

Public Accounts Committee



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ASSEMBLY

Assets, premises and funding of the NSW Rural Fire Service



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The motto of the coat of arms for the state of New South Wales is "Orta recens quam pura nites". It is written in Latin and means "newly risen, how brightly you shine".

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Membership

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Chair's foreword

This inquiry was undertaken to examine whether the current frameworks governing the assets, premises and funding of the NSW Rural Fire Service (RFS) remain appropriate, effective and sustainable. While the RFS has become a centralised and professional emergency service, its operating environment is still shaped by legacy legislation that imposes significant responsibilities on local councils, many of which no longer reflect current practice.

Historically, bush fire response in New South Wales was managed at the local level. Councils and landowners played a direct role in organising and funding fire fighting services, a model formalised through early legislation such as the *Municipal Institutions Act 1858* and later the *Bush Fires Act 1949*. The *Bush Fires Act 1949* vested ownership of fire fighting vehicles, stations and infrastructure in councils and made them responsible for fire control officers. The *Rural Fires Act 1997* was introduced following the devastating fires of 1994 to centralise command under a single agency, the RFS, while retaining many of councils' historic legal responsibilities. Over time, however, bush fire response has become increasingly operationally centralised within the RFS, leaving councils burdened with responsibilities they no longer control.

The Committee heard that councils across New South Wales are responsible for assets and infrastructure they do not control, manage or, in some cases, even access. Councils are legally required to own red fleet fire fighting vehicles that are exclusively operated by the RFS. They are expected to account for them in financial statements, maintain them, and manage associated audit obligations, all without having meaningful operational oversight. We found this arrangement to be outdated, inefficient and unsupported by evidence.

The Committee therefore recommends that:

- The *Rural Fires Act 1997* be amended to vest ownership of red fleet assets in the RFS;
- The RFS be made fully responsible for the maintenance and repair of red fleet assets; and
- The NSW Government conduct a comprehensive review of the *Rural Fires Act 1997* to ensure it reflects the RFS's current standing as the state's primary bush fire response agency.

In recommending the transfer of red fleet ownership to the RFS, the Committee is mindful of the potential financial implications for the RFS. The RFS will become responsible for recognising the depreciation of these assets in its accounts, representing an increase in annual expenses. However, this will be offset by no longer having to expense the full capital cost of new red fleet acquisitions in the year of purchase, as well as by operational efficiencies and synergies. This change will promote more accurate budgeting, enhance asset lifecycle management, and align accounting practices with other state agencies that manage significant capital fleets.

We also examined the broader role of councils in bush fire response. While councils contribute valuable local knowledge and play a role in hazard reduction and planning, the Act still assigns them responsibilities that are now primarily carried out by the RFS. A new service agreement is being developed to clarify these roles, but the Committee considers legislative reform necessary to reflect the operational reality and reduce ambiguity. The Committee recommends that councils' operational role in bush fire response be clearly defined as supporting, rather than leading, and that their continued involvement in hazard reduction planning be preserved.

In relation to RFS premises, councils are currently responsible for providing and maintaining facilities such as brigade stations and control centres, often with only partial funding from the RFS. These arrangements are inconsistent and often undocumented. The Committee recommends that:

- The RFS develop a central register of all premises it occupies;
- The RFS cover in full council's maintenance and repair costs for premises, and those funding arrangements for maintenance be formalised and communicated more clearly; and
- The Act be amended to make the RFS responsible for the provision of new premises where required.

It is important to note that the Committee's recommendations that the RFS should be responsible for the full cost of repairs and maintenance of red fleet assets and RFS premises, as well as the provision of new premises in the future, are made in the context of the NSW Government's ongoing and broad review of emergency services funding. Councils contribute 11.7 per cent to the Rural Fire Fighting Fund, but we heard that many councils also incur significant additional costs in asset maintenance, administration and insurance. These costs are often not fully reimbursed and fall outside rate peg constraints.

Accordingly, the Committee does not propose that local councils should bear no financial responsibility for bushfire response and mitigation. Rather, the Committee considers that any local government contributions should be transparently defined, equitably determined and systematically incorporated into budgetary planning, rather than resulting from ad hoc or ambiguous arrangements that impose unsustainable administration and financial burdens on council.

The Committee recommends that the NSW Government review the contribution mechanism for councils to ensure it is equitable and sustainable. We note that the Government's proposed replacement of the insurance-based emergency services levy with a broad-based property levy offers an important opportunity to realign responsibilities and funding sources.

Finally, the Committee also considered insurance arrangements. Councils are responsible for insuring premises, while the RFS insures red fleet assets. The Committee heard concerns about inconsistent coverage, under-insurance and varying excesses. We recommend that the RFS audit the insurance arrangements for all red fleet assets and premises to ensure consistent and adequate protection.

In making these recommendations, the Committee has sought to promote a more coherent, transparent and equitable system for bush fire response—one that reflects operational

practice, reduces duplication and provides certainty for councils, the RFS and the communities they serve.

This inquiry has been informed by 78 written submissions, site visits, two public hearings and a roundtable with mayors from across the state. The evidence provided was consistent, detailed, and at times deeply personal. It reflected the high value communities place on the RFS and on effective emergency management, but also a clear frustration with the current system.

On behalf of the Committee, I would like to thank the individuals and organisations who made submissions to this inquiry, as well as those who gave evidence at hearings or hosted us during site visits. Your expertise, experience and commitment were central to this work. I also extend my thanks to my Committee colleagues for their collaborative and bipartisan approach, and to the Secretariat for their professionalism, dedication and support throughout.

This report sets out a path for reform, one that places operational reality at the heart of legislative design, and ensures the long-term sustainability and accountability of our emergency services. These changes are necessary to ensure that the RFS and the communities it serves are supported by the systems they deserve.

Jason Yat-Sen Li MP
Chair

Summary

This inquiry examined the legal, financial and operational frameworks underpinning the assets, premises and funding of the NSW Rural Fire Service (RFS). It considered whether current arrangements between the RFS and local councils remain effective and sustainable, and whether responsibilities are appropriately allocated under the *Rural Fires Act 1997*. The Committee also considered the implications of the Government's proposed emergency services funding reform, and whether council contributions to emergency service provision are sustainable and appropriate.

The evolution and centralisation of bush fire response in NSW

Bush fire fighting and mitigation, or "bush fire response" in New South Wales was historically organised at a local level by land owners and local councils with local councils playing a central role in managing fire fighting services, assets and infrastructure. The role of councils in bush fire response was historically acknowledged in the *Municipal Institutions Act 1858*, which allowed municipalities to make by-laws for preventing and extinguishing fires.

Almost a century later, the *Bush Fires Act 1949*, conferred legal ownership of fire fighting equipment, fire stations and control centres on councils. Councils were also responsible for the maintenance and repair of buildings and equipment and employing fire control officers and associated staff. While this approach ensured a deep understanding of community needs and community connection, it also created more than 200 separate fire fighting agencies with no overall chain of command.

The *Rural Fires Act 1997* (the Act) created the RFS in response to the 1994 Eastern Seaboard Fires, and a growing recognition of the need for a more coordinated and centralised approach to bush fire response. While the Act established the RFS as the operational lead, it also ensured that the historical role, responsibilities and benefits of councils' participation in bush fire mitigation was recognised and maintained. At that time, some councils had wanted to maintain their role, including their ownership of assets. Amendments to the Act in 2000 allowed the RFS Commissioner to enter into rural fire district service agreements (service agreements) with councils and to assume employment of fire control officers and staff. Assets, however, remained vested in councils and councils remained responsible for providing premises to the RFS for bush fire response.

Since that time, bush fire response has become increasingly centralised within the RFS. Although service agreements have enabled this transition, they have also introduced legal and administrative complexity, resulting in arrangements that no longer reflect operational practice.

Chapter One – Ownership and maintenance of red fleet assets

Land-based fire fighting vehicles, commonly known as 'red fleet' assets, remain legally owned by councils under the current *Rural Fires Act 1997*, despite being fully controlled and operated by the RFS. Councils consistently reported that they neither use nor manage these vehicles and, in many cases, cannot verify their location, value or condition. Some have ceased stocktaking or financial reporting on these assets altogether due to the lack of access and reliable information. Councils that undertook stocktakes reported challenges including

inaccuracies in RFS-provided asset data, difficulties accessing assets, some of which are located on private property, and limited internal resourcing.

Service agreements have become the practical means by which the RFS exercises operational control over the red fleet, but legal ownership remains with councils. The Committee found that this misalignment has created substantial inefficiencies, administrative duplication, legal ambiguity and audit complications. Councils expressed significant frustration at being held accountable for assets they do not control. The Committee received no evidence supporting the continuation of council ownership of these assets.

The Committee recommends that the *Rural Fires Act 1997* be amended to vest ownership of the red fleet in the RFS. This recommendation is grounded in the operational reality that the RFS exclusively manages the fleet, as well as the substantial inefficiencies and confusion caused by maintaining a legal fiction of council ownership. The current arrangement has led to artificial workarounds through service agreements that increase complexity and waste, and has been a source of consternation for both councils and public sector auditors.

Currently, councils continue to pay upfront for the cost of maintaining and repairing red fleet assets. Councils manage the associated administration and await reimbursement from the RFS, despite having no control over the vehicles or their deployment. This arrangement has created unnecessary financial and administrative burdens for councils. While amounts vary between councils, the NSW Rural Fire Service estimates that it may be funding 28% of total costs with councils potentially funding the remaining 72%.

As such, the Committee recommends that the RFS be made fully responsible for the maintenance and repair of red fleet assets. This recommendation is made in the context of the Government's proposal to introduce a broad-based property levy, which would provide a more sustainable and equitable funding base for the RFS to assume these responsibilities.

Chapter One also examines the potential financial impacts and efficiencies associated with transferring ownership and maintenance responsibilities for red fleet assets to the RFS. The Committee notes that while the transfer of ownership will mean that the RFS will need to account for annual depreciation expenses associated with the red fleet assets, this is offset by the RFS no longer having to expense the annual capital cost of new red fleet asset purchases. Further work is required to determine the value of assets as well as costs, both one-off and recurring, associated with the transfer of ownership.

The Committee notes further that transferring ownership of red fleet assets to the RFS will not resolve broader misalignments within the legislative framework. As such, it recommends that the NSW Government conduct a comprehensive review of the *Rural Fires Act 1997* to ensure it reflects the RFS's current standing as the state's primary bush fire response agency.

Chapter Two – Bush fire response

The RFS is the lead agency for bush fire suppression, mitigation and hazard reduction. However, the *Rural Fires Act 1997* continues to assign many responsibilities to councils, including planning, mitigation and control functions. In practice, councils contribute through local hazard reduction planning, community engagement and participation in Bush Fire Management Committees, but do not direct or lead operational response.

A new service agreement has been proposed that would formally transfer additional bush fire response responsibilities from councils to the RFS. While this agreement may improve clarity in

the short term, the Committee considers legislative reform necessary to properly reflect the RFS's primary role and councils' supporting function while removing ambiguity and duplication.

It is further acknowledged that hazard reduction is best managed collaboratively between councils and the RFS in order to maintain local knowledge of bush fire risks and local engagement for bush fire mitigation. This should be considered in amendments to the Act.

Chapter Three – Premises for rural fire service

Under the Act, councils are responsible for providing and maintaining premises for RFS use, including brigade stations, fire control centres and storage facilities. These premises are often supplied by councils at no cost. When existing council premises are not available or suitable, a council will lease or purchase new premises. When the RFS requires new premises to be constructed councils are often responsible for managing projects and bearing upfront financial risk before the RFS reimburses councils. Councils are also responsible for the maintenance of premises and it is estimated that councils pay about one third of maintenance costs for premises, however this estimate is over 10 years old and may not capture potential cost escalations.

The Committee found that these arrangements are ad hoc and inconsistent, with little central oversight or documentation. Councils raised concerns about the long-term financial sustainability of these contributions, particularly given rate peg constraints and ageing infrastructure.

It also noted that there is a lack of centralised information on the value, ownership and use arrangements for RFS premises. This is due to the decentralised nature of premises ownership and management flowing from the Act. As such the Committee is not able to make specific recommendations for future ownership as it is unable to determine the financial, legal and operational implications and impacts of a change of ownership on councils or the RFS. Instead, the Committee recommends that the RFS review and accurately document all current premises arrangements to inform future decisions.

The Committee recommends that the RFS develop a central register of premises, formalise funding arrangements and improve the timeliness of annual allocation letters. The Committee also recommends that the NSW Government amend the *Rural Fires Act 1997* to make the RFS responsible for the provision of new premises where needed. This recommendation is premised on the Government's proposal to reform emergency services funding by replacing the insurance-based levy with a broad-based property levy, which would enable more sustainable infrastructure planning and delivery.

Chapter Four – Insurance of assets and premises

The Committee examined the division of insurance responsibilities between councils and the RFS. Through the use of service agreements, the RFS has assumed responsibility for insuring red fleet assets. Councils are responsible for insuring all other assets and premises including buildings and equipment. The Committee heard concerns about inconsistencies in coverage, variation in insurance excesses and premiums, and underinsurance in some districts. Councils advised that their insurance responsibilities are creating financial pressures.

To address these risks, the Committee recommends that the RFS conduct a comprehensive audit of insurance coverage across all red fleet assets and premises to ensure adequate protection and consistency across rural fire districts.

