



IPART Independent
Pricing and Regulatory
Tribunal | NSW

Draft charges for Fire and Rescue
NSW's other services

Information Paper

December 2021



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The Independent Pricing and Regulatory Tribunal (IPART) is reviewing Fire and Rescue NSW (FRNSW)'s fees and charges. Our review will recommend which of its services should have user charges and how FRNSW should recover the costs of providing those services. Our recommendations will inform a review of the *Fire Brigades Regulation 2014* (FB Regulation), and any new charges should apply from 1 September 2022.

In our [Issues Paper](#) we listed 'other services' that FRNSW had identified as suitable for charging and didn't fall into the other categories of attending hazardous material (hazmat) incidents, fire safety in the built environment, or false fire alarm call outs.

This information paper sets out our draft recommendations on charges for FRNSW's 'other services', and is structured as follows:

- Section 1 summarises our draft recommendations on FRNSW's charges for other services
- Section 2 provides an overview of FRNSW's other services and current charges
- Section 3 explains our approach in making our draft recommendations
- Sections 4 to 6 provide our assessment of charging options, analysis of the efficient costs of FRNSW's other services, recommended charges for monopoly services
- Section 7 discusses the impacts of our draft recommendations.

This draft information paper is supported by our Draft Report. Separate information papers detail our analysis and draft recommendations on charges for false alarm call outs, automatic fire alarm management, hazardous material incidents, and fire safety in the built environment.

Have your say

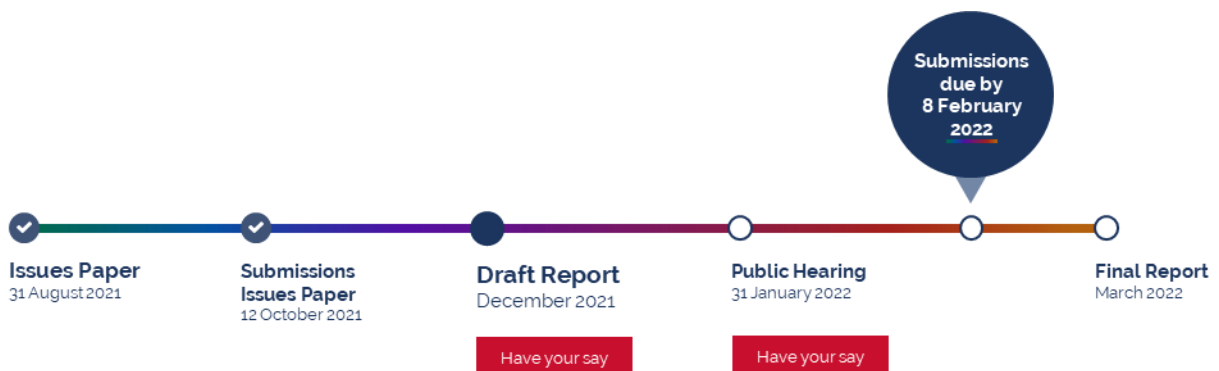
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Timeline for this review



1 Summary of our draft recommendations

Our draft recommendations regarding FRNSW's other services are outlined in Table 1 below.

Table 1 Summary of draft recommendations

Service description	Recommendation	Charges set in Regulation
Charged arrangements with other agencies and jurisdictions. These services include: <ul style="list-style-type: none"> shared services with the Rural Fire Service (RFS) and the State Emergency Service (SES), including business software systems hosting and operations support call taking and dispatch services for RFS and SES access to the Emergency Services Academy in Western Sydney. 	Charge as agreed with beneficiary agency in charged arrangements	No
Uncharged shared services to other agencies. These services include: <ul style="list-style-type: none"> providing staffing assistance to Ambulance NSW remote piloted aircraft services (RPAS or "drone" services). 	Review and develop charged arrangements with beneficiary agencies	No
Training courses and other services offered by Comsafe, a registered training organisation operated by FRNSW	Continue to develop and charge competitive fees	No
Attending water fire incidents outside a fire district	Charge as per attending a hazmat incident	Yes
Responding to requests for incident information by owners/occupiers of premises	Charge fixed fee equivalent to GIPA application fee (\$30)	Yes
Attendance at events	Develop a schedule of fees to charge.	No. Service to be referenced in Regulation but charges not prescribed
Rescues from lifts	Develop and charge a competitive fee	No. Service to be referenced in Regulation but charges not prescribed
Reptile handling	Develop and charge a competitive fee	No. Service to be referenced in Regulation but charges not prescribed

