



The Honourable Victor Dominello MP
Minister for Digital
Minister for Customer Service

*Our reference: BN-03862-2021
Your reference: D21/14676 & BN-02557-2021*

Ms Carmel Donnelly
Chair
IPART
By email: ipart@ipart.nsw.gov.au

Dear Ms Donnelly

I am writing in response to your correspondence on the revised terms of reference for an IPART review of Fire and Rescue NSW's fee charging model.

In April 2021, pursuant to section 12 A of the Independent Pricing and Regulatory Tribunal Act 1992, I referred the matter to the Tribunal for investigation and report. I note that IPART gave notice of this referral and sought public comment on the draft terms of reference.

I have considered the revised terms of reference you provided and I am pleased to issue IPART with the final terms of reference (attached).

The Tribunal is requested to conduct a review, with the final report to be completed and provided to the Minister of Police and Emergency Services within 8 months of receiving the final terms of reference.

Yours sincerely

Victor Dominello MP
Minister for Digital
Minister for Customer Service

Date: 18/07/21

Draft Terms of Reference – Review of Fire and Rescue NSW’s fees and charges

I, Victor Dominello, Minister for Customer Service, under section 12A of the Independent Pricing and Regulatory Tribunal Act 1992 (IPART Act), request the Independent Pricing and Regulatory Tribunal (IPART) to investigate and report on fees and charges levied by Fire and Rescue NSW.

Background

Fire and Rescue NSW (FRNSW) is the State Government agency responsible for the provision of fire, rescue and hazmat services in cities and towns across New South Wales in accordance with the Fire and Rescue NSW Act 1989, the State Emergency and Rescue Management Act 1989 and other related legislation.

FRNSW’s activities are predominantly funded by the Emergency Services Levy paid by insurers of property in NSW, via insurance levies, and local councils, as well as NSW Budget funding. FRNSW does not charge for attending fires, or attending hazardous materials emergencies for less than one hour, or for rescue operations.

However, FRNSW may charge for some of its activities as prescribed by the Fire Brigades Regulation 2014 (FB Regulation).

Fees and charges as prescribed within the FB regulation have not been reviewed for several years. With the pending repeal of the FB Regulation, there is an opportunity to review current charges in line with modern practices and determine the most appropriate pricing model.

Reference to the Tribunal

The Minister requests IPART to review FRNSW’s current charging model, and make recommendations on:

- Which FRNSW services should be subject to user-pays charges
- A pricing framework to recover the efficient costs of those services, including:
 - A methodology or level for prices from 1 September 2022
 - A methodology for reviewing and adjusting prices in future
 - A regulatory framework for applying those prices.

Matters for consideration

- The efficient cost of delivering the services in question
- Appropriate incentives for service users to avoid incidents and events that require FRNSW attendance (eg, fire alarm maintenance to prevent false alarms, safe handling of hazardous materials etc)
- Any public benefit of the FRNSW’s activities which should not be charged to the service user.

Consultation

IPART must undertake such consultation as is required under the IPART Act and may undertake such further consultation as it considers appropriate, including with key stakeholders such as:

- ▣ Principal Certifying Authorities
- ▣ Planning authorities
- ▣ Consent authorities
- ▣ Local Councils
- ▣ Developers
- ▣ Hydraulic / Fire Engineers
- ▣ Building Owners
- ▣ Other (Federal and State) Government agencies.

Reporting

IPART should publicly release a draft report for comment, and submit a final report to the Minister for Emergency Services within 8 months of receiving these final terms of reference.