cashflow:	See Attachments A & B
Offsetting expenditure savings:	See Attachments A & B
Associated asset sell off (if any):	See Attachments A & B
On-going maintenance, depreciation and operational expenses:	See Attachments A & B
Third party funding involvement:	See Attachments A & B

Checklist for key assumptions (please be comprehensive and include all relevant assumptions). Assumptions could include, but are not limited to, questions such as:

- What is the expected community impact?
- How many people will be affected by the policy?
- What is the likely take up or other behavioural response you expect?
- Is there a cap on total spending proposed, a funding formula, resource agreement or other mechanism of this nature associated with the policy?
- Will third parties have a role in funding or delivering the policy (e.g. Commonwealth Government)?
- Will funding/program cost require indexation?
 - If yes, do you have any assumptions about the index that should be applied?
- What assumptions have you made about costs of administering the policy?
 - For example, will additional staff be needed in the agency responsible for the policy?
 - If you have assumptions on this, how many and at what approximate levels?
 - Are there other administrative resources required?
 - Alternatively, are you assuming administrative costs will be absorbed within the agency?

Please note that:

- The costing will be on the basis of information provided in this costing request.
- The PBO is not bound to accept the assumptions provided by the requester. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requester in advance of the costing being completed.
- Where the details of the policy costing request differ from the announced policy, the costing will be on the basis of the information provided in the costing request.
- These guidelines are intended to facilitate requests for costing election policies. Persons preparing such requests who wish further assistance are invited to contact the staff of the Parliamentary Budget Office.

⁷ Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance. The capital cost of the asset to be acquired will however be included in net financial liabilities.

A re-elected Baird Government will support our rural firefighters in better protecting our communities



The Baird Government is committed to equipping our rural firefighters with the tools they need to better protect our communities in times of crisis.

Sadly NSW has seen its fair share of horrific bush fires. To ensure that our Rural Fire Service has all the tools necessary to fight fast moving and dangerous bush fires which are often in rugged and inaccessible terrain we will pilot the use of Large Air Tankers (LAT) to support our existing fleet of bush fire aircraft.

We will increase community resilience against the impact of bush fires by targeting the protection of almost 600,000 homes over the next four years through hazard reduction works and almost 750,000 hectares of hazard reduction activities.

Currently there is a lack of consistency to the maintenance and signage of bush fire trails which impedes firefighter access and essential hazard reduction works. We will give the RFS the powers they need to ensure a functional fire trail network across the state is established and maintained to a consistent and high standard to better facilitate hazard reduction activities.

With the significant threat to land and property in remote and regional areas significant, it is important to have appropriately trained personnel. The Baird Government will construct four regionally based remote area fire fighting training centres to provide training and certification facilities for volunteer remote area firefighters. These will be located in the Central West, Southern and Northern regions and an additional centre will cater for the bush fire demands of Western Sydney.

A re-elected Baird Government will:

- ✓ Pilot the use of Large Air Tankers (LAT) to combat serious bush fires
- ✓ Commit to additional hazard reduction activities
- ✓ Provide NSW with an enhanced fire trail network
- ✓ Invest in four regionally based fire fighting training centres
- ✓ Provide the public with important bush fire information in their locality through an online portal

The provision of these regionally based facilities will reduce the travel time for volunteers in obtaining and/or maintaining their accreditation as remote area firefighters.

The Baird Government will develop a web portal that consolidates bush fire risk and treatment information such as past, present and future hazard reduction activities, fire trail networks, and historical bush fire information across the State. This information will be accessible to the general public through a new web portal called 'Guardian'. This web portal will be linked to the successful 'Fires Near Me' app.

This comprehensive package will help increase community resilience against the impact of fires through prevention and preparedness activities.

Back the Baird Plan and Keep NSW Working.

2015 Election Policy Costing

Proposal Title: Equipping our rural fire fighters with the tools to better protect our communities

Lead Agency: Office of NSW Rural Fire Service

General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. Depreciation)	0	12,832	12,575	2,634	28,041
Depreciation	0	197	310	310	817
Less: Agency Offsets	0	0	0	0	0
Agency Revenue	0	13,926	12,572	2,249	28,748
Net Operating Result:	0	897	-312	-695	-110
Capital Expenditure	0	3,475	2,095	0	5,570
Capital Offsets	0	0	0	0	0
Less Depreciation	0	197	310	310	817
Net Capital Expenditure:	0	3,278	1,785	-310	4,753
Net Lending/Borrowing:	0	-2,381	-2,097	-385	-4,862
Net Financial Liabilities:	0	2,381	4,478	4,862	

Notes and costing assumptions used:

Proposal comprises improvement of ICT system, trial of additional aircraft, continuing hazard reduction, improve maintenance of fire trail, and purchase of additional remote area fire team trailers.

Costing is based on 14.6% Government contribution share of the total value of the policy.

- ICT system: Capital costs will be \$5.2m across two years from 2015-16, and recurrent expenses will be \$357k in 2016-17 and \$395k per annum thereafter. Costing is based on information made available from the work undertaken in the development of a full business case.
- Very Large Air Tanker Trial: The trial will be through an operating lease costing \$9.8m per annum (recurrent) over two years.
- Hazard Reduction Target: this will be funded from within the existing resources allocated to Fire Mitigation in the agency's recurrent budget.
- Remote Area Fire Teams (RAFT) and remote training facilities: the costing includes a one-off capital cost of \$1m in 2015-16 for RFS to vest the four remote training facilities to be constructed by Local Councils, and \$350k for the purchase of the five RAFT trailers. There is also an ongoing cost of \$80k per annum from 2015-16.

The revenue is from the emergency services levy based on funding services model for RFS, SES and Fire and Rescue.