

## What I Need to Know

- S128A of the Local Government Act permits a local government to make and levy the following rates or charges:
  - a special rate or charge under the Local Government Act 1993, section 971; or
  - carry forward unexpended funds from a special rate or charge under the Local Government Act 1993, section 971A, or
  - a separate rate or charge under the Local Government Act 1993, section 972;
  - and contribute amounts raised to rural fire brigades operating in its local government area.
- The levy is collected as a rate or charge under the Local Government Act, so the final decision on any aspect of a levy remains with each local authority. This includes whether a levy should be imposed, the amount to be levied, the distribution of income, and changes to brigade financial dealings or bookkeeping.
- A local authority is permitted to retain a portion of the income to cover its expenses in collecting it.
- A local authority will usually impose a rural fire levy only after consultation with the Area Director, Rural Operations and all brigades in its area.
- A three-year Management Plan, a twelve-month Operational Plan and associated budget should be developed and submitted, through the Area Director, Rural Operations, to the sponsoring local government as part of the local government's budget cycle. These plans will form the basis for determining operational and equipment requirements for the brigade and should be consistent with the Queensland Fire and Rescue Service (QFRS) strategic direction.
- Brigades are to conduct an annual public meeting to discuss the need for a fire levy for the next financial year. Agreement should be reached on the amount of such a levy at that meeting. Where agreement cannot be reached and it is believed that a levy is essential to the future functioning of the brigade, the matter is to be resolved at a meeting between the Area Director, Rural Operations, the local government and the brigade.
- Where a Rural Fire Brigade (RFB) Group exists, an annual meeting is to be held to discuss levy collection and disbursement. This meeting will include the member brigades, Local Government Liaison Officer (elected representative) and the Area Director, Rural Operations.
- Where no RFB Group exists or where a brigade has opted not to join a brigade group, each brigade is to meet with the Local Government Liaison Officer (elected representative) and the Area Director, Rural Operations to discuss plans, budget and levy proposal.
- The Local Government Liaison Officer manages the process with local government.
- Levy funds collected must be distributed back to the brigades in accordance with the Local Government Act in the most expedient manner.
- Each local government determines the method of distribution of levy funds to brigades. Groups involved in this process are to ensure that funds are distributed expediently and in accordance with the requirements of the local government.
- Brigades have an obligation to satisfy local government's accountability requirements and standards within the time frame specified by the local government.
- Those measures are reflected in the brigade constitution.
- A brigade must also abide by the management structure, administration and accountability requirements of the Constitution that apply for a rural fire levy. Refer to clauses 7(d), 13(a) and 29 of the Brigade Constitution.
- Guidelines have been issued to all local governments on the collection and disbursement of a rural fire levy. Guidelines for the collection and disbursement of a rural fire levy are included in this manual.

- Member brigades of a Rural Fire Brigade Group have an additional requirement, as part of the levy process, to present their Management Plans, Annual Operations Plans and Budgets to the Group for discussion.
- A brigade group may not retain any monies belonging to the member brigades, but brigades may make a voluntary contribution to the group.

## **How I do it**

### **Applying for a Rural Fire Levy**

- Seek support from your Area Director, Rural Operations who will approach your local authority to discuss the implementation of a rural fire levy.

### **Managing a Rural Fire Levy**

- Develop a three-year Management Plan, a twelve-month Operational Plan and an associated budget and submit, through the Area Director, Rural Operations, to the sponsoring local government as part of the local government's budget cycle.
- Notify the local authority of your ABN and GST status.
- Find out and adhere to the local government's accountability requirements, standards and time frames.
- Conduct an annual public meeting to discuss the need for a fire levy for the next financial year. The amount of levy required for operations and equipment should be agreed upon by the brigade members, local residents and local government representatives at the public meeting.
- Where agreement cannot be reached, resolve the matter at a meeting between the Area Director Rural Operations, the local government and the brigade.
- Where a RFB Group exists, present your plans, budget and levy proposal at an appropriate meeting of the group for discussion. This meeting includes all member brigades of the group, Local Government Liaison Officer (elected representative) and the Area Director, Rural Operations.
- Where no RFB Group exists or where a brigade has opted not to join a brigade group, meet with the Local Government Liaison Officer (elected representative) and the Area Director, Rural Operations to discuss plans, budget and levy proposal.
- Abide by the management structure, administration and auditing requirements of the Constitution.