2 FRNSW's other services and charges

FRNSW identified a range of 'other services' which include services provided to other agencies and jurisdictions, and some miscellaneous other services which should be examined as part of this review. There are no cost-recovery arrangements for most of these 'other services' and, where there are charges, these charges have not been recently reviewed or aligned with up-to-date policies.

2.1 Services provided to other agencies and jurisdictions

FRNSW provides a range of services to other NSW Government agencies and to other States and Territories, including:

- shared services with the Rural Fire Service (RFS) and State Emergency Services (SES), including business software systems hosting and operations support (currently charged)
- call taking and dispatch services for RFS and SES (currently charged)
- access to the Emergency Services Academy in Western Sydney (currently charged)
- providing staffing assistance to Ambulance NSW (not currently charged)
- remote piloted aircraft services (RPAS or "drones") which FRNSW uses for aerial surveys during fire and hazmat incidents. FRNSW also deploys the drones for the RFS during bushfires, and for the National Parks and Wildlife Service and other land management agencies on request (not currently charged).

FRNSW has cost-recovery arrangements for some of these services; however, it does not recover its costs for providing most of these services.

2.2 Training and other services provided by Comsafe

ComSafe Training Services is the commercial training division of FRNSW and is a Registered Training Organisation (RTO), specialising in workplace emergency response and high-risk technical training. FRNSW also uses Comsafe to deliver emergency and rescue standby personnel at events and for media productions.

ComSafe charges competitive rates for course fees.

2.3 Attending a fire outside a fire district

In addition to responding to fires within its fire districts (where it is explicitly prevented from charging), FRNSW may respond to fires outside its fire districts. NSW land outside a FRNSW fire district comprises the RFS fire districts. FRNSW may be asked to assist RFS and, in some cases, may be better placed to respond to a fire in a building on the urban fringe than the RFS.

FRNSW can charge the owner of the relevant property or vessel for responding to a fire outside its fire districts. However, in practice it does not. The rationale for this appears to be that the Emergency Services Levy funds both FRNSW and the RFS, so a land-based property in NSW is likely to have already paid for a fire response, whether it comes from the RFS or FRNSW.

We do not recommend a change to the policy for FRNSW to charge for attendance at land-based fires outside of a fire district.

FRNSW may also respond to fires on waters which are not in its fire districts. One such fire took place on board the bulk carrier ship *Iron Chieftain* in 2018 while it was unloading cargo at Port Kembla. Over the 7-day duration of the incident, a total of 245 FRNSW appliances and 192 officers and specialist staff attended the fire.¹ FRNSW did not recover any of its costs.

2.4 Responding to requests for information about incidents

Owners or occupiers of property that have been involved in an incident attended by FRNSW can apply for information about the incident.² FRNSW does not currently charge for responding to these requests for information, which may be required for insurance claims. Other requests for information are managed through arrangements under the *Government Information (Public Access) Act 2009* (GIPA Act).

Interstate fire agencies such as the Northern Territory Police and Fire Emergency Services (NTPFES) and the Western Australian Department of Fire and Emergency Services (WADFES) similarly handle these requests without charge for incident reports or with a formal charge through the state's equivalent of the GIPA Act. However, the general WADFES fire incident report is only available for residential properties³ and it is unclear whether the NTPFES general request covers fire incidents.⁴

The Victorian Country Fire Authority appears to be the only Australian fire agency currently charging for incident reports. Its charges range from a summary report for \$50 to an investigation report (if an investigation has been conducted) for \$80.⁵

2.5 Attendance at events

FRNSW attends major and special events at the request of event organisers.