Chapter Five – Funding rural fire services

The RFS is funded through the Rural Fire Fighting Fund. The RFS sets the rural fire brigade funding target each year. Councils contribute 11.7 per cent of the target, insurers contribute 73.7 per cent and the NSW Government contributes the balance. In 2023, the Government announced a plan to reform this model by replacing the insurance-based levy with a broad-based property levy. This reform is ongoing.

Councils advised that they are incurring costs well beyond their mandated contributions, including administrative overheads, maintenance of premises and red fleet assets, and insurance responsibilities. These costs often fall outside IPART rate peg limits and disproportionately impact smaller and regional councils. The Committee's analysis showed a wide disparity in per-resident contributions.

The Committee recommends that the NSW Government review the current contribution model as part of a wider review of the *Rural Fires Act 1997* and the ongoing reform of emergency services funding. This review should consider rate peg constraints on councils funding capacity and how to ensure contributions are equitable and sustainable.

Inquiry process

The Committee received 78 submissions from local councils, emergency service organisations, state agencies, unions, research institutions and members of the public. A round table was held in August 2024, during which the Committee heard from the Mayors of ten councils from across the state. Two days of public hearings were held in August and September 2024, during which the Committee heard from 26 organisations. Site visits were conducted in the Hawkesbury, Cessnock and Maitland local government areas and at RFS headquarters. The conduct of this inquiry is outlined at Appendix Two and site visits at Appendix Four.

Findings and recommendations

Chapter One – Ownership and maintenance of red fleet assets

Control and ownership of red fleet assets

Finding 1 _____ 1

The NSW Rural Fire Service is the most appropriate legal owner of red fleet assets under the *Rural Fires Act 1997*, rather than councils, because:

- the NSW Rural Fire Service already has effective control of these assets by way of service agreements. However, this creates inefficiency, waste and additional complexity;
- more efficient and strategic asset management and planning of its fleet may be possible if it was the legal owner;
- there is otherwise little evidence that councils should remain the owner of red fleet assets under the Act.

Recommendation 1 _____ 1

That the NSW Government amend the *Rural Fires Act 1997* to recognise that the NSW Rural Fire Service owns and operates red fleet assets for bush fire response in NSW. The broader definition of 'fire fighting equipment' should be updated as part of these amendments.

Comprehensive review of the *Rural Fires Act 1997*

Finding 2 _____ 2

Amending the *Rural Fires Act 1997* to transfer ownership of red fleet assets to the NSW Rural Fire Service will not resolve all issues in the Act, and it is due for a more comprehensive review.

Recommendation 2 _____ 2

That the NSW Government conduct a comprehensive review of the *Rural Fires Act 1997* to ensure that the legislation is up to date with current practices and conditions, as well as to ensure that the NSW Rural Fire Service is best prepared and positioned long-term to provide effective bush fire fighting capability.

Maintenance and repair arrangement for red fleet assets

Finding 3 _____ 2

The *Rural Fires Act 1997* does not reflect the operational reality that the NSW Rural Fire Service plans and directs the maintenance and repair of red fleet assets.

Finding 4 _____ 2

Current maintenance and repair arrangements for red fleet assets are complex and create unnecessary administration and duplication.

Finding 5 _____ 2

The timing and administration of reimbursements and annual allocations for the maintenance and repair of red fleet create financial burden and complexity for councils.

Finding 6 _____ 2

Costs for the maintenance and repair of red fleet assets is shared between councils and the NSW Rural Fire Service. Although the amounts vary between councils the NSW Rural Fire Service estimates that it may be funding 28% (or \$12.5 million) of total costs with councils potentially funding the remaining 72% (or \$32.3 million).

Recommendation 3 _____ 2

That the NSW Government amend the *Rural Fires Act 1997* to recognise that the NSW Rural Fire Service is responsible for the maintenance and repair of red fleet assets. This means that councils would no longer pay for the maintenance and repair of red fleet assets. Any potential funding implications should be considered as part of the ongoing emergency services funding reform or another appropriate mechanism.

Recommendation 4 _____ 2

Until a review of the *Rural Fires Act 1997* is complete, the NSW Rural Fire Service should update its service agreements with councils to clarify maintenance and repair processes and responsibilities. Service agreements should continue to be regularly updated.

Recommendation 5 _____ 3

Should the NSW Rural Fire Service assume responsibility for the maintenance and repair of red fleet assets under amended legislation, consideration should be given to the continued use of local mechanical workshops where appropriate.

Chapter Two – Bush fire response

NSW Rural Fire Service is the primary response agency for bush fire management and hazard reduction

Finding 7 _____ 27

The NSW Rural Fire Service is the primary response agency for bush fires in the State.

Recommendation 6 _____ 27

That the NSW Government amend the *Rural Fires Act 1997* to clearly reflect the operational reality that the NSW Rural Fire Service is the primary agency for bush fire response in the State, with councils continuing to play a supporting role.

Finding 8 _____ 27

Service agreements between the NSW Rural Fire Service and councils do not reflect the operational reality that the NSW Rural Fire Service is the primary bush fire response agency in the State.

Recommendation 7 27

The NSW Rural Fire Service should review all service agreements to ensure that they reflect the operational realities of bush fire fighting and management, including that bush fire response responsibilities primarily sit with the NSW Rural Fire Service.

Collaboration between councils and the NSW Rural Fire Service on bush fire management and hazard reduction

Finding 9 27

Hazard reduction is best managed collaboratively between councils and the NSW Rural Fire Service, to maintain local knowledge of bush fire risks and local engagement for bush fire mitigation.

Finding 10 28

Bush Fire Management Committees are valued by councils and contribute to a strong and supportive relationship between local government and the NSW Rural Fire Service.

Recommendation 8 28

The NSW Government should amend the *Rural Fires Act 1997* to clarify that the NSW Rural Fire Service has primary responsibility for bush fire mitigation and hazard reduction, with councils playing a supporting role. Amendments should aim to reduce the administrative and financial burden borne by councils under the current arrangements, while preserving the important supporting role of councils in hazard reduction.

Chapter Three – Premises for rural fire service

Finding 11 40

Under the *Rural Fires Act 1997* councils must provide premises to the NSW Rural Fire Service. Councils are also responsible for the ongoing maintenance and repair of those premises.

Lack of centralised information on RFS premises

Finding 12 40

There is a lack of centralised information on NSW Rural Fire Service premises used across the state. The Committee is therefore unable to determine the implications of transferring ownership to the NSW Rural Fire Service.

Recommendation 9 41

The NSW Rural Fire Service should review and accurately document all arrangements for existing premises, for the purpose of developing a central register of this information held by the Service. As part of this review, the NSW Rural Fire Service should also consult with councils and landowners about the suitability of current arrangements for existing premises and whether ownership of these premises should be transferred to the NSW Rural Fire Service.

Maintenance and repair arrangements for RFS premises

Finding 13 _____ 41

Arrangements between councils and the NSW Rural Fire Service for the provision and maintenance of premises are ad-hoc and lack consistency.

Finding 14 _____ 41

Current arrangements between the NSW Rural Fire Service and councils are complex and lead to process duplication and potential waste.

Finding 15 _____ 41

Although councils are responsible for the maintenance and repair of premises, the cost is generally shared between councils and the NSW Rural Fire Service. Based on the most recent estimate councils pay approximately one third of maintenance and repair costs, with the NSW Rural Fire Service paying the remaining two thirds through reimbursing councils. However this estimate is over 10 years old and may not capture potential cost escalations.

Recommendation 10 _____ 41

The NSW Rural Fire Service should ascertain the actual maintenance and repair costs for premises used in each rural fire district and ensure that these costs are fully met through annual grants. Any potential funding implications should be considered as part of the ongoing emergency services funding reform or another appropriate mechanism.

The provision of land and construction management for RFS premises

Finding 16 _____ 41

Councils are concerned about the financial sustainability of continuing to provide premises.

Recommendation 11 _____ 41

The NSW Government should amend the *Rural Fires Act 1997* so that the NSW Rural Fire Service is responsible for the provision of new premises in the future. Any potential funding implications should be considered as part of the ongoing emergency services funding reform or another appropriate mechanism.

Finding 17 _____ 41

Councils pay the up-front cost of NSW Rural Fire Service infrastructure projects, being upgrades to existing buildings or the construction of new buildings, and also fund any shortfall beyond what they receive in their annual Rural Fire Fighting Fund grant allocations.

Recommendation 12 _____ 42

That the NSW Treasury confirm the annual rural fire brigade funding target with the NSW Rural Fire Service, and that the NSW Rural Fire Service issue annual Rural Fire Fighting Fund allocation letters, in alignment with councils' budget cycles. This will help councils to more effectively budget, plan and account for their infrastructure responsibilities. Allocation letters should be issued within one month of receiving confirmation of the funding target.

Chapter Four – Insurance of assets and premises

Finding 18 _____ 55

Current arrangements for insuring assets and premises used by the NSW Rural Fire Service are inconsistent.

Recommendation 13 _____ 55

The NSW Rural Fire Service should conduct an audit of insurance coverage for all assets and premises used by the NSW Rural Fire Service, in order to ascertain:

- The adequacy of insurance cover.
- Who is responsible for insuring the assets.

Chapter Five – Funding rural fire services

Finding 19 _____ 59

The NSW Rural Fire Service sets the rural fire brigade funding target each year. Councils contribute 11.7 per cent of the target, insurers contribute 73.7 per cent and the NSW Government contributes the balance.

Finding 20 _____ 59

Councils are concerned about the sustainability of councils' 11.7 per cent contribution to the rural fire brigade funding target because of the annual rate of growth.

Finding 21 _____ 59

Preliminary analysis of council contributions to the rural fire brigade funding target suggest that some councils are contributing at high rates per resident, in particular regional councils.

Recommendation 14 _____ 59

The NSW Government should review the mechanism for council contributions and overall funding for the RFS as part of the ongoing reform of emergency services funding or another appropriate mechanism. This review should consider:

- Rate peg constraints on councils funding capacity.
- Out of pocket amounts contributed by councils for repairs and maintenance of Red Fleet assets and premises, as well as for the contribution of land and buildings for NSW Rural Fire Service use.
- How to ensure equitable contributions to the rural fire brigade funding target across councils.
- The potential funding implications of any recommendations in this report.

Chapter One – Ownership and maintenance of red fleet assets

Summary

Under current legislation, councils are the legal owners of the fire trucks used by the NSW Rural Fire Service (RFS). These assets are known as red fleet assets. The current arrangements reflect a time when councils played a more active role in bush fire fighting and mitigation (bush fire response). However, bush fire response has moved to the RFS since its establishment in 1997.

Accordingly, the Committee is recommending that the *Rural Fires Act 1997* be amended to reflect that:

- the RFS owns and operates red fleet assets. The RFS currently has service agreements with councils which confirm that RFS can control and direct the use of these assets.
- the RFS is responsible for the maintenance and repair of red fleet assets. Currently the service agreements reflect that the RFS organises and partially funds maintenance and repair costs on behalf of councils.

The Committee also recommends a comprehensive review of the Act, so that it reflects current operational reality and is fit for purpose. This will help ensure that the RFS remains optimally equipped to do its important work of preventing and fighting bush fires.

Finding 1

The NSW Rural Fire Service is the most appropriate legal owner of red fleet assets under the *Rural Fires Act 1997*, rather than councils, because:

- the NSW Rural Fire Service already has effective control of these assets by way of service agreements. However, this creates inefficiency, waste and additional complexity;
- more efficient and strategic asset management and planning of its fleet may be possible if it was the legal owner;
- there is otherwise little evidence that councils should remain the owner of red fleet assets under the Act.

Recommendation 1

That the NSW Government amend the *Rural Fires Act 1997* to recognise that the NSW Rural Fire Service owns and operates red fleet assets for bush fire response in NSW. The broader definition of 'fire fighting equipment' should be updated as part of these amendments.

Finding 2

Amending the *Rural Fires Act 1997* to transfer ownership of red fleet assets to the NSW Rural Fire Service will not resolve all issues in the Act, and it is due for a more comprehensive review.

Recommendation 2

That the NSW Government conduct a comprehensive review of the *Rural Fires Act 1997* to ensure that the legislation is up to date with current practices and conditions, as well as to ensure that the NSW Rural Fire Service is best prepared and positioned long-term to provide effective bush fire fighting capability.

Finding 3

The *Rural Fires Act 1997* does not reflect the operational reality that the NSW Rural Fire Service plans and directs the maintenance and repair of red fleet assets.

Finding 4

Current maintenance and repair arrangements for red fleet assets are complex and create unnecessary administration and duplication.

Finding 5

The timing and administration of reimbursements and annual allocations for the maintenance and repair of red fleet create financial burden and complexity for councils.

Finding 6

Costs for the maintenance and repair of red fleet assets is shared between councils and the NSW Rural Fire Service. Although the amounts vary between councils the NSW Rural Fire Service estimates that it may be funding 28% (or \$12.5 million) of total costs with councils potentially funding the remaining 72% (or \$32.3 million).

Recommendation 3

That the NSW Government amend the *Rural Fires Act 1997* to recognise that the NSW Rural Fire Service is responsible for the maintenance and repair of red fleet assets. This means that councils would no longer pay for the maintenance and repair of red fleet assets. Any potential funding implications should be considered as part of the ongoing emergency services funding reform or another appropriate mechanism.

Recommendation 4

Until a review of the *Rural Fires Act 1997* is complete, the NSW Rural Fire Service should update its service agreements with councils to clarify maintenance and repair processes and responsibilities. Service agreements should continue to be regularly updated.

Recommendation 5

Should the NSW Rural Fire Service assume responsibility for the maintenance and repair of red fleet assets under amended legislation, consideration should be given to the continued use of local mechanical workshops where appropriate.