## **Reference Materials**

- Area Reference Manual – Business Rule: D4.2.2 Manage Financial Administration
- Area Reference Manual – Business Rule :D4.2.3 Manage Brigade and Group Financial Compliance
- Rural Fire Brigade Manual – Business Rule: D7.27 Brigade Constitution

### **Samples provided:**

- Rural Fire Brigade Income & Expenditure Statement
- Annual Operational Plan
- Rural Fire Brigade Annual Budget Proposal (Similar to expenditure statement)
- Rural Fire Brigade three-year Management Plan

Guidelines issued to all local governments on the collection and disbursement of a rural fire levy.

# ***Guidelines for the Collection and Disbursement of a Rural Fire Levy***

## **INTRODUCTION**

Rural fire brigades are volunteer organisations resulting from a community-based initiative to assist with rural fire management. Rural fire brigades are responsible under the *Fire and Rescue Service Act* for fire prevention and fire suppression in their area, including taking measures in readiness of fire to reduce potential danger to persons, property or the environment.

In some local government areas where there are a number of active rural fire brigades, a group structure is organised to co-ordinate support for training and fire operations. The group may provide co-ordination between rural fire brigades or with other groups in major fire management operations, if requested by the First Officers of the brigades. In some areas the group structure is utilised to facilitate the levy system.

On 24 January 1994, the Queensland Cabinet commissioned an audit of "the effectiveness of existing bushfire strategies" in Queensland. The Audit Report suggested:

"Local Governments are encouraged to introduce rural-urban interface funding support schemes. Rural Fire Brigade Committees, chaired by a QFRS Rural Fire Service Officer, could be formed to allocate funds to local Rural Brigades on a needs basis. The QFRS can assist in determining a local government's rural-urban interface major equipment needs, through consultation with the local government and the local Rural Fire Brigades Committee."

In 1995 the (then) *Fire Service Act* (now the *Fire & Rescue Service Act*) was amended to enable Councils to make a levy and contribute funds raised to rural fire brigades operating in their local government area. Section 128A of the *Act* states:

**128A.(1)** A local government may make and levy the following rates or charges and contribute amounts raised to rural fire brigades operating in its local government area:-

- (a) a special rate or charge under section 971 of the *Local Government Act 1993*;
- (b) a separate rate or charge under section 972 of the *Local Government Act 1993*.

QFRS acknowledges that each local government has the final authority to determine all matters dealing with a rural fire levy.

**These guidelines have been developed to encourage a consistent approach in the management of funds raised. To assist Councils, the guidelines begin with a brief explanation of the current funding and operations of brigades.**

## **BACKGROUND**

Rural fire brigades are operational units of the QFRS, staffed by volunteers, which provide a fire management and suppression service to those parts of Queensland not covered by full-time permanent or part-time auxiliary fire crews.

The funding for brigades has historically been arranged by the brigade volunteers undertaking fundraising exercises in addition to their fire mitigation and suppression duties. These exercises have traditionally included:

- letters of appeal to local residents;
- direct approaches to local government and business organisations;
- applications for grants and subsidies from, for example, Casinos or the Gambling Community Benefit Fund; and
- local Community fund raising activities.

Significant State Government support has been directed towards brigades, which include:

- fire appliances at subsidised prices;
- a subsidy towards the cost of constructing fire stations;
- firefighting equipment at subsidised prices; and
- provision of protective clothing and equipment.

The part of the QFRS that is responsible for rural fire management, including the management of brigades, is Rural Operations. The RFS is classified as a public benevolent institution by the Australian Taxation Office and donations of \$2 or more to the Service, or any of its component brigades, are tax deductible.