The NSW User Charges Policy outlines whole-of-government guidelines for the application of user charges for major and special events. The policy applies to all agencies, but specifically names NSW Police, NSW Ambulance and Transport for NSW. It outlines how charges can ensure the efficient and fair use of these public resources, with pricing based on avoidable cost. The policy also allows the government or agencies to conduct assessments to waive charges depending on the event category and certain criteria.⁶

FRNSW has a User Pays Charging Policy for major and special events that is consistent with the NSW User Charges Policy in how events are categorised and the criteria for determining whether they can be charged.⁷ For example, FRNSW does not charge when the event is not for profit, for ANZAC Day, or for community engagement. When FRNSW does charge, the charges are the hourly staff rates and consumable costs as set out in Schedule 3 of the FB Regulation.

By way of comparison, NSW Police and NSW Ambulance have detailed schedules of fees that are charged to users for cost recovery of their attendance at events, in accordance with the NSW User Charges Policy.

- NSW Police charges attendance of police officers at \$119 per hour. They also have hourly rates for specific vehicles required and include running costs.⁸
- NSW Ambulance charges a minimum rate of \$1227 per ambulance with two paramedics for a period of up to 3 hours on-site and \$153 per additional half hour. This charge also covers preparation of equipment and vehicles, and travel to and from the event.⁹

These charges are higher than those currently levied by FRNSW.

Some event attendance applications are handled by Comsafe, FRNSW's RTO discussed in section 2.2. However, we understand that others are dealt with directly by local fire stations. The details of when charges are applied and waived in practice is not currently available.

2.6 Rescues from lifts

FRNSW data shows it is being called to an increasing number of lift rescue incidents. This increase is likely due to the growing number of high-rise apartments and ageing lifts that are not being upgraded or adequately maintained.¹⁰ FRNSW does not currently charge for rescues from lifts.

2.7 Reptile handling

After increasing numbers of calls for assistance with removing snakes, in the last 10 years or so FRNSW has started training some staff to be licensed snake catchers. FRNSW does not charge for removing snakes (nor does it advertise the service).

3 How we made our draft recommendations

We took the following steps in making our draft recommendations on FRNSW's other services:

Assessed whether FRNSW's other services should have user charges and whether those charges should be set out in the FB Regulation based on the principles outlined in Box 3.1

1. Estimated the efficient cost of FRNSW's other services using a cost build up approach

Determined the most appropriate charging structure for FRNSW based on 7 pricing principles outlined in **Box 3.2**

2. Considered the impact of our recommendations on FRNSW and its stakeholders.

This approach is broadly in line with our overall approach for the review and ensures we consider all matters required by our Terms of Reference (see our [Draft Report **insert link!**](#)) In Sections 4 to 7, we describe how we have implemented these steps to reach our draft recommendations and findings.

Box 3.1 Principles for assessing user charges and having charges set out in regulation

Principles for assessing which of FRNSW's services should have user charges

We identified whether FRNSW's 'other services' should be subject to user charges based on the following principles:

- **Equity** – Where identifiable individuals create specific demand for FRNSW's services, they should pay for them. This includes FRNSW's regulatory activities.
- **Efficiency** – Where charging for a service ensures scarce resources are better allocated, FRNSW should charge for it.
- **Risk mitigation** – Where charging for a service provides an incentive for individuals to mitigate risk, FRNSW should charge for it; and where FRNSW undertakes activities that better mitigate risk, FRNSW should charge for them.

Principle for assessing if those charges should be set out in regulation

Where we determined FRNSW's services should have user charges, we then decided whether charges should be set out in regulations based on whether it is a monopoly service.

Box 3.2 Principles for recommending charges

In recommending charges for FRNSW's other services, we assessed available options against the following pricing principles:

- **Transparent** – key information about the charges should be readily available, such as the authority to charge, charging rates, and, where relevant, the basis of the charges
- **Cost-reflective** – charges should reflect the efficient cost of providing the service
- **Equitable** – charges should be equitable and affordable
- **Create positive incentives** – where relevant, charges should incentivise risk mitigation
- **Simple** – charges should be straightforward, practical, easy to understand and collect
- **Flexible** – charges should be easily applicable to any new activities that FRNSW undertakes in future.
- **Consistent** – charges should be consistent between similar activities conducted by FRNSW and consistent with charges for similar activities conducted by other NSW agencies, where relevant.