Bush fire response has evolved and centralised over the last century

- 1.1 Bush fire fighting and mitigation, or 'bush fire response', was historically organised at a community level by land owners and local councils. The role of councils in bush fire response was historically acknowledged in the *Municipal Institutions Act 1858*, which allowed municipalities (now known as councils) to make by-laws for preventing and extinguishing fires.¹
- 1.2 Almost one century later, councils' role in bush fire response was further cemented by the *Bush Fires Act 1949*. This Act transferred the legal ownership of 'vehicles, firefighting apparatus, fire stations and fire control centres' to councils, which is where legal ownership remains today. Councils were also responsible for the maintenance and repair of buildings and equipment and employing fire control officers and associated staff.²
- 1.3 Commissioner Rob Rogers, NSW Rural Fire Service explained that while this approach had a number of benefits, like a deep understanding of community needs and community connection, it also created more than 200 separate fire fighting agencies with no overall chain of command.³
- 1.4 Following the 1994 Eastern Seaboard Fires and a subsequent coronial inquiry, the Parliament of NSW passed the *Rural Fires Act 1997* (the Act). The Act addressed the Coroner's recommendation for a 'a more cohesive and integrated command structure under the umbrella of a Rural Fire Service' by establishing the NSW Rural Fire Service (RFS).⁴
- 1.5 However, the Act did not address the Coroner's recommendation to remove councils' administration and management responsibilities. The Minister for Emergency Services at the time explained that this decision was made amid concerns that the change would undermine the volunteer fire fighting movement and remove local administrative and community autonomy.⁵
- 1.6 The Act ensured that the historic role, responsibilities and benefits of councils' participation in bush fire mitigation was recognised and maintained. The

¹ Commissioner Rob Rogers, AFSM, NSW Rural Fire Service, [Transcript of evidence](#), 16 September 2024, p 28; [Submission 30](#), NSW Government, p 2.

² Commissioner Rogers, [Evidence](#), 16 September 2024, p 28; [Submission 30](#), p 2.

³ Commissioner Rogers, [Evidence](#), 16 September 2024, p 28.

⁴ New South Wales, Legislative Assembly, [Parliamentary Debates](#), 28 May 1997, p 112, (Robert Debus, Minister for Corrective Services, Minister for Emergency Services, and Minister Assisting the Minister for the Arts).

⁵ New South Wales, Legislative Assembly, [Parliamentary Debates](#), 28 May 1997, p 112, (Robert Debus, Minister for Corrective Services, Minister for Emergency Services, and Minister Assisting the Minister for the Arts).

Commissioner further noted that some councils had wanted to maintain their role including their ownership of assets.⁶

- 1.7 In late 2000, the Act was amended to transfer the employment of approximately 300 fire control staff, almost half of which were fire control officers, from council employment to employment by the RFS.⁷ The transfer took place in 2001.⁸ The transfer sought to resolve a tension created by the dual line of accountability fire control officers had. Prior to the amendment, fire control officers were responsible for the day-to-day management of rural fire brigades on behalf of councils and at the same time were the 'most important operational link' between the Commissioner and volunteer firefighters.⁹
- 1.8 As part of the same amendment, section 12A was inserted into the Act to enable the Commissioner to enter into rural fire district service agreements (service agreements) with councils. Under the Act these service agreements can be used to specify which functions the Commissioner will exercise on behalf of councils.¹⁰ In practice this means that with the consent of both parties, councils can effectively transfer their responsibilities under the Act to the Commissioner.
- 1.9 Bush fire response has continued to centralise at a state level in the RFS. Service agreements have been used to reallocate councils' responsibilities under the Act to the RFS.¹¹ The reallocation of these responsibilities will be discussed throughout this report.
- 1.10 Since 2018, concerns about the accounting for red fleet assets have been reported by the Auditor-General when the first *Report on Local Government 2017* was tabled. The Auditor-General has also made several recommendations and findings in the 2023 performance audit report entitled *Planning and managing bushfire equipment*, including around oversight of fleet maintenance and the accuracy of service agreements.¹²

Ministerial referral to the Public Accounts Committee

- 1.11 In 2024 the Minister for Local Government, the Hon. Ron Hoenig MP, referred an inquiry into the assets, premises and funding of the NSW Rural Fire Service to the Public Accounts Committee. This referral was made in the context of commentary from councils about the outdated nature of an Act which made them legally responsible for land-based fire fighting vehicles but which are operationally controlled by the RFS.

⁶ Commissioner Rogers, [Evidence](#), 16 September 2024, p 28; [Submission 30](#), p 2.

⁷ [Rural Fires Amendment Bill 2000](#); New South Wales, Legislative Assembly, [Parliamentary Debates](#), 17 November 2000, pp 10289-10290, (Bryce Gaudry, Parliamentary Secretary).

⁸ Commissioner Rogers, [Evidence](#), 16 September 2024, p 28; [Rural Fires Amendment Act 2000 No 104](#) – Proclamation, 2 February 2002, Government Gazette 34, page 440.

⁹ New South Wales, Legislative Assembly, [Parliamentary Debates](#), 17 November 2000, pp 10289-10290, (Bryce Gaudry, Parliamentary Secretary).

¹⁰ [Rural Fires Act 1997](#), [s 12A](#); [Rural Fires Amendment Bill 2000](#), [clause 9](#).

¹¹ Commissioner Rogers, [Evidence](#), 16 September 2024, p 28; [Information provided by the office of the Minister for Emergency Services](#), 19 March 2024, p 29.

¹² Audit Office of New South Wales, [Planning and managing bushfire equipment](#), performance audit report, report number 376, 2023, p 5.

- 1.12 Under the inquiry's terms of reference, the Committee has examined the funding, maintenance and operational management of NSW Rural Fire Service assets and premises. It has also examined arrangements between the RFS and councils, the appropriate role of local authorities in providing emergency services and the sustainability of councils' contributions to emergency service provision.
- 1.13 The Committee considers the next step in the evolution of NSW's bush fire response, and its enabling legislation and practices, to broadly be:
- the transfer of the legal control and ownership of red fleet assets to the RFS
 - a comprehensive review of the Act, and
 - improvements to the related funding and administrative processes.

What are 'red fleet' assets?

- 1.14 As part of its operations the RFS uses 4,015 fire fighting 'appliances'. These appliances include land-based fire fighting vehicles, like tankers and pumpers, to provide fire and emergency services across the State.¹³ These land-based fire fighting vehicles are commonly known as 'red fleet' assets.
- 1.15 Red fleet assets have an estimated total gross value of \$1.6 billion. This includes \$1.0 billion in accumulated depreciation, giving red fleet assets a net book value of \$0.6 billion.¹⁴ In other words the current value of red fleet assets is approximately \$0.6 billion.



Figure 1. Red fleet assets at Rothbury and Freemans Reach Rural Fire Brigades

Red fleet assets are vested in councils under the *Rural Fires Act 1997*

- 1.16 Under the Act, red fleet assets, i.e. fire trucks, are legally owned by or vested in councils. However, the RFS currently has service agreements with councils which confirm that it is actually the RFS that can control and direct the use of these assets. The RFS has also effectively assumed maintenance and repair responsibility for these assets under these service agreements, including some financial responsibility.

¹³ NSW Rural Fire Service, [Annual Report 2023/24](#), annual report, 2024, pp 11 & 96.

¹⁴ [Answers to supplementary questions](#), NSW Rural Fire Service, 21 October 2024, p 1. This is based on a number of key assumptions, including using June 2024 RFS appliance data, and is therefore an indicative valuation estimate only.

- 1.17 In addition, each year the RFS receives funding through contributions to the Rural Fire Fighting Fund (RFFF). The RFS uses these contributions to purchase new or upgrade existing fire fighting equipment, including red fleet assets. As such, the vesting of legal ownership in councils is an artificial and awkward construct, divorced from current reality and causing significant inefficiency.
- 1.18 'Fire fighting equipment' is defined under the Act to include a range of different assets and premises. While red fleet assets are discussed in this chapter, building and infrastructure assets are discussed separately in chapter three.¹⁵

Service agreements are being used to work around sections of the Act

- 1.19 Again, the RFS has entered into service agreements with councils that enable the RFS to control and direct the use of red fleet assets. These service agreements are being used to work around outdated sections of the Act so that the RFS can operate effectively.
- 1.20 For example, under the Act the Commissioner requires the agreement of a council before using their red fleet assets for an incident outside of the council's boundary.¹⁶ However, the Commissioner confirmed that in practice a council's concurrence is not needed as councils refer the operational management of red fleet assets back to the RFS through the service agreements.¹⁷
- 1.21 The Committee notes that such a provision exists in the service agreement between Central Darling Shire Council and the RFS. Both parties have agreed that the council will make vested assets available to the RFS for use.¹⁸
- 1.22 In regards to the operational control of red fleet assets, the Commissioner questioned whether the service agreements would still be required if the Act were to reflect actual practice.¹⁹
- 1.23 The Committee notes that service agreements are being used to enable the RFS to effectively direct and control red fleet assets for effective bush fire response across local government boundaries. The Committee recommends that the *Rural Fires Act 1997* be amended to recognise that the NSW Rural Fire Service owns and operates 'red fleet' assets for bush fire response in NSW. The broader definition of 'fire fighting equipment' should be updated as part of these amendments, because while red fleet assets, a type of fire fighting equipment, should be transferred to the RFS, other types of fire fighting equipment, including buildings, should remain with councils.

¹⁵ Under s 119(1) and the Dictionary of the *Rural Fires Act 1997* 'fire fighting equipment' includes fire fighting apparatus, buildings, water storage towers and lookout towers. 'Fire fighting apparatus' is then 'all vehicles, equipment and other things used for or in connection with the prevention or suppression of fire or the protection of life or property in case of fire'. Being fire trucks, red fleet assets are both a type of fire fighting apparatus and fire fighting equipment.

¹⁶ *Rural Fires Act 1997*, [s 119\(6\)](#).

¹⁷ Commissioner Rogers, [Evidence](#), 16 September 2024, p 29.

¹⁸ [Information provided by the Office of the Minister for Emergency Services](#), 19 March 2024, p 11.

¹⁹ Commissioner Rogers, [Evidence](#), 16 September 2024, pp 28-29.

- 1.24 The formal transfer of ownership of red fleet assets to the RFS will not only confirm the operational reality enshrined in the service agreements, but will also enable the RFS to have comprehensive control, visibility and accountability for its fleet. This is important to the RFS fulfilling its mission as an emergency service organisation.
- 1.25 During this inquiry the Committee heard significant evidence which supports the formal transfer of ownership of red fleet assets from councils to RFS. This evidence also mirrors concerns historically raised by the Audit Office and is explored further below.

Longstanding issues with financial reporting of red fleet assets by councils

- 1.26 There have been longstanding issues with the financial reporting of red fleet assets by councils identified by the Audit Office. Despite a recent reduction in the issuing of qualified audit opinions to councils, the Committee remains concerned about the accuracy and completeness of red fleet data. The Committee also notes that while the non-recognition of red fleet assets may not be material to individual councils' financial statements, as a collective these assets are material to the RFS' operations at a state level.
- 1.27 In October 2016, the Auditor-General was appointed as the auditor for councils.²⁰ One of the first issues identified by the Auditor-General following the expansion to their mandate was discrepancies across the local government sector in the way councils were accounting for fire fighting equipment, in particular red fleet assets.²¹
- 1.28 The Auditor-General's first *Report on Local Government 2017* noted that only 46 councils reported the vested fire fighting equipment in their financial reports, compared to 62 councils who did not report the vested assets. This meant that the fire fighting equipment used in those 62 councils was not being reported in either State government or local government financial statements.²²
- 1.29 The Committee notes that this issue has continued to be reported by the Auditor-General through subsequent reports to Parliament.²³
- 1.30 From the 2021-22 financial year, the Auditor-General commenced issuing qualified audit opinions to councils for the non-recognition of vested fire fighting equipment. However, the number of councils who have received a qualified audit opinion on this issue has decreased (Table 1).

²⁰ *Local Government Act 1993*, [s 422](#).

²¹ Audit Office of New South Wales, [Report on Local Government 2017](#), financial audit report, 2018, p 24.

²² Audit Office of New South Wales, [Report on Local Government 2017](#), financial audit report, 2018, pp 41, 45-46.

²³ Audit Office of New South Wales, [Report on Local Government 2018](#), financial audit report, 2019, p 42; Audit Office of New South Wales, [Report on Local Government 2020](#), financial audit report, 2021, p 14; Audit Office of New South Wales, [Local Government 2021](#), financial audit report, 2022, pp 11-12; Audit Office of New South Wales, [Local Government 2022](#), financial audit report, 2023, pp 12-15, 19, 26, 29 & 39.

Financial year	2021-22	2022-23	2023-24
Number of councils who received a qualified audit opinion due to non-recognition of vested fire fighting equipment.	43	36	1

Table 1. Number of qualified audit opinions due to non-recognition of fire fighting equipment from 2021-22 to 2023-24²⁴

- 1.31 The Auditor-General reported that of the 36 councils who received a qualified audit opinion for 2022-23, 34 had not undertaken 'procedures to confirm the completeness, accuracy, existence or condition of the equipment'.²⁵
- 1.32 During the public hearing, the Auditor-General told the Committee that 'most qualified opinions will potentially be removed' for the 2023-24 financial year. This potential change is the result of the Audit Office performing additional audit procedures to determine whether the value of unrecognised red fleets assets are 'material' to individual councils.²⁶
- 1.33 The *Local Government 2024* report was recently tabled by the Auditor-General with the results of councils' 2023-24 financial year audits. The Committee notes that the additional procedures performed by the Audit Office (determining whether the value of unrecognised red fleet assets are 'material' to individual councils) appears to have resulted in a significant drop in the number of councils that received a qualified audit opinion.²⁷

What is meant by 'material'?