In 1995, amending legislation was enacted which enabled Local Government authorities to impose a levy for the benefit of brigades located within their boundaries. The levy when imposed is intended to support the purchase of equipment and operational costs of the brigade. It should not be associated with communities having an expectation of a set response time and standards of fire cover.

Within any local government area, there may be one or more brigades whose boundaries extend outside the area. Some local governments will also have a blend of full-time, part-time and volunteer fire services within their area.

As the introduction of levies by local government may potentially place a relatively large sum of money within the reach of the brigade on a regular basis, the QFRS is mindful of the need to provide clear guidelines to brigades.

These guidelines provide guidance to ensure that appropriate systems are in place to encourage the efficient and effective use of the money, as well as ensure adequate accountability.

## **CURRENT SITUATION**

### **Finances and Accountability**

- A sample Income and Expenditure Statement which may be used by Brigades is attached.
- The direct line of accountability for rural fire levy funding is: -
  - 1.1 Each rural fire brigade (RFB) in receipt of a local government levy is required to develop a three year Activity Plan and a twelve month Operational Plan. These plans should be consistent with the QFRS strategic direction and submitted to meet the timeframes of the sponsoring local government.
  - 1.2 These plans will form the basis for determining operational needs and equipment requirements for the brigades.
  - 1.3 Each brigade is to conduct an annual Public Meeting to discuss the need for a levy for the next financial year.

- 1.4 The amount of proposed levy to meet the budget for operations and equipment should be agreed upon by the brigade and local residents in attendance at the public meeting.
- 1.5 Where there is a brigade group structure, each brigade is to present its plans, budget and levy proposal to the brigade group for discussion.  

This meeting will include the group, the Local Government Liaison Officer (elected representative) and the Area Director Rural Operations.

Where no brigade group structure exists, each brigade is to meet with the Local Government Liaison Officer (elected representative) and Area Director Rural Operations to discuss Plans, Budget and Levy proposal.
- 1.6 The Local Government Liaison Officer manages the process with local government.
- 1.7 Local Government determines the quantum of the levy, the level of administrative costs to be recovered by local government and the method of distribution of levy monies back to the brigade.
- 1.8 Levy funds collected must be distributed back to the brigades in accordance with the Local Government Act in the most expedient manner.
- 1.9 Brigades have the obligation to satisfy local government's accountability requirements and standards within the time frame specified by the local government.
- 1.10 The recommended levels of accountability are outlined in detail in the Guidelines for the Collection and Disbursement of Levies. A copy of this document is provided to each local government and to each brigade.

### **Individuality of Operation**

- Brigades have traditionally operated on an individual basis. Large fires requiring the presence of more than one brigade have not occurred frequently until recent times. With the increased incidence of rural residential areas in country Queensland, larger fires are now posing a greater hazard, both with their frequency and their potential for destruction in areas of greater housing density.
- The need for operational co-ordination has led to the formalisation of a group structure, whereby brigades are supported by other brigades in a major operation.

### **RURAL FIRE BRIGADE GROUPS**

- A rural fire brigade group is a coalition of brigades within a local government area. A group may:
  - (i) co-ordinate operations between brigades within a group or between groups;
  - (ii) enable brigades and local government to consult over the introduction of a levy; and
  - (iii) provide a facility to enable co-ordinated training of brigade members to occur.
- Ideally, only one group will be formed in each local government area; however, QFRS acknowledges that geographic or other special factors may require two groups in some shires. QFRS will consult with local government and take the advice of its Inspectors in this regard.
- QFRS acknowledges that groups will not be immediately formed in all areas where local government is planning to introduce a levy. Reasons for this may include:
  - the workload of QFRS staff, primarily the Area Directors; and
  - the reluctance of local brigades to form a Group.
- QFRS also acknowledges that, especially in predominantly rural areas, the formation of a group may not be practicable. QFRS believes that the absence of a group should not delay or inhibit the introduction of a levy by local government. It should be sufficient for a representative of each brigade, a representative of local government, and a permanent officer of the RFS to meet and formulate recommendations for local government regarding the introduction and disbursement of a levy.