4 User charging options for other services

The first step in our approach for recommending FRNSW's fees and charges is to identify which of FRNSW's services should have user charges and which charges should be set out in the FB Regulation.

We have conducted a comprehensive review of FRNSW's non-core services and determined whether each service should be subject to user charges, and, if so, whether it should have charges set out in the FB Regulation. The key principles we have applied are:

- Whether there is an identifiable impactor who creates the need for the service in question. Our view is that the impactor or risk creator should pay the costs associated with providing the service.
- Whether the service in question is a monopoly service, to decide whether it should have charges set out in the FB Regulation. If FRNSW is not the monopoly provider of the service in question, customers can choose to engage FRNSW or other service providers in the market. In this case, charges for the service do not need to be set out in the FB Regulation.

We have assessed that some of FRNSW's other services should have user charges set out in the FB Regulation where it is the monopoly provider and there are identifiable impactors. These services include:

- responding to requests for incident information
- responding to fire incidents on waters outside of a fire district.

FRNSW also should have the flexibility to set arrangements and user charges for the other services where there are key beneficiaries and/or the service is contestable. These services include:

- services provided to other agencies or jurisdictions which require resource sharing
- services provided by Comsafe, including attendance at events
- rescues from lifts
- reptile handling.

Our analysis of whether there should be user charges for other services and whether they should be set out in the FB Regulation is outlined below.

4.1 Monopoly 'other services' – user charges set out in the FB Regulation

For the services where FRNSW is considered the monopoly provider, we outline our recommended user charging structure below and detail the costs and charges analysis further in sections 5 and 6.

4.1.1 Responding to requests for incident information

FRNSW is the monopoly provider of reports on information for specific incidents which they have attended. These reports are only available if the requesting individual was the owner/occupier of the affected premises/vehicle or they have evidence to authorise the request on behalf of the owner/occupier. Other requests may require the applicant to formally submit an Access Application Form for access to FRNSW information under the GIPA Act, for which there is a \$30 application fee, and processing charges of \$30 per hour may also be levied. GIPA charges are set out in the GIPA Act.¹¹

As this reporting service is offered in addition to the GIPA pathway to benefit owner/occupiers and insurers of affected premises, FRNSW should be able to charge for this service at a rate referenced in the FB Regulation.

4.1.2 Responding to fire incidents on waters outside a fire district

Incidents on waters outside a fire district can be attended by FRNSW. Vessels which are subject to fire incidents create the need for FRNSW to respond and conduct this specialised service, similar to hazmat incidents which require specialised equipment and vehicles. Vessel owners do not necessarily contribute to the ESL, so have not contributed to FRNSW's standby costs.

We consider that FRNSW should be able to charge for this service at a rate referenced in the FB Regulation. Imposition of such charges would be subject to a cap of 20% of the value before the fire of the vessel, cargo and freight or property.¹²

4.2 'Other services' which are contestable and have identifiable beneficiaries

The 'other services' in this section were found to be contestable and had identifiable beneficiaries who may appropriately be charged for FRNSW's service costs. We provide our recommendations in this section for how FRNSW should charge users for these types of services.

Draft recommendations

- 25. FRNSW continue any existing charged arrangements with other NSW government agencies
- 26. FRNSW review services provided to other NSW government agencies which are not currently charged for their suitability for cost recovery.

4.2.1 Services provided to other agencies and jurisdictions

Consistent with the current arrangement, our view is that services provided by FRNSW to other agencies and jurisdictions should be subject to cost recovery. This is because there are clear beneficiaries of FRNSW's services, such as the RFS, SES, Ambulance NSW and National Parks and Wildlife Service.

Where these services may be subject to reciprocal arrangements (such as assistance to interstate agencies) it would be more appropriate to have nationally consistent cost recovery arrangements.

We consider that FRNSW should continue any existing charged arrangements and review any services which fall into this category but are not currently charged, including staffing assistance to NSW Ambulance and drone services, for their suitability for cost recovery. Charges should not be set out in the FB Regulation but continue to be set through administrative arrangements with the beneficiary agency.

4.2.2 Training and other services provided by Comsafe

Comsafe services could be provided by other training organisations and are therefore contestable. FRNSW should be able to develop appropriate market-based charges with reference to relevant government policies on user charges and competitive neutrality.