In this instance 'material' is used in the context of an audit. In practice 'material' here means that, by its omission, the unrecorded value of red fleet assets has the potential to adversely affect the economic decisions of users of councils' financial statements²⁸ or the discharge of accountability.²⁹

Qualified audit opinions negatively impact councils

- 1.34 The Committee heard from councils that receiving a qualified audit opinion can have negative financial and reputational impacts on councils. For example, the Northern Rivers Joint Organisation advised that receiving a qualified audit opinion:

²⁴ Audit Office of New South Wales, [Local Government 2022](#), financial audit report, 2023, p 8; Audit Office of New South Wales, [Local Government 2023](#), financial audit report, 2024, p 8; Audit Office of New South Wales, [Local Government 2024](#), financial audit report, 2025, p 9.

²⁵ Audit Office of New South Wales, [Local Government 2023](#), financial audit report, 2024, p 8.

²⁶ Mr Bola Oyetunji, Auditor-General of NSW, Audit Office of New South Wales, [Transcript of evidence](#), 16 September 2024, p 13.

²⁷ Audit Office of New South Wales, [Local Government 2024](#), financial audit report, 2025, pp 8-9.

²⁸ Australian Government Auditing and Assurance Board, [Australian Auditing Standard ASA 320 Materiality in Planning and Performance an Audit](#), March 2020, para 2, viewed 18 March 2025.

²⁹ *Local Government Act 1993*, [s 413](#).

... can create serious financial repercussions by limiting a council's ability to obtain the loans and government grants they depend on to provide and maintain community infrastructure and services.³⁰

- 1.35 The Canberra Regional Joint Organisation also advised that the audit qualifications have '... created significant reputational issues for councils.'³¹
- 1.36 Similarly Ms Kaitlin Salzke, Chief Financial Officer, Murrumbidgee Council explained that qualified audit opinions '... cast doubt on the financial integrity of councils, undermine public confidence, and have wasted countless amounts of time and energy for all involved.'³²
- 1.37 Snowy Valleys Council was the sole council reported to have received a qualified audit opinion for its 2023-24 financial statements due to the non-recognition of RFS buildings on council land.³³
- 1.38 Despite the significant improvement in qualified audit opinions it is unclear whether there has been improved asset management, in terms of physical stocktakes and condition assessments of the fire fighting equipment spread across rural fire districts.

Concerns about the accuracy and completeness of red fleet assets register and data

- 1.39 In response to concerns about the oversight of red fleet assets, the Commissioner confirmed that the RFS knows the locations of red fleet assets.³⁴ The Commissioner further advised, that the RFS uses a computer-aided dispatch system during fires, to identify where the closest fire truck is to an incident. This includes dispatching fire trucks to locations outside of the local government area that a fire truck is vested within.³⁵
- 1.40 The NSW Government also advised that guidance and support was provided to councils to assist with their responsibilities to account for fire fighting equipment. For example:
- Sharing the State's accounting paper.
 - Webinars facilitated by the Office of Local Government and jointly run by NSW Treasury, the RFS and the Audit Office.
 - Providing RFS asset costing lists to councils and ensuring RFS Commanders and District Managers share asset listings with councils.
 - Ensuring RFS personnel provide councils with access to RFS premises to inspect assets.³⁶

³⁰ [Submission 67](#), Northern Rivers Joint Organisation, p 6.

³¹ [Submission 72](#), Canberra Region Joint Organisation, p 5.

³² Ms Kaitlin Salzke, Chief Financial Officer, Murrumbidgee Council, [Transcript of evidence](#), 20 August 2024, p 39.

³³ Audit Office of New South Wales, [Local Government 2024](#), financial audit report, 2025, p 9.

³⁴ Commissioner Rogers, [Evidence](#), 16 September 2024, p 30.

³⁵ Commissioner Rogers, [Evidence](#), 16 September 2024, p 29.

³⁶ [Submission 30](#), p 9.

- 1.41 Despite this the Committee received evidence that sometimes the red fleet asset register provided to councils for their year-end financial reporting was inaccurate and incomplete.
- 1.42 For instance, when performing procedures to confirm the location and condition of two new tankers as part of finalising its 2022-23 accounts, Warren Shire Council discovered that the tankers had been transferred to another rural fire brigade outside of Warren Shire Council.³⁷
- 1.43 Murrumbidgee Council conducted a physical stocktake for the 2022-23 financial year. The Council advised that the stocktake was only 'remotely feasible' with the cooperation of RFS volunteers, including an RFS group captain who liaised with the property owners regarding access to their land and the assets' locations.³⁸
- 1.44 Some councils advised that they perform desktop stocktakes rather than physical stocktakes. For example, Eurobodalla Shire Council performs a 'desktop stocktake' using information provided by the RFS, specifically acquisition notifications which include the cost of any red fleet assets.³⁹
- 1.45 Similarly, Sutherland Shire Council advised that it performs a desktop reconciliation of the RFS asset listing to Council's records on maintenance and repair logs, fuel transactions or insurance and registrations. The Council also advised that the reliability of the RFS asset listing is relatively low, noting also that data on purchase price, purchase date, useful lives, and current written down values is missing from the listing.⁴⁰
- 1.46 Gwydir Shire Council advised that it is unable to perform a full stocktake of red fleet assets due to a lack of resources. The Council explained that it updated its asset register based on data provided by the RFS but that it has 'an enormous amount of difficulty extracting this information from the RFS', which it is also unable to verify.⁴¹
- 1.47 The Committee also heard in other cases that councils are choosing not to perform stocktakes of red fleet assets. For example, Tamworth Regional Council and Bega Valley Shire Council advised that they will not carry out red fleet stocktakes and will not record these assets in the councils' financial statements.⁴²
- 1.48 The Commissioner addressed the reported data discrepancies in the red fleet data provided to councils. He explained that the discrepancies were caused by the time delay between when RFS generates the data and when it is given to councils through the Office of Local Government, before it 'ends up with the right person'. The Commissioner noted that it could be months before a council officer

³⁷ [Submission 15](#), Warren Shire Council, p 3.

³⁸ [Answers to supplementary questions](#), Murrumbidgee Council, 13 September 2024, p 9.

³⁹ [Answers to supplementary questions](#), Eurobodalla Shire Council, 27 September 2024, p 5.

⁴⁰ [Answers to supplementary questions](#), Sutherland Shire Council, 13 September 2024, p 4.

⁴¹ [Answers to supplementary questions](#), Gwydir Shire Council, 24 September 2024, p 2.

⁴² [Answers to supplementary questions](#), Tamworth Regional Council, 19 September 2024, pp 2-3; [Submission 71](#), Bega Valley Shire Council, pp 53, 57.

attempts to confirm the red fleet data, at which point an asset may have been moved or disposed of.⁴³

1.49 This process is illustrated in the figure below.

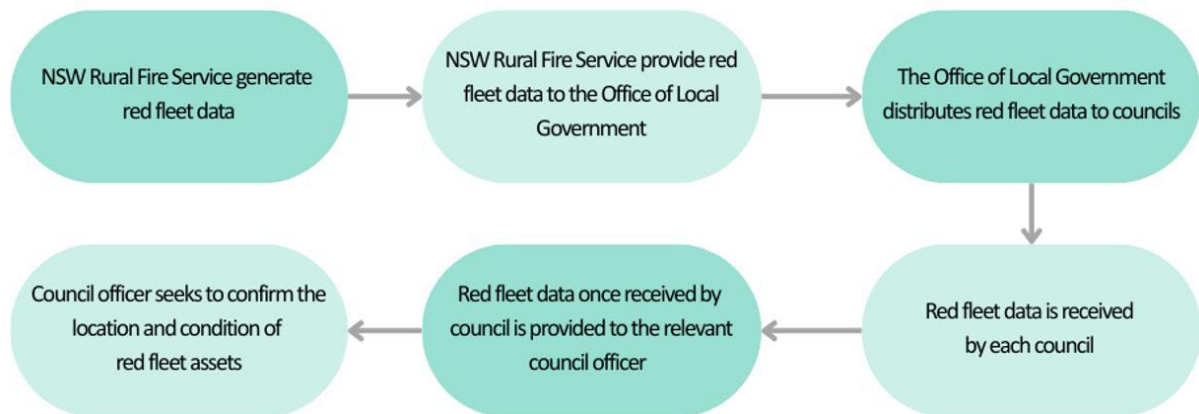


Figure 2. Provisions of red fleet asset data from the RFS to councils via OLG⁴⁴

- 1.50 The Committee notes that maintaining current, complete and accurate data on where red fleet assets are and what condition they are in is important for effective and efficient bush fire response and effective fleet management.
- 1.51 The Committee is concerned that there are rural fire districts where neither councils nor the RFS are conducting physical stocktakes or condition assessments for red fleet assets. Given the challenges faced and errors reported by councils who have performed either a physical or desktop stocktake it appears there is no clear, single view of all the red fleet assets in operation across NSW.
- 1.52 Transfer of clear ownership and control of red fleet to the RFS will allow it to have comprehensive control, visibility and accountability for its fleet. This is important to the RFS fulfilling its mission as an emergency service. It would also further enhance RFS's operational management and the ability to respond effectively to emergencies.

Fleet planning and allocation issues identified by performance audit

- 1.53 Issues regarding the red fleet were also identified in the Auditor-General's *Planning and managing bushfire equipment* performance audit. It found:
- There is limited evidence that the RFS has undertaken strategic fleet planning or assessment of the capability of the fire fighting fleet to respond to current bushfire events or emerging fire risks.
 - The RFS does not have an overarching strategy to guide its planning, procurement, or distribution of the fire fighting fleet.

⁴³ Commissioner Rogers, [Evidence](#), 16 September 2024, p 30.

⁴⁴ Commissioner Rogers, [Evidence](#), 16 September 2024, p 30.

- The RFS does not have effective oversight of fleet maintenance activity across the State, and is not ensuring the accuracy of District Service Agreements where maintenance responsibilities are described.⁴⁵

- 1.54 The report noted when council staff and RFS District staff do not meet regularly there is a risk that they 'have incorrect or outdated information about the location, status, or condition' of red fleet assets.⁴⁶
- 1.55 The report also found that 63 per cent of service agreements have not been reviewed in the last 10 years.⁴⁷ These agreements are used to manage the allocation of maintenance responsibilities between the RFS and councils and issues related to this are discussed later in this chapter.
- 1.56 The Auditor-General made six recommendations, including that the RFS:
- Develop a fleet enhancement framework and strategy informed by current fleet capability, and research into appropriate technologies and appliances to address emerging and future fire risks across NSW.
 - Develop performance measures to assess the performance and capabilities of the fleet in each RFS District by recording and publicly reporting on fire response times and outcomes and the completeness of hazard reduction.
 - Report annually on fleet allocations to RFS Districts and identify how they align with districts' fire risks.
 - Establish a fleet maintenance framework to ensure service agreements are regularly updated and review and improve processes for timely recording of fleet asset movements, locations, and maintenance status.⁴⁸
- 1.57 Transfer of clear ownership and control of red fleet assets to the RFS will enable it to have comprehensive control, visibility and accountability for its fleet. This is important to the RFS fulfilling its mission as an emergency service.

Councils state that they do not 'own' or control red fleet assets

- 1.58 The Committee heard from many councils that they do not use, control or in some cases even know the location of their red fleet assets. This means that, although the red fleet assets are vested in and legally owned by councils under the Act, councils do not feel like they have meaningful ownership over the assets and therefore should not have to account for them.⁴⁹

⁴⁵ Audit Office of New South Wales, [Planning and managing bushfire equipment](#), performance audit report, 2023, p 5.

⁴⁶ [Planning and managing bushfire equipment](#), p 30.

⁴⁷ [Planning and managing bushfire equipment](#), p 29.

⁴⁸ [Planning and managing bushfire equipment](#), p 10.

⁴⁹ For example: [Submission 1](#), Berrigan Shire Council, pp 2-3; [Submission 2](#), Cobar Shire Council, p 1; [Submission 6](#), The Hills Shire Council, p 2; [Submission 7](#), Uralla Shire Council, pp 1, 4-5; [Submission 10](#), Lockhart Shire Council, p 4; [Submission 11](#), Albury City Council, p 1; [Submission 12](#), p 4; [Submission 15](#), Warren Shire Council, p 3; [Submission 16](#), Narrandera Shire Council, p 2; [Submission 18](#), Coolamon Shire Council, p 3; [Submission 19](#), Upper Lachlan Shire Council, p 2; [Submission 20](#), Eurobodalla Shire Council, p 3; [Submission 21](#), Northern Beaches Council, pp 7-11.

