


2016 Policy Commitment – Canberra Liberals

Name of Commitment:	Boost critical firefighting resources	Reference Number: LIB034
Request Submitted by:	Jeremy Hanson MLA, Canberra Liberals	
Date Request Received:	11-Oct-16	
Additional Information Requested (details and date)	N/A	
Additional Information Received (details and date)	N/A	

Financial Implications					
Impact On:	2016-17	2017-18	2018-19	2019-20	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenues ^(a)	0.0	0.0	0.0	0.0	0.0
Expenses ^{(a) (b)}	0.0	-1,384.0	-2,054.1	-2,105.5	-5,543.5
- Employee Expenses	0.0	-1,311.5	-1,954.2	-2,003.0	-5,268.7
- Other Expenses	0.0	-25.0	-51.3	-52.5	-128.8
- Cost of Financing	0.0	-47.5	-48.7	-49.9	-146.1
Expenses - Depreciation	0.0	0.0	-126.7	-126.7	-253.3
Net Operating Balance	0.0	-1,384.0	-2,180.8	-2,232.1	-5,796.9
Capital Requirement	0.0	-1,900.0	0.0	0.0	-1,900.0
Cash Surplus/Deficit	0.0	-3,284.0	-2,054.1	-2,105.5	-7,443.5

(a) A negative number indicates a decrease in revenue or an increase in expenses.
(b) Excludes depreciation expenses.

Other Information
Costing Methodology Used:
- Costing Technique:
Treasury has costed this commitment based on a crew of twelve Full-Time Equivalent firefighters totalling \$1.384 million in 2017-18, \$2.181 million in 2018-19, and \$2.232 million in 2019-20, a total cost of \$5.797 million over three years. Treasury has costed the capital requirement for this commitment of \$1.900 million.
- Proposal Parameters:
Twelve firefighters based on a crew of two for a Bronto, staffed on a 24 hours, seven days a week basis. The twelve firefighters would commence on 1 January 2018 and would undertake training in 2017-18. Indexation of 2.5 per cent has been applied. The cost of financing has been calculated at 2.5 per cent. Contingency costs are 20 per cent of capital expenditure. Depreciation has been calculated on a straight-line basis over a 15-year period. The vehicle operating costs are \$25,000 in 2017-18 and \$51,250 in 2018-19, indexed in subsequent years. Accommodation would be provided within existing facilities. The purchase of one Bronto.
Caveats or qualifications to the costing:
The cost of this commitment would be sensitive to foreign exchange rate fluctuations as the Bronto would be sourced from overseas. The expenses profile would be subject to the recruitment of suitably qualified staff and their respective start dates.
Other Comments:
N/A
- Statistical Data Used:
Treasury Standard Costing Parameters. Treasury estimates are based on data from a business case in the 2016-17 Budget.


David Nicol
Under Treasurer
13 October 2016