For avoidance of doubt, FRNSW should be empowered to charge by a reference to the type of service in the FB Regulation, but without a charge being prescribed there.

4.2.3 Attendance at events

We consider that FRNSW should continue charging for attendance at events following the whole-of-government policy guidelines. However, as this is a contestable service (as it could be provided by Police, Ambulance or other emergency services), FRNSW should be empowered to charge by a reference to the type of service in the FB Regulation, but without a charge being prescribed there. In this way, the Commissioner has discretion to set charges and FRNSW could then develop a schedule of charges similar to those that Police and Ambulance have developed. The schedule could be updated more flexibly than charges set out in the FB Regulation. This service would also include involvement in filming or other media events.

4.2.4 Rescues from lifts

Rescuing people from lifts is a contestable service. Lift maintenance companies can also rescue people from lifts and may charge owners' corporations for the rescue. Depending on the terms of the owners' corporation's lift maintenance contract, there may be an incentive to call FRNSW instead of the lift maintenance company, as well as insufficient incentives to spend money on maintaining or upgrading lifts.

We consider that FRNSW should charge building owners/managers for rescues from lifts, given that this service is contestable, call outs can be reduced by more proactive maintenance, and FRNSW incurs costs that are not currently recovered. FRNSW should be empowered to charge by a reference to the type of service in the FB Regulation, but without a charge being prescribed there. The charge should be set with regard to competitive neutrality principles, as this service is also provided commercially.

4.2.5 Reptile handling

Reptile handling is a contestable service. The NSW Department of Planning Industry and Environment maintains a list of licensed snake handlers who may remove snakes for a fee.¹³

As a contestable service, we consider that FRNSW should charge for this service. FRNSW should be empowered to charge by a reference to the type of service in the FB Regulation, but without a charge being prescribed there.

5 Analysis of efficient costs for 'other services'

The costs of FRNSW's services which are provided for other agencies or jurisdictions, such as sharing dispatch services with RFS and SES or lending RPAS drone systems, should be recovered in charged arrangements between the agencies. These activities and charged arrangements should be reviewed by FRNSW frequently to ensure that the shared resources are being used fairly and efficiently.

For those other services which are contestable such as lift rescues and reptile handling, the charges should be appropriately driven by FRNSW's costs, the market and competitive neutrality policy.

The efficient costs of FRNSW's attendance at events and attending fires outside the fire districts have been analysed by the Centre for International Economics (CIE) in sections 5.1 and 5.2 below, to provide cost estimates to be considered in developing recommended charges which may be prescribed in the FB Regulation.

5.1 Attending a fire outside a fire district

A cost analysis for attending fires outside a fire district would yield similar results to the costs incurred from attending hazmat incidents. The cost drivers for charges here include duration of incident attendance, volumes of vehicles and staff, and consumables including equipment costs. FRNSW may also incur additional administration costs if they are to charge the property or vessel owner for their costs (allowed under section 40 of the *Fire and Rescue NSW Act 1989* (Act)), however FRNSW has indicated to CIE that this is very rarely done.

5.2 Attendance at events

FRNSW currently charges for staff time, goods and services hired or purchased and consumables required for attending an event based on the charges in Schedule 3 of the FB Regulation. The CIE have noted that these do not appear to allow charging for using trucks at the event or any pre-event and post-event activities including administration, risk assessments, event planning, travel and billing. The CIE have also observed that current charges for the main staff used at these events (firefighters and station commanders) are below the costs of those staff, and event durations are highly variable (typically between 3 to 8 hours)¹⁴. Therefore, time-based costing is appropriate to levy charges as set in the FB Regulation. FRNSW has indicated that there is on average 1 hour of administration time required per major event, which would cost \$64 per event. However, pre-event planning costs are heavily dependent on the event specifics, which could be substantial costs for FRNSW but make it difficult to charge for.

6 Recommended charges for monopoly 'other services'

The third step in our approach for recommending charges for FRNSW's other services is to consider different charging options, assess the options against the 7 pricing principles outlined in Box 2 and determine the most appropriate charging structure.