1.59 For example, the following councils outlined their current operational experiences:

Hawkesbury City Council	'Council does not have care, control, risk, or reward of RFS assets.' ⁵⁰
Bega Valley Council	'... vehicles are purchased and constructed by the RFS, installed in a brigade station, deployed to local, out of area and interstate incidents without the knowledge or consent of council.' ⁵¹
Queanbeyan-Palerang Regional Council	'... practically the Council has no care or control over firefighting assets and nor should it. It does not: <ul style="list-style-type: none"> • have any input into type or specifications of appliances • provide direction around when, how many and for how long appliances should be bought and sold, • know where they are, what they are being used for and how often (including being used for out of area response) • able to direct and control the use of appliances • arrange for any ongoing maintenance and repair • use them for any Council-related tasks (because they are purpose-built appliances designed for fire-fighting, which Council does not do or have any legislative basis to do).'⁵²
Central Coast Council	'Council has no control over the RFS, its day-to-day operations, the deployment and use of plant and fleet, including the red fleet, and has no ability to directly draw on the resources of the RFS. Council has some to limited control over ... the servicing of the red fleet, purely as a function of NSW Government arrangements regarding the ownership of certain assets (the Red Fleet) being vested in Council, not the RFS, which goes against modern accounting standards regarding care and control.' ⁵³

1.60 Councils further noted that the increasing role of the RFS, including the centralisation of fire fighting operations and assets, means that the Act no longer reflects current operations.⁵⁴

1.61 As an example, Narrandera Shire Council stated:

In the 1980's rural firefighting was very much a Council led process with staff and resources employed by the Councils, although funding from the State was very important. Today, Councils stand largely removed from the process, connected by thin strand of legal and financial tape.⁵⁵

1.62 Councils also argued that accounting for red fleet assets is logistically and administratively burdensome, and creates financial strain on councils through

⁵⁰ [Submission 49](#), Hawkesbury City Council, p 3.

⁵¹ [Submission 71](#), p 2.

⁵² [Submission 12](#), p 4.

⁵³ [Submission 28](#), Central Coast Council, p 2.

⁵⁴ [Submission 1](#), p 5; [Submission 6](#), pp 1-2; [Submission 16](#), p 1; [Submission 18](#), p 1; [Submission 19](#), p 4; [Submission 20](#), pp 3, 5-6; [Submission 23](#), Snowy Valleys Council, p 4.

⁵⁵ [Submission 16](#), p 1.

'depreciation costs' which impact their performance ratios.⁵⁶ For these reasons, some councils choose not to record red fleet assets in their annual reports.⁵⁷ This is problematic because it increases the risk that these assets are not properly maintained and managed.

There was little evidence to support maintaining the status quo

- 1.63 The Committee asked the Commissioner and NSW Treasury whether there are any benefits to maintaining the current vesting practice. The Committee did not receive any substantive arguments to support that there are benefits to maintain the current practice of vesting red fleet assets in councils.⁵⁸
- 1.64 The Commissioner advised that historically 'councils were a big player in rural fire affairs' and that the RFS has '... been on a bit of a journey since 1949, 1997 and the staff transfer'. The Commissioner further noted that the RFS is 'probably' at a point where the Government will need to decide next steps.⁵⁹
- 1.65 Again, for the reasons outlined above, the Committee recommends that the Act be amended to formally transfer ownership and operation of the red fleet assets to the RFS.

Clarifying the ownership of red fleet assets does not address all issues in the Act

- 1.66 The Committee heard that amending section 119 to vest red fleet assets in the RFS does not solve all problems with the Act.
- 1.67 Two private members bills were introduced in the Legislative Assembly in the 58th Parliament seeking to address concerns about the currency of the *Rural Fires Act 1997*. Both Bills sought to do this by amending section 119(2) in order to vest fire fighting equipment in the Commissioner rather than in councils, and also omitting the subsequent subsections 119(3), 119(5) and 119(6).⁶⁰
- 1.68 The Auditor-General advised that any changes to the Act on the vesting of red fleet assets are likely to require consequential amendments, given that statutory obligations relating to these assets are delegated to different parties.⁶¹

⁵⁶ [Submission 26](#), Murray River Council, pp 20 - 21; [Submission 71](#), p 4; [Submission 73](#), Wingecarribee Shire Council, p 3.

⁵⁷ Audit Office of New South Wales, [Local Government 2023](#), financial audit report, 2024, p 72.

⁵⁸ Commissioner Rogers, [Evidence](#), 16 September 2024, p 30; Andy Hobbs, Executive Director, Financial Stewardship and Public Reporting, NSW Treasury, [Transcript of evidence](#), 16 September 2024, pp 20-22.

⁵⁹ Commissioner Rogers, [Evidence](#), 16 September 2024, p 30. The *Rural Fires Act 1997* replaced the *Bush Fires Act 1949*.

⁶⁰ [Rural Fires Amendment \(Red Fleet\) Bill 2023](#); [Rural Fires Amendment \(Red Fleet\) Bill 2024](#). Adam Marshall, Member for Northern Tablelands introduced the Rural Fires Amendment (Red Fleet) Bill 2023 on 14 September 2023 and the Rural Fires Amendment (Red Fleet) Bill 2024 on 14 March 2024.

⁶¹ Mr Oyetunji, [Evidence](#), 16 September 2024, p 17.

- 1.69 The Auditor-General also said that the proposed Bills would not completely address the issues as the Bills do not consider other sections within the Act that legislate councils' obligations.⁶²
- 1.70 The RFS advised that there may be unforeseen legal and accounting complexities to amendments that seek to transfer the ownership of red fleets assets to the agency. The RFS further advised that amendments would need to be examined carefully by the RFS in conjunction with the Parliamentary Counsel's Office, NSW Treasury and the Audit Office of NSW.⁶³
- 1.71 In regards to broader changes to the Act, the RFS identified a number of areas where amendments could be made. These include:
- Updating the definition of 'fire fighting equipment' in the Act, as it currently includes buildings, water tanks and other equipment. Amendments that are made subsequent to this inquiry could be structured to allow red fleet assets to be transferred to the RFS and the remainder of the 'fire fighting equipment' to stay vested in councils, including buildings.⁶⁴
 - Transitioning responsibility for rural fire brigades and their membership from councils to the RFS.⁶⁵
- 1.72 The RFS also advised that it would need time to fully consider what other amendments are needed to bring the Act up to date with current practices and conditions, and to best prepare and equip the RFS to provide effective bush fire fighting capability. The RFS explained that time is needed due to the '... complex legal, financial and operational implications flowing from any change (including the impact of any change to the vesting of red fleet).'⁶⁶

The RFS has assumed responsibility for the maintenance and repair of red fleet assets through service agreements

- 1.73 Several councils raised concerns about the maintenance and repair arrangements for red fleet assets.⁶⁷ The following section focuses on these arrangements for red fleet assets, while arrangements related to buildings is discussed in chapter three.
- 1.74 Under the Act, councils are responsible for the maintenance and repair of red fleet assets vested in them.⁶⁸ However, based on the service agreements reviewed by the Committee, service agreements now delegate this responsibility to the RFS.

⁶² Mr Oyetunji, [Evidence](#), 16 September 2024, p 17.

⁶³ [Answers to supplementary questions](#), NSW Rural Fire Service, 21 October 2024, p 6.

⁶⁴ [Answers to supplementary questions](#), NSW Rural Fire Service, 21 October 2024, p 6.

⁶⁵ [Answers to supplementary questions](#), NSW Rural Fire Service, 21 October 2024, p 10. These responsibilities are noted in the *Rural Fires Act 1997*, ss 16-17 and the *Rural Fires Regulation 2022*, ss 4 and 6-10

⁶⁶ [Answers to supplementary questions](#), NSW Rural Fire Service, 21 October 2024, p 10.

⁶⁷ For example: [Submission 71](#), p 1; [Submission 62](#), Hornsby Shire Council, p 1; [Submission 16](#), p 1.

⁶⁸ *Rural Fires Act 1997*, [s 119\(5\)](#).

- 1.75 The following clause, delegating responsibility to the RFS, was noted in a sample of service agreements provided to the Committee:

5.2: The Commissioner agrees that he or she will, during the term of this Agreement, maintain the District Equipment on behalf of the Council in accordance with the applicable Service Standards.⁶⁹

- 1.76 In service agreements provided to the Committee, there was variation in how the issue of funding maintenance and repairs was dealt with. For example:

Maintenance and repair funding clause	Clause 8.9: 'The Council acknowledges that the funding for the expenditure under the Maintenance and Repair sections of the Fund estimates process shall continue to be provided on a reimbursement basis.'	Clause 8.6: 'The Councils acknowledges that the funding for expenditure under sections B and C of the Fund estimates process shall, <u>with the exception of the salary and travel costs of the Service staff assigned to the District</u> , continue to be provided on a reimbursement basis.'	Clause 8.9: 'The Councils acknowledge that the funding for the expenditure under the Maintenance and Repair sections of the Fund estimates process shall, continue to be provided on a reimbursement basis <u>with claims submitted quarterly and the claims paid within thirty (30) days of the date on which they are submitted provided that such claims are submitted in the proper format with all necessary supporting documentation.</u> '
Service agreements	Rural Fire District Service Agreements for: MIA Zone ⁷⁰ , Blue Mountains ⁷¹ , Central Darling ⁷² and Tamworth. ⁷³	Zone Rural Fire Service Agreement for councils of Coolamon, Junee, Lockhart, Urana and Wagga Wagga ⁷⁴	Rural Fire District Service Agreement, Far South Coast Team ⁷⁵

Figure 3. Variances between maintenance and repair clauses in service agreements

- 1.77 The Committee notes that variations across rural fire districts may increase administration inefficiencies and complexity and that benefits could be achieved through making processes consistent and streamlined.

⁶⁹ [Submission 16](#), p 12; [Rural Fire District Service Agreement between NSW Rural Fire Service and the Council of Central Darling dated 2014](#), 21 August 2024, p 7; [Rural Fire District Service Agreement Between NSW Rural Fire Service and Blue Mountains City Council dated 2012](#), 9 September 2024, p 9; [Answers to questions on notice](#), Tamworth Regional Council, 6 September 2024, p 6; [Submission 57](#), Wagga Wagga City Council, p 10; [Submission 71](#), p 13.

⁷⁰ [Submission 16](#), p 15. The Rural Fire District Service Agreement for the MIA Zone includes councils of Griffith City, Leeton Shire, Murrumbidgee Shire and Narrandera Shire.

⁷¹ [Rural Fire District Service Agreement Between NSW Rural Fire Service and Blue Mountains City Council dated 2012](#), 9 September 2024, p 12.

⁷² [Rural Fire District Service Agreement between NSW Rural Fire Service and the Council of Central Darling dated 2014](#), 21 August 2024, p 10.

⁷³ [Answers to questions on notice](#), Tamworth Regional Council, 6 September 2024, p 9.

⁷⁴ [Submission 57](#), Wagga Wagga City Council, p 13.

⁷⁵ [Submission 71](#), p 17. The Rural Fire District Service Agreement for the Far South Coast Team include councils of Bega Valley Shire and Eurobodalla Shire.

- 1.78 The Committee recommends that the responsibility for maintenance and repair of red fleet assets be legally transferred to the RFS by amending the Act. This follows on from our earlier recommendation that red fleet assets should be legally owned by the RFS.
- 1.79 The Committee also acknowledges that a comprehensive review of the Act will take time. To address councils' immediate concerns about current arrangements the Committee has also recommended that the RFS update current service agreements in consultation with councils to clarify and simplify existing processes.
- 1.80 Although under many service agreements the RFS plans and directs the maintenance and repair of red fleet assets, generally private contractors are engaged through council systems to do maintenance and repair.⁷⁶ In other cases the work is done by council owned and operated workshops, as is the case with Blue Mountains City Council.⁷⁷ There are also instances where the RFS has taken on responsibility for the maintenance and repair of red fleet assets.⁷⁸
- 1.81 The Commissioner advised that some council workshops may rely on red fleet maintenance and repairs work to remain viable.⁷⁹
- 1.82 Should the RFS assume full management and responsibilities for the repairs and maintenance of red fleet assets under an amended Act, consideration should be given to the continued use of local mechanical workshops where appropriate. This could support local workshops which rely on work from fleet maintenance and enable local workshops to continue contributing their expertise and knowledge through commercial arrangements with the RFS.
- 1.83 The Committee notes that there is room for updated service agreements to facilitate flexibility in local arrangements across the different rural fire districts. For example, service agreements could be used to accommodate the continued use of councils' workshops where it is beneficial to both local communities and the RFS.

⁷⁶ [Answers to supplementary questions](#), Tamworth Regional Council, 19 September 2024, p 1; [Answers to supplementary questions](#), Murrumbidgee Council, 13 September 2024, pp 2 and 4.

⁷⁷ [Submission 31](#), Blue Mountains City Council, p 2.

⁷⁸ [Submission 60](#), Tweed Shire Council, p 2.

⁷⁹ Commissioner Rogers, [Evidence](#), 16 September 2024, p 32.

Councils incur financial and administrative burdens for the maintenance and repair of red fleet assets

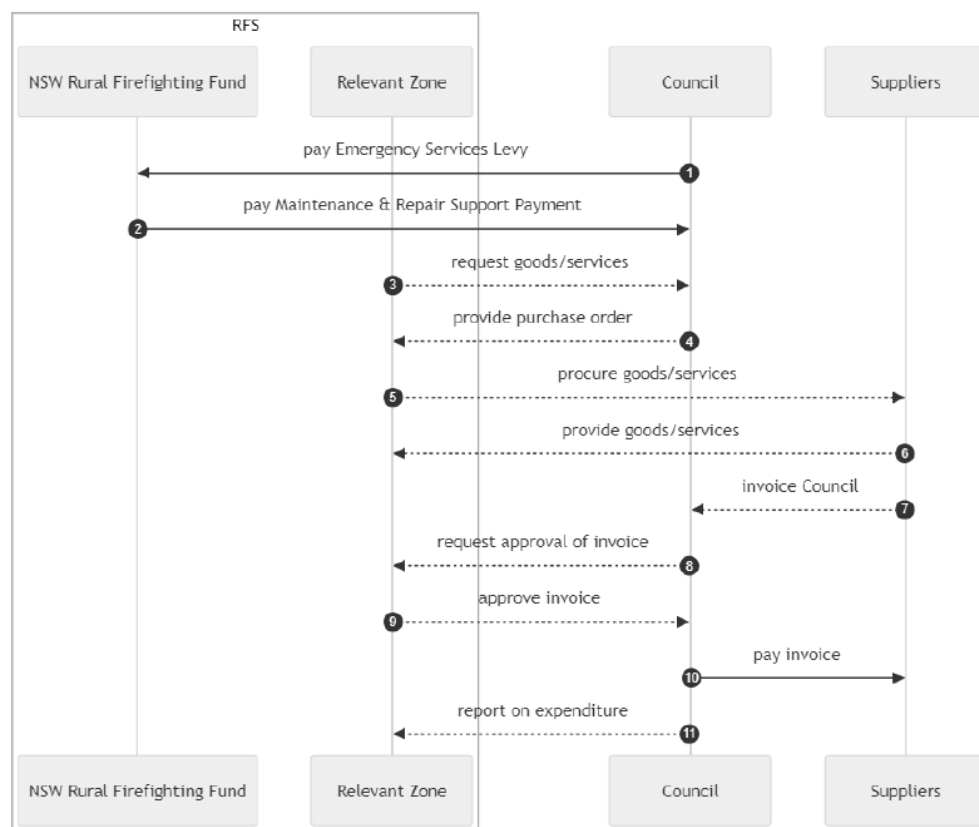
Issues relating to administrative inefficiencies and duplication

1.84 Councils advised that the current maintenance and repair processes generate significant administrative inefficiencies and duplication.⁸⁰ This is in part due to the legal ownership of red fleet assets being legislatively vested in councils contrary to the operational reality of control lying with the RFS.

1.85 For example, Ms Vanessa Browning, Chief Financial Officer of Hawkesbury City Council, commented that complex administrative processes can create inefficiencies beyond the immediate duplication of work by that council:

There are various different [maintenance and repair] systems, so if they [RFS staff] move districts they potentially have to learn the local council's financial policies, procurement policies and procurement systems. So a lot of economies of scale are being missed by that model.⁸¹

1.86 Some of these inefficiencies are illustrated in the below flowchart provided by Murrumbidgee Council.



⁸⁰ [Answers to supplementary questions](#), Bega Valley Shire Council, 12 September 2024, p 1; [Answers to supplementary questions](#), Tamworth Regional Council, 19 September 2024, p 1; [Answers to supplementary questions](#), Hawkesbury City Council, 20 September 2024, p 2; Mr Graeme McCrabb, RFS Captain, Menindee Headquarters Brigade, [Transcript of evidence](#), 20 August 2024, p 13.

⁸¹ Ms Vanessa Browning, Chief Financial Officer, Hawkesbury City Council, [Transcript of evidence](#), 20 August 2024, p 31.

Figure 4. Murrumbidgee Council's maintenance and repair flowchart⁸²

- 1.87 From this flowchart (Figure 4) there appears to be several duplicative or unduly complex processes. For example:
- 1 Murrumbidgee Council pays money into the NSW Rural Fire Fighting Fund, but then receives money out of the fund for maintenance and repair (steps 1 and 2). It may be more efficient for the RFS to directly manage payments for maintenance and repair services, this could eliminate step 2.
 - 2 RFS Zone staff request goods/services from the RFS, council staff generate a purchase order and give this to the RFS Zone staff who in turn send this to a supplier (steps 3-5). It may be more efficient if RFS Zone staff were able to generate and send out purchase orders directly to suppliers. This could eliminate steps 3 and 4.
 - 3 Supplier invoices are sent to council staff, are then remitted to RFS Zone staff for approval, approved invoices are then sent back to council staff for payment (steps 7-10). It may be more efficient if invoices were sent directly to RFS Zone staff for approval and payment. This could eliminate step 8.
- 1.88 The Committee notes that the current arrangements for maintenance and repair of red fleet assets are complex and create unnecessary administrative load and duplication of work for both council and rural fire district staff.
- 1.89 Transferring ownership and maintenance responsibilities of red fleet assets to the RFS is likely to reduce administrative inefficiencies and duplication across rural fire districts as the individual districts would not have to learn and apply each council's individual policies, processes, and financial systems. Centralising maintenance and repair responsibilities in the RFS is also likely to streamline processes by eliminating some of the back and forth occurring between district and council staff.

Issues relating to the timing of reimbursement and annual allocation letters

- 1.90 The Committee heard that from an operational standpoint, the process of organising maintenance and repairs and recouping costs was different across each council.⁸³

⁸² [Answers to supplementary questions](#), Murrumbidgee Council, 13 September 2024, p 5.

⁸³ Mr Troy Wright, Assistant General Secretary, Public Service Association of New South Wales, [Transcript of evidence](#), 20 August 2024, p 7; Ms Hailie Ryzak, Director Strategy and Corporate Services, Blue Mountains City Council, [Transcript of evidence](#), 20 August 2024, p 57; Mr Ian Brown, Secretary, Independent Bushfire Group, [Transcript of evidence](#), 16 September 2024, p 3.

1.91 Some of these differences are illustrated in the following examples:

Tamworth Regional Council	The RFS determines when maintenance spending will occur throughout the year. RFS staff have access to the council's finance system and will raise purchase orders for maintenance and repairs. The council will then pay maintenance and repairs invoices using the RFS raised purchase orders. The council then applies for a reimbursement from the RFS. ⁸⁴
Murrumbidgee Council	The RFS coordinates and undertakes maintenance throughout the year. Council staff raise purchase orders for this work in the council's finance system as requested by the RFS. Suppliers then invoice council directly, and council staff send invoices to the RFS for approval. Once approved by the RFS, council then pays suppliers and report this expenditure back to the RFS. ⁸⁵
Blue Mountains	The RFS notifies council throughout the year when maintenance and repair works are required for red fleet assets. RFS staff have access to council's finance systems to manage the maintenance and repair process, with council paying the invoices. Some maintenance and repair services are procured by the RFS from the council's own mechanical services team. ⁸⁶

1.92 Each November or December, the RFS sends councils an allocation letter setting out the amount dedicated to maintenance and repair reimbursements for the council for that financial year. Where there is a gap between the total of RFS invoices paid by council and its yearly maintenance and repair allocation from the RFS, councils absorb that cost.⁸⁷

1.93 Further, some councils expressed that the timing of their annual allocation letter (received in November or December halfway through the financial year) makes it difficult to plan and budget, amplifying council's administrative burden.⁸⁸ Challenges on the timing of the annual allocation letters are discussed further in chapter three.

Issues relating to out of pocket costs for councils

1.94 The cost of maintenance and repair of red fleet assets, determined by the RFS but paid for in the first instance by councils, is often more than the maintenance and repair allocation provided to councils for that purpose. Councils are therefore left out of pocket if costs exceed a district or zone's annual allocation.⁸⁹

⁸⁴ [Answers to supplementary questions](#), Tamworth Regional Council, 19 September 2024, p 1.

⁸⁵ [Answers to supplementary questions](#), Murrumbidgee Council, 13 September 2024, p 2.

⁸⁶ [Answers to supplementary questions](#), Blue Mountains City Council, 20 September 2024, p 1; [Submission 31](#), p 2.

⁸⁷ Commissioner Rogers, [Evidence](#), 16 September 2024, p 30; [Information provided by the Office of the Minister for Emergency Services](#), 19 March 2024, p 34.

⁸⁸ For example: [Submission 18](#), p 11; [Submission 26](#), Murray River Council, p 22; [Submission 28](#), p 3; [Submission 34](#), Shoalhaven City Council, p 3; [Submission 49](#), p 6.

⁸⁹ [Answers to supplementary questions](#), Hawkesbury City Council, 20 September 2024, p 1; [Answers to supplementary questions](#), Hornsby Shire Council, 17 September 2024, p 2; [Submission 70](#), Port Macquarie Hastings Council, p 3.

- 1.95 At a public hearing, the Commissioner estimated that on average RFS allocations for maintenance and repair covered two thirds of councils' total expenses.⁹⁰
- 1.96 However when the Committee contacted the RFS to confirm this figure, the RFS clarified that it may only cover around 28 per cent (just under one third) of councils' total expenses.⁹¹
- 1.97 This is based on the a high-level estimate that the total red fleet maintenance and repair costs is approximately \$44.8 million per annum (or \$7,129 per asset per annum). After accounting for the \$12.5 million in grant funding provided by the RFS, it is estimated that councils are potentially contributing the remaining \$32.3 million (or 72 per cent).⁹²
- 1.98 The below table outlines some of the out of pocket costs reported by councils:

Council	2022/2023		2023/2024	
	Annual expense	Out of pocket costs	Annual expense	Out of pocket costs
<i>Coolamon Shire Council</i> ⁹³	\$535,962	\$0	\$637,011	\$0
<i>Sutherland Shire Council</i> ⁹⁴	\$349,855	\$101,727	\$461,270	\$208,179
<i>Murrumbidgee Council</i> ⁹⁵	\$97,436	(\$47,996)	\$180,730	\$32,390

Table 2. Out of pocket costs for maintenance and repair reported by councils

- 1.99 The Committee notes that while the RFS has accepted responsibility for the maintenance and repair of red fleet assets in service agreements, and some funding by way of reimbursement, councils still bear a financial burden. This financial burden is borne until they receive reimbursements and for any out of pocket costs.
- 1.100 The Committee has recommended that the Act be amended to recognise that the RFS is responsible for the maintenance and repair of red fleet assets. It is assumed that councils would no longer incur out of pocket costs for the maintenance and of red fleet assets if this responsibility is legislatively transferred to the RFS along with ownership.
- 1.101 Importantly, if this change was made councils would still be contributing to maintenance and repair costs through their annual contributions to the Rural Fire Fighting Fund, which is discussed further in chapter five.
- 1.102 The Committee recognises that this recommendation may mean that the RFS pays a greater share of the overall costs of RFS services. This is why the

⁹⁰ Commissioner Rogers, [Evidence](#), 16 September 2024, p 30.

⁹¹ [Answers to supplementary questions](#), NSW Rural Fire Service, 21 October 2024, p 5.

⁹² [Answers to supplementary questions](#), NSW Rural Fire Service, 21 October 2024, p 5.

⁹³ [Answers to supplementary questions](#), Coolamon Shire Council, 11 September 2024, pp 1-2.

⁹⁴ [Answers to supplementary questions](#), Sutherland Shire Council, 13 September 2024, p 2.

⁹⁵ [Answers to supplementary questions](#), Murrumbidgee Council, 13 September 2024, p 7.

Committee has recommended that any potential funding implications be considered as part of the NSW Government's ongoing review into emergency services funding. These funding reforms are also discussed further in Chapter Five.

What if red fleet assets are transferred to the RFS

- 1.103 The Committee understands that there are several issues to consider if the Act is amended to transfer the ownership of red fleet assets from the councils to the RFS. Estimated impacts to the RFS's annual expenses are outlined below (table 3).

Annual expenses from the transfer of red fleet assets	Per annum estimate
Depreciation expense for red fleet assets.	\$68.9m
Maintenance and repair costs for red fleet assets.	\$44.8m
Fuel for red fleet assets.	\$15.0m
Annual system maintenance works.	\$0.5m
Total increase in annual expenses	\$129.2m

Annual savings from the transfer of red fleet assets	Per annum estimate
Reduction in capital expense due to red fleet assets no longer vesting in councils.	-\$88.2m
Efficiency savings from centralisation of processes and systems across the 43 rural fire districts.	TBD
Reduction in grants currently paid to councils for the maintenance and repair of red fleet assets.	-\$12.5m
Total savings per annum	-\$100.7m

Estimated net annual impact	\$28.5m
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Table 3. Estimated impacts to the NSW Rural Fire Service's ongoing expenses following a transfer of red fleet assets⁹⁶

- 1.104 Based on high level estimates provided by the RFS it appears that the RFS's overall expenses could increase by \$28.5 million per annum. The Committee notes that it is possible for this impact to further reduce following validation and confirmation of estimated costs. Given this estimate:
- includes a higher than expected estimated cost for the ongoing maintenance and repair of red fleet assets, that requires further validation, and
 - does not include efficiency savings from centralising processes and systems across the 43 rural fire districts, that cannot be determined at this time.
- 1.105 On the balance of evidence received, the Committee supports the transfer of clear ownership and control of red fleet assets to the RFS. This transfer will

⁹⁶ [Answers to supplementary questions](#), NSW Rural Fire Service, 21 October 2024, pp 3-5.

enable the RFS to have comprehensive control, visibility and accountability for its fleet, which is important to the RFS's ability to fulfill its mission as an emergency service organisation.

