



Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Australian Labor Party
Date Referred: 7/12/2018

Proposal No: A187
Date Published: 18/03/2019

Proposal Title: Additional 200 Firefighters

Cluster: Justice

General Government Sector Impacts

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	4 year Total \$'000
Expenses (ex. depreciation)	-	9,743	18,464	27,824	56,030
Depreciation	-	115	115	168	398
Less: Offsets	-	574	3,101	5,432	9,106
Revenue	-	9,624	13,120	21,509	44,253
Net Operating Balance:	-	340	(2,358)	(1,051)	(3,069)

Capital Expenditure	-	2,100	-	2,794	4,894
Capital Offsets	-	-	-	-	-
Net Capital Expenditure:	-	2,100	-	2,794	4,894

Net Lending/(Borrowing):	-	(1,645)	(2,243)	(3,677)	(7,565)
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Total State Sector Impacts

Net Lending/(Borrowing):	-	(1,645)	(2,243)	(3,677)	(7,565)
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Notes and costing assumptions

This costing proposes engaging an additional 200 firefighters in Fire and Rescue NSW, in increments of 50 each calendar year from 2020 to 2023, and includes training and capital costs for these additional firefighters.

Key Assumptions:

These figures capture the salary and other costs for employing 50 new firefighter recruits each calendar year. It is assumed that the 50 new recruits will be trained in addition to the average 96 firefighters per year to replenish normal workforce churn rates. The on-costs included for these additional firefighters are based on the 2017-18 audited financial statements, and then escalated at a rate of 2.5 per cent, consistent with the government wages policy.

This costing also includes savings from reduced overtime (arising from the availability of additional firefighters) and also from the release of firefighters into the general reliever pool.

Note that under the Emergency Services Levy legislation, the cost of emergency service agencies is met from insurance companies, local and state government. Only 14.6 per cent of recurrent and capital costs (excluding depreciation and other non-cash items) are funded through the Consolidated Fund, with the remainder funded by Local Government (11.7 per cent) and insurance companies (73.7 per cent). This external funding is treated as revenue for the general government sector.