We have only considered the level of charges for monopoly 'other services', as our recommendation for contestable services is that FRNSW should have the flexibility to develop those charges themselves, and amend as required, rather than having them set out in the FB Regulation.

6.1 Attending a fire outside a fire district

While FRNSW could already be charging for such incidents under section 40 of the Act, for avoidance of doubt, the FB Regulation could explicitly set charges for attending fires on waters outside a fire district. Given the similarity in response equipment and personnel to hazmat incident responses, we consider that the rates for responding to fire incidents on waters outside a fire district should be the same as hazmat charges. Where charges are prescribed, they would be subject to a cap of 20% of the value before the fire of the vessel, cargo and freight or property.



27. FRNSW charge for attending fires on waters outside its fire district, on the same basis as attending hazmat incidents.

6.2 Requests for incident information

Considering the administration costs to respond to these requests are likely to be similar to the costs of responding to a simple GIPA request, we consider that FRNSW should charge a fixed charge equivalent to the GIPA application fee (\$30). This charge should be set out in the FB Regulation.



28. FRNSW charge for requests for incident information reports, at a fixed charge equivalent to the GIPA application fee (\$30).

7 Impact of our draft recommendations

The last step in making our draft recommended charges is to consider the impact on customers and FRNSW.

The draft recommendations made in this information paper give FRNSW more opportunities to recover the costs of providing these 'other services', improving the alignment between FRNSW's costs and revenue. Setting schedules of fees using appropriate charging structures gives clearer price signals which allow FRNSW to allocate its resources more efficiently and effectively. The schedules of fees could also improve transparency with FRNSW's customers and, where contestable, would better ensure competitive neutrality with the market.

In terms of revenue impact, the CIE identified that the revenue generated from FRNSW's attendance at events is a very minor component of their total revenue, being less than \$300,000 per year since 2017.¹⁵ Our recommendation for FRNSW to set a schedule of fees for this service does not necessarily increase or decrease this revenue. We do not have adequate data on the volumes, revenue and detailed costs of the other services which makes it difficult to estimate the revenue impact of those draft recommendations.

Implementing our draft recommendations could also impact the way FRNSW interacts with its customers as it could require more billing administration for these other services. Customers would also need to pay for some services which were previously uncharged. Through this review we determined that it is appropriate for other agencies and customers to pay for the costs of the services they use and where contestable, they can seek other providers in the market.

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- ¹ Australian Transport Safety Bureau, [Fire on board *Iron Chieftain* – ATSB Transport Safety Report](#), 11 May 2021, p 15.
- ² FRNSW, [Request for Incident Information](#), accessed 16 November 2021.
- ³ Western Australia Department of Fire and Emergency Services, [Incident Report Request](#), accessed 17 November 2021.
- ⁴ Northern Territory Police, Fire and Emergency Services Corporate, [Access to Information](#), accessed 17 November 2021.
- ⁵ Victoria Country Fire Authority, [Fire Reports Request](#), accessed 17 November 2021.
- ⁶ Department of Premier and Cabinet, [User Charges Policy](#), accessed 17 November 2021.
- ⁷ Department of Premier and Cabinet, [User Charges Policy](#), accessed 17 November 2021.
- ⁸ NSW Police, [NSW Police User Charges 2020-21 Cost recovery and user fees and charges](#), July 2020.
- ⁹ NSW Ambulance, [NSW Ambulance Fact sheet - Special and sporting events user charges](#) Special and sporting events user charges 2019.
- ¹⁰ Domain, [Growing number of people getting trapped in NSW elevators, data shows](#), accessed 17 November 2021.
- ¹¹ *Government Information (Public Access) Act 2009*, ss 41(1)(c) and 64.
- ¹² *Fire and Rescue NSW Act 1989*, s 40(4).
- ¹³ NSW Department of Planning, Industry and Environment, [Snake Removal](#), accessed 9 December 2021.
- ¹⁴ The CIE, *Efficient operating costs of providing Fire and Rescue NSW's services*, Draft Report, December 2021, p 112.
- ¹⁵ The CIE, *Efficient operating costs of providing Fire and Rescue NSW's services*, Draft Report, December 2021, p 112.