Estimated savings from reduced capital expense currently recorded when assets vest from the RFS in councils

- 1.106 When red fleet assets are vested in councils the RFS records a capital expense in its financial statements for the cost of the vested assets.⁹⁷ The RFS advised that it recorded \$88.2 million in capital expense for red fleet assets vested in councils in 2023-24.⁹⁸
- 1.107 If red fleet assets were legally transferred to the RFS, the RFS would need start recording those assets and the associated annual depreciation expense. This means that the RFS's annual depreciation expense would be expected to increase by \$68.9 million per annum.⁹⁹
- 1.108 The Committee understands that the increase in depreciation expense would be offset by a reduction in capital expense. If red fleet assets were legally owned by the RFS under an amended Act, red fleet assets would no longer vest in councils and the RFS would no longer record a capital expense for the vesting. Instead the RFS would capitalise the costs of red fleet assets under its control and record the associated depreciation. The impact of this is outlined above (Table 3).
- 1.109 The estimated \$68.9 million in depreciation expense is based on:
- red fleet asset data as at June 2024
 - applying a straight line basis to depreciation
 - assuming assets have either a 25-year or 15-year useful life
 - the gross book value of each asset is estimated based on the estimated current replacement cost.
 - applying a notional depreciation amount to assets passed their useful life.¹⁰⁰

⁹⁷ NSW Rural Fire Service, [Annual Report 2023/24](#), annual report, 2024, p 62.

⁹⁸ [Answers to supplementary questions](#), NSW Rural Fire Service, 21 October 2024, pp 1-2.

The \$88.2 million in capital expense is reported as part of the RFS's 'Grants and Subsidies' expense in the Statement of Comprehensive Income.

Within 'Grants and Subsidies' the \$88.2 million is recorded in the detailed expense line of 'Payments for Council costs associated with rural fire fighting activities and equipment'.

It is noted that the 'Payments for Council costs associated with rural fire fighting activities and equipment' total \$240.6 million and also include expenses for other equipment vested in councils, not just red fleet assets.

⁹⁹ [Answers to supplementary questions](#), NSW Rural Fire Service, 21 October 2024, p 3.

¹⁰⁰ [Answers to supplementary questions](#), NSW Rural Fire Service, 21 October 2024, p 3. Note that:

Depreciation is the amount by which an asset's value decreases overtime. As assets 'wear out' they will reduce in value until their value becomes nil or negligible. It is a non-cash expense, meaning it is recorded in an organisation's financial statements but does not involve an actual cash transaction.

Straight line basis is an accounting method of allocating an asset's value evenly over its useful life. For example, if an asset had a value of \$100 and a useful life of 10 years, each year the asset would depreciate by \$10.

- 1.110 The RFS also provided an overview of the actual and forecasted capital expense up until 2027-28. This information is outlined below (Table 4).

Financial period	Capital expenditure	Actual expense or forecasted estimate
2021-22	\$48.1m	Actual expense
2022-23	\$42.8m	Actual expense
2023-24	\$88.2m	Actual expense
2024-25	\$80.8m	Forecasted estimate
2025-26	\$88.0m	Forecasted estimate
2026-27	\$35.2m	Forecasted estimate
2027-28	\$36.1m	Forecasted estimate

Table 4. Actual and forecasted capital expenditure reported by the NSW Rural Fire Service for red fleet vested in councils from 2021-22 to 2027-28¹⁰¹

Savings from the centralisation of ownership

- 1.111 Currently each of the 43 rural fire districts have to liaise with individual councils for red fleet maintenance and repairs. The RFS advised that the centralisation of ownership in the RFS could achieve efficiencies in 'service delivery, standardised service levels of vehicles through large scale contract, sector wide procurement strategies, purchasing and materials.' However, the RFS also noted that cost reduction 'is not something that can be estimated at this time'.¹⁰² The impact of this is outlined above (Table 3).

Other estimated ongoing expenses and savings for the ongoing management of red fleet assets

- 1.112 The RFS advised of several ongoing costs that it would likely incur if red fleet assets were transferred to the RFS. These estimates assume that maintenance and repair responsibilities are also transferred to the RFS. Should that be the case, the \$12.5 million in grants currently provided to councils for red fleet maintenance and repair would be expected to be re-directed to the RFS to partially offset costs.¹⁰³
- 1.113 An overview of these costs are outlined in Table 5 below and alongside other ongoing costs and costs savings above in Table 3.

The **assumed useful life** of an asset is the period of time that you expect to be able to use the asset for a specific purpose.

Gross book value is an asset's original (historical) purchase price. It excludes other adjustments like depreciation.

Current replacement cost is the amount that an organisation would have to pay to replace an asset today.

Notional depreciation is the estimated depreciation an entity expects to record should a fully depreciated asset be revalued.

¹⁰¹ [Answers to supplementary questions](#), NSW Rural Fire Service, 21 October 2024, pp 1-2.

¹⁰² [Answers to supplementary questions](#), NSW Rural Fire Service, 21 October 2024, p 4.

¹⁰³ [Answers to supplementary questions](#), NSW Rural Fire Service, 21 October 2024, pp 4-5.

Increases in ongoing expenses from the transfer of red fleet assets	Estimated ongoing costs
Maintenance and repair costs for red fleet assets.	\$44.8m
Fuel for red fleet assets.	\$15.0m
Annual system maintenance works.	\$0.5m
Total increase in ongoing expenses	\$60.3m
Less grants currently paid to councils for the maintenance and repair of red fleet assets.	(\$12.5m)
Total increase in ongoing expenses	\$47.8m

Table 5. Increases in ongoing expenses from the transfer of red fleet assets

- 1.114 The Committee notes that the RFS has estimated annual maintenance and repair costs of \$44.8 million for all red fleet assets and that the RFS has advised the \$44.8 million is an indicative estimate only and that it would require further validation and confirmation.¹⁰⁴
- 1.115 This estimate appears to be significantly higher than the \$12.5 million in grant funding currently provided to councils.¹⁰⁵ Further validation and confirmation of the estimate should be conducted.

Need to perform ongoing condition assessments of red fleet assets

- 1.116 The RFS noted that fair value condition assessments of red fleet assets have not been conducted.¹⁰⁶ A fair value condition assessment is an estimate of an asset's real/market value, taking into account depreciation due to age and wear and tear.
- 1.117 Fire and Rescue NSW, who have similar assets, revalue their fire appliances at least every three years.¹⁰⁷
- 1.118 Given red fleet assets are similar in nature, it is likely that the RFS would have to complete this assessment, both upon initial recognition and on an ongoing basis if the assets became their responsibility. In order to do so, they would likely need to organise a comprehensive stocktake. However, given the size and importance of the red fleet to fulfilling the RFS mandate of preventing and fighting bush fires, completing such a stocktake is vital to understanding the state of the red fleet assets and should ultimately improve the agency's strategic capabilities and oversight.

Initial recognition of red fleet assets vested in the NSW Rural Fire Service and associated costs

- 1.119 If red fleet assets are transferred to the RFS, upon initial recognition of the assets, the RFS would see an estimated increment of \$0.6 billion from the net book value of red fleet assets. This consists of an \$1.6 billion in gross book value and \$1.0

¹⁰⁴ [Answers to supplementary questions](#), NSW Rural Fire Service, 21 October 2024, pp 4-5.

¹⁰⁵ [Answers to supplementary questions](#), NSW Rural Fire Service, 21 October 2024, p 5.

¹⁰⁶ [Answers to supplementary questions](#), NSW Rural Fire Service, 21 October 2024, p 1.

¹⁰⁷ Fire and Rescue NSW, [Annual Report 2023-24](#), annual report, 2024, p 110.

billion in accumulated depreciation.¹⁰⁸ The initial recognition of red fleet assets by the RFS is likely to result in an increase of approximately \$0.6 billion in the RFS's total assets and equity.¹⁰⁹

1.120 In terms of the initial transfer of red fleet assets, the RFS estimated that the following costs would likely be incurred:¹¹⁰

One-off expenses from the transfer of red fleet assets	Estimated one-off expenses
Cost for the transition of red fleet assets only, for the 'initial identification and valuation of fleet and equipment, additional accounting and audit resources and any necessary legal resources to facilitate the change.'	\$5.0m
Cost to assist with one-off repairs or an uplift of RFS systems to track and record the RFS fleet, also noting that the actual cost of one-off repairs would require a condition assessment of the fleet.	\$1.5m
Total one-off expenses	\$6.5m

¹⁰⁸ [Answers to supplementary questions](#), NSW Rural Fire Service, 21 October 2024, p 1.

¹⁰⁹ AASB 1004 Contributions, para 54.

¹¹⁰ [Answers to supplementary questions](#), NSW Rural Fire Service, 21 October 2024, p 4.

Chapter Two – Bush fire response

Summary

The NSW Rural Fire Service (RFS) is the primary response agency for bush fires. Over time the RFS has taken on many of the bush fire response responsibilities previously held by councils.

A new rural fire district service agreement (service agreement) proposes to formally transfer these responsibilities to the RFS. However, the *Rural Fires Act 1997* should be amended to clearly reflect current operations as well as the primary role of the RFS and councils' supporting role. As this may take time, service agreements should also be updated to more accurately reflect current operations and responsibilities.

It is also acknowledged that hazard reduction is best managed collaboratively between councils and the RFS in order to maintain local knowledge of bush fire risks and local engagement for bush fire mitigation.

Finding 7

The NSW Rural Fire Service is the primary response agency for bush fires in the State.

Recommendation 6

That the NSW Government amend the *Rural Fires Act 1997* to clearly reflect the operational reality that the NSW Rural Fire Service is the primary agency for bush fire response in the State, with councils continuing to play a supporting role.

Finding 8

Service agreements between the NSW Rural Fire Service and councils do not reflect the operational reality that the NSW Rural Fire Service is the primary bush fire response agency in the State.

Recommendation 7

The NSW Rural Fire Service should review all service agreements to ensure that they reflect the operational realities of bush fire fighting and management, including that bush fire response responsibilities primarily sit with the NSW Rural Fire Service.

Finding 9

Hazard reduction is best managed collaboratively between councils and the NSW Rural Fire Service, to maintain local knowledge of bush fire risks and local engagement for bush fire mitigation.

Finding 10

Bush Fire Management Committees are valued by councils and contribute to a strong and supportive relationship between local government and the NSW Rural Fire Service.

Recommendation 8

The NSW Government should amend the *Rural Fires Act 1997* to clarify that the NSW Rural Fire Service has primary responsibility for bush fire mitigation and hazard reduction, with councils playing a supporting role. Amendments should aim to reduce the administrative and financial burden borne by councils under the current arrangements, while preserving the important supporting role of councils in hazard reduction.

The Act gives councils responsibilities for bush fire response, but in practice the RFS is the primary response agency

- 2.1 The NSW Rural Fire Service (RFS) is the lead government agency for bush fire response in the state.¹¹¹ "Bush fire response" encompasses both bush fire mitigation, for example hazard reduction, and bush fire fighting.
- 2.2 The role of the RFS is to respond to and manage fires in rural fire districts.¹¹² The RFS is responsible for fire management across 95% of the state, with this area being divided into 43 rural fire districts.¹¹³
- 2.3 The RFS undertakes a range of operations, from local brigade responses to small fire incidents, to state-wide centralised strategic operations based at the RFS Headquarters.¹¹⁴
- 2.4 As discussed in Chapter One, coordinated bush fire response in NSW was originally community based, with the financial and logistical support managed by councils and local communities. As bush fire response efforts became more formalised councils took on a more active role, as reflected in the *Bush Fires Act 1949* that vested the ownership of brigade fire fighting equipment in councils.¹¹⁵ Over time the benefits of centralised bush fire response efforts became clearer and brigades began to work more closely with each other.¹¹⁶
- 2.5 Following the 1994 Eastern Seaboard Fires and a subsequent coronial inquiry, the *Rural Fires Act 1997* (the Act) was passed to promote a more coordinated bush

¹¹¹ [Submission 30](#), NSW Government, p 3; Councillor Darriea Turley, President, Local Government NSW, [Transcript of evidence](#), 20 August 2024, p 2.

¹¹² [Information provided by the office of the Minister for Emergency Services](#), 19 March 2024, p 1.

¹¹³ NSW Rural Fire Service, [Our Districts](#), viewed 25 February 2025.

¹¹⁴ [Information provided by the office of the Minister for Emergency Services](#), 19 March 2024, pp 2-3.

¹¹⁵ Commissioner Rob Rogers, NSW Rural Fire Service, [Transcript of evidence](#), 16 September 2024, p 28.

¹¹⁶ [Submission 30](#), p 2.

fire response for NSW.¹¹⁷ Under the Act, the RFS was established 'to provide rural fire services for New South Wales.'¹¹⁸

- 2.6 Despite the establishment of the RFS, councils retained responsibilities for bush fire response under the Act. For example:
- Section 64 provides that land occupiers (including councils) must extinguish fires on their land and if unable to extinguish the fire must immediately report the fire.¹¹⁹
 - Councils are also responsible for establishing local brigades which in turn are responsible for hazard reduction and local fire responses.¹²⁰
 - Section 63 outlines councils' responsibility for bush fire mitigation through the 'Duties of public authorities and owners and occupiers of land to prevent bush fires.'¹²¹
- 2.7 The Act provides an exception to councils' responsibilities to extinguish fire on their land. Section 44 requires the Commissioner to 'take charge of bush fire fighting operations and bush fire prevention measures' where they consider it necessary to suppress a bush fire.¹²²
- 2.8 The Act was amended in 2000 to allow for flexibility and the sharing of responsibilities between the RFS and councils. Section 12A was inserted into the Act to enable the Commissioner to enter into a rural fire district service agreement (service agreement) with councils. The services agreements allow fire fighting responsibilities to be distributed between the parties to the agreement.¹²³
- 2.9 The Committee heard that councils now lack the operational capacity to fulfil bush fire response responsibilities under the Act, and that in practice the RFS has taken on this role:

Local Government NSW	'The Act and related service agreements are predicated on local government responsibility for bushfire fighting and localised ownership of RFS assets. In reality, the RFS has assumed the responsibility for bushfire fighting ...' ¹²⁴
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¹¹⁷ Commissioner Rogers, [Evidence](#), 16 September 2024, p 28. The Committee understands that the Commissioner is referring to the Westmead Coroners Court 1994 NSW Bushfire inquiry, handed down in 1996.