### **Preferred Method of Administering a Rural Fire Levy**

- The actual method of Rural Fire levy collection is a local government decision.
- Brigades
  - should have an Activity Plan that would plan for three years ahead;
  - should prepare a budget which supports the application of levy funds to equipment, operational expenses, communications, fire stations, appliances, maintenance, training, administrative costs, local community education and awareness.
- QFRS does not anticipate that fundraising by individual brigades will cease due to the introduction of a levy. It may be that fundraising activities will become more focused or that larger activities will be conducted jointly with other brigades. QFRS expects that organisations such as the casinos and the Gambling Community Benefit Fund will continue to support brigades. Ongoing donations to brigades will still be encouraged by the continued tax deductibility of donations over \$2.00.

### **Budgeting Considerations**

- QFRS Rural Operations provides fire appliances to all brigades at subsidised prices and listed firefighting equipment (including radios) will continue to be available to all brigades. Brigades pay full price for spare parts.
- Non-listed equipment will not be subsidised.
- A fire station construction subsidy of up to \$10,000 is available to all brigades.
- Where the need or desire for appliances, equipment or facilities exceeds the QFRS Rural Operations financial capacity to provide it at a subsidised price to a brigade, the brigade may budget for the full cost of the item or facility.
- QFRS Rural Operations requires that the Area Director Rural Operations approve the purchase of subsidised equipment by brigades. This assists in ensuring that the genuine needs of all brigades can be met in a timely manner.
- QFRS Rural Operations provides personal protective equipment free of charge to brigades.

**SAMPLE**  
**RURAL FIRE BRIGADE**  
**INCOME & EXPENDITURE STATEMENT**

<b>INCOME</b>		<b>\$</b>	
Levy			
Donations			
Art Unions			
Interest Earned			
Fundraising Functions			
Sundry			
TOTAL			
<b>EXPENDITURE</b>		<b>\$</b>	
Firefighting Equipment and Tools	Purchase		
	Repair/maintenance		
Appliance	Purchase		
	Repair/maintenance		
	Fuel/Oil/Lubricants		
Communications	Telephone	Purchase	
		Repair/maintenance	
	Pagers/Batteries	Purchase	
		Repair/Maintenance	
	Radios/Batteries	Purchase	
		Repair/Maintenance	
Property	Power		
	Station		
	Grounds		
Fundraising			
Administration			
Miscellaneous	Operational		
	Non-operational		
<b>TOTAL</b>		<b>\$</b>	
<b>BALANCE</b>			

*Note that the appliance expenditure category could be duplicated if a need arises to account for the expenditure on different vehicles in a brigade.*

## THREE-YEAR PLAN - RURAL FIRE BRIGADE

For the period of  
1<sup>st</sup> July 2005 to 30<sup>th</sup> June 2008

<b>Risk Classification: Class 2</b>		<b>Risk Assessment Reviewed: 01/01/2001</b>	
<u>Current Position as at 30<sup>th</sup> June 2005</u>	<u>Current Resources as at 30<sup>th</sup> June 2005</u>	<u>Levy Collection:</u>	
Financial Statement for 2004/2005	RF Light Nissan	Local Government Authority:	
Opening Balance	RF Medium Canter	Ipswich City Council	
Income	RF Mop Up Unit	Levy Collected per ratable property: \$30.00	
Expenditure	RF Mop Up Unit	Total amount of Levy for 2004/2005 financial year: \$	
Closing Balance:	RF Trailer Unit	10,000	
	AE Fire Station		
<u>Description</u>	<u>2005 / 2006</u>	<u>2006 / 2007</u>	<u>2007 / 2008</u>
Operational Expenditure			
Vehicles Maintenance			
Station Maintenance			
Equipment Purchases (less than \$5000)			
Asset Purchases (more than \$5000)			
Income – Fire Levy			
Income – General (donations, fundraising etc)			

**\* A detailed budget should support the above amounts**