¹¹⁸ *Rural Fires Act 1997*, [s 9](#).

¹¹⁹ *Rural Fires Act 1997*, [s 64](#).

¹²⁰ *Rural Fires Act 1997*, [s 15](#); [Submission 30](#), p 5.

¹²¹ *Rural Fires Act 1997*, [s 63](#).

¹²² *Rural Fires Act 1997*, [s 44](#).

¹²³ *Rural Fires Act 1997*, [s 12A](#).

¹²⁴ Councillor Turley, [Evidence](#), 20 August 2024, p 2.

Blue Mountains City Council	'... local government staff are not emergency responders and are not trained or equipped to operate under emergency conditions. ... Even support within an incident control centre, that might once have been provided by general administrative staff, is an increasingly specialised area that requires an understanding of incident management procedures and access to RFS digital systems.' ¹²⁵
Northern Beaches Council	'... The current division of responsibilities between the RFS and Council in this regard is generally appropriate but does not appear consistent with the <i>Rural Fires Act 1997</i> Local government does not have sufficient resources or capability to take back pre-existing responsibility that are currently managed by the RFS.' ¹²⁶
Snowy Valleys Council	'... it is a local government role to coordinate the [Local Emergency Management Committee], noting however that local councils are not combat agencies, but have the resources, and local knowledge to assist combat agencies in emergency events.' ¹²⁷

- 2.10 The Committee notes that the RFS is the primary agency responsible for bush fire response in the state. However, the Act still identifies councils as holding a number of the related responsibilities. The Committee recommends that the NSW Government amend the Act to clearly reflect the operational reality that the NSW Rural Fire Service is the primary response agency for bush fire response in the State, with councils playing a supporting role.

Both the Act and service agreements no longer reflect operational reality

- 2.11 During the public hearing, the Commissioner acknowledged a misalignment between the Act and operations.¹²⁸
- 2.12 The RFS has 73 service agreements with local councils or groups of councils, which have substantially similar provisions. As reported by the Auditor-General, 63 per cent of these service agreements have not been reviewed in the last ten years.¹²⁹
- 2.13 Many councils also raised concerns about the currency of service agreements with the Committee during the inquiry process.¹³⁰
- 2.14 The Committee reviewed six service agreements as part of this inquiry. In this sample of service agreements, the Commissioner has accepted responsibility for all functions imposed on councils by the Act with some exceptions. The transfer

¹²⁵ [Submission 31](#), Blue Mountains City Council, p 7.

¹²⁶ [Submission 21](#), Northern Beaches Council, p 13.

¹²⁷ [Submission 23](#), Snowy Valleys Council, p 7.

¹²⁸ Commissioner Rogers, [Evidence](#), 16 September 2024, p 28.

¹²⁹ Audit Office of New South Wales, [Planning and managing bushfire equipment](#), performance audit report, 2023, p 29; [Submission 30](#), p 10.

¹³⁰ For example: [Submission 19](#), Upper Lachlan Shire Council, p 4; [Submission 46](#), Gunnedah Shire Council, p 2; [Submission 49](#), Hawkesbury City Council, p 4; [Submission 71](#), Bega Valley Shire Council, p 3; [Submission 72](#), Canberra Region Joint Organisation, p 6.

of councils' responsibilities to the Commissioner is outlined under clause 4 of the service agreements and states:

4.2: The Commissioner will, in consideration of an annual fee of \$1.00 payable by the Council:

- (a) exercise, for the Term, all of the functions imposed on the Council by or under the Act other than those functions specified in
 - (i) sections 7, 12A, 37(3), 60(2), 60(6), 62, 63, 64, 65, 74(1)(2)(a) & (b), 74C(3), 76, 77, 79, 95, 83(1)(a), 100E (2)(b) & (c), 100G, 100H, 104, 109, 110, 119 (save for sub-section 119 (5), 120 and 126 of the Act; and
 - (ii) Regulations 14(a), and 37 of the Rural Fires Regulation (2008):
- (b) undertake the day to day management of the RFS in the District.¹³¹

2.15 The Committee notes that two exceptions in the current service agreements include council's responsibilities under sections 63 and 64 of the Act which relate to hazard reduction and an obligation to extinguish fires or notify the appropriate authorities.

2.16 However, a new service agreement proposes that the RFS would assume almost all of councils' responsibilities under the Act including those under sections 63 and 64 which are excluded under the current service agreements.

2.17 The proposed new transfer of councils' responsibilities to the RFS is outlined in draft Clause 1, which states:

- 1. During the term of the Agreement the Commissioner will:
 - a. Undertake the functions imposed on the Council by or under the Act other than those imposed on the Council by sections 37(3), 109 and 199(5). ...¹³²

2.18 The Committee notes that instead of the Act being updated as bush fire response operations have evolved service agreements have been used to enable the RFS and councils to redistribute bush fire responsibilities to better reflect operations. Given the new service agreement proposes to transfer almost all of council's responsibilities under the Act to the Commissioner it appears that both the current service agreements and the Act do not reflect current operations.

2.19 The Committee recommends that in conjunction with a comprehensive review of the Act, the RFS should review all service agreements to ensure that they reflect the current bush fire fighting and management operations, including that bush fire response and mitigation responsibilities primarily sit with the NSW Rural Fire

¹³¹ [Rural Fire District Service Agreement between NSW Rural Fire Service and the Council of Central Darling dated 2014](#), pp 3-4; [Rural Fire District Service Agreement Between NSW Rural Fire Service and Blue Mountains City Council dated 2012](#), pp 3-4; [Answers to questions on notice](#), Tamworth Regional Council, 6 September 2024, p 3; [Submission 16](#), Narrandera Shire Council, p 11; [Submission 57](#), Wagga Wagga City Council, p 10; [Submission 71](#), p 12.

¹³² [Information provided by the office of the Minister for Emergency Services](#), 19 March 2024, p 30.

Service. Service agreements may continue to play a significant role in providing for local conditions and emergencies.

Councils work with the RFS on local hazard reduction

- 2.20 Under the Act, councils are primarily responsible for mitigating bush fire risk on land they own and manage through regular hazard reduction. The RFS supports councils in this role through advice, assistance and partial funding. Councils submitted that sharing responsibility for hazard reduction is an appropriate arrangement, but raised issues of inadequate funding and the complexity of processes.
- 2.21 Hazard reduction can include manual vegetation removal, maintenance of fire breaks and fire trails, grazing programs, monitoring and maintaining Asset Protection Zones (such as power lines) and prescribed burns.¹³³
- 2.22 Section 63 of the Act states that councils must take any practical steps to prevent the occurrence or spread of bush fires on council-owned, managed or controlled property.¹³⁴
- 2.23 Councils develop their hazard reduction programs through participation in their local Bush Fire Management Committees, which also include representatives from the RFS and other stakeholder groups.¹³⁵
- 2.24 Councils may also be directed to undertake hazard reduction works by the local RFS hazard management officer. Hazard management officers are employed by the RFS. Their role is to issue bush fire hazard reduction notices to land owners and occupiers in the rural fire district.¹³⁶ Councils must complete hazard reduction works as directed by a hazard management officer.¹³⁷
- 2.25 Councils have varying levels of involvement in hazard reduction works. The level of involvement appears to vary across the State and depends on the financial and practical support from the RFS, and a council's local capacity. For example:

¹³³ NSW Rural Fire Service, [Bush Fire Risk Mitigation and Resilience Support Program Application Guide](#), 2024/25 Financial Year, pp 4 – 5, viewed 18 March 2025.

¹³⁴ *Rural Fires Act 1997*, s 63; [Submission 30](#), p 10.

¹³⁵ *Rural Fires Act 1997*, Divisions 3 and 4; Rural Fires Regulation 2022, s 15. Other stakeholder groups may include the Forestry Corporation of New South Wales, Fire and Rescue NSW, the NSW Police Force, Local Aboriginal Land Councils and local land holders.

¹³⁶ *Rural Fires Act 1997*, ss 65A, 69.

¹³⁷ *Rural Fires Act 1997*, ss 65A, 66.

Central Coast Council	<p>'Council undertakes the following works to manage bushfire risks within the Central Coast LGA on land under Council's care and control:</p> <ul style="list-style-type: none"> • Establish and maintain Asset Protection Zones (APZ's), and • Establish and maintain fire trails. <p>In regards to hazard reduction, this is led by the Central Coast Bushfire Management Committee (BFCM) where locations for hazard reduction burns are listed in the 4-year Central Cost Bushfire Risk Management Plan. Council has input into where hazard reduction burns are proposed, however all preparation and undertaking of hazard reduction burns are carried out by the RFS.¹³⁸</p>
Narranderra Shire Council	<p>'Periodically, Council will be funded for relatively minor bushfire trail maintenance, but we do not do hazard reduction, except for a bi-annual burn off of grass at Narranderra Airport undertaken by the local brigade as an exercise.'¹³⁹</p>
Ku-ring-gai Council	<p>'... the division of responsibilities for bushfire management and hazard reduction is resource heavy for Council as we are responsible for the ongoing ground works, this includes the planning and preparation of hazard reduction burns, and in some cases the delivery or implementation of burns.'¹⁴⁰</p>

- 2.26 The Committee heard that council-managed hazard reduction often involves the mechanical clearing of vegetation around RFS-designated Asset Protection Zones. Hazard reduction burns are also utilised, usually by an appropriately skilled state agency such as the RFS or NSW Fire & Rescue on a council's behalf.¹⁴¹
- 2.27 The RFS assists councils in their hazard reduction responsibilities through specialist and technical support, including hazard reduction burns, and financially through the Bush Fire Risk Mitigation and Resilience Support Program (BFRMRSP).¹⁴²

Councils face challenges funding hazard reduction, even with RFS support

- 2.28 Councils must apply for BFRMRSP grants for the coming financial year by June of the previous financial year.¹⁴³
- 2.29 The Committee heard from The Hills Shire Council that the timing of funding allocations can be inconsistent and that often funding allocations are not received until the second or third quarter of the financial year, when it is 'deep

¹³⁸ [Submission 28](#), Central Coast Council, p 7.

¹³⁹ [Submission 16](#), p 2.

¹⁴⁰ [Submission 56](#), Ku-ring-gai Council, p 3.

¹⁴¹ Mr Angus Barnes, Local Emergency Management Officer, Eurobodalla Shire Council, [Transcript of evidence](#), 20 August 2024, p 53; Mr Tony Donoghue, PSM, General Manager, Coolamon Shire Council, [Transcript of evidence](#), 20 August 2024, p 41; [Submission 6](#), The Hills Shire Council, p 5; [Submission 28](#), p 8; [Submission 45](#), Sutherland Shire Council, p 5.

¹⁴² [Submission 30](#), pp 5-6.

¹⁴³ NSW Rural Fire Service, [Bush Fire Risk Mitigation and Resilience Support Program](#), viewed 2 April 2025.

into the fire season'. The Council explained that this inconsistency can impact efficient planning of its Asset Protection Zone program.¹⁴⁴

- 2.30 Similar to maintenance and repair grants, BFRMRSP grants are paid quarterly on a reimbursement basis. This process can impact councils' ability to manage cash flows. For example Bega Valley Shire Council advised:
- Hazard reduction grants are paid quarterly on a claim basis, impacting Council's cash flow. Council also incurs indirect costs in administering these grants and claims.¹⁴⁵
- 2.31 Blue Mountains City Council made similar remarks to The Hills Shire Council and Bega Valley Shire Council. However the Council also stated that it views the funding as a supplement to its internal fire mitigation allocation, accepting that it has responsibility to manage fire risk on land under its control. As such the Council is willing to fund a major component of the works and all staff costs.¹⁴⁶
- 2.32 The Committee also heard that BFRMRSP funding allocations do not always cover the complete cost to councils of mandatory hazard reduction activities.¹⁴⁷
- 2.33 Eurobodalla Shire Council outlined some its challenges funding hazard reduction works. The Council has a fire mitigation officer who applies for funding for site specific work from RFS. If the Council does not receive funding for a site the Council must do the works at its own expense. For sites which do receive funding the Council can only claim reimbursement up to the funded amount and must wear any cost overruns.¹⁴⁸
- 2.34 Eurobodalla Shire Council also highlighted that it employs two full time council officers and maintains a vehicle to support its hazard reduction work. The Council advised that it is unable to claim hazard reduction funding to support to this.¹⁴⁹
- 2.35 Northern Beaches Council advised that hazard reduction is managed by the Council and partly funded by the RFS. Its out of pocket costs for hazard reduction was \$0.8 million in 2023-24 and \$0.9 million in 2022-23.¹⁵⁰
- 2.36 Councils are directed to undertake certain hazard reduction works by their Bush Fire Management Committee and local hazard management officer.¹⁵¹ Councils contribute financially to these works when the value of BFRMRSP grants do not match the cost of the work, when grants are not allocated for particular work,

¹⁴⁴ [Submission 6](#), p 5.

¹⁴⁵ [Answers to supplementary questions](#), Bega Valley Shire Council, 12 September 2024, p 1.

¹⁴⁶ [Answers to supplementary questions](#), Blue Mountains City Council, 29 September 2024, p 1.

¹⁴⁷ [Submission 71](#), p 3; [Submission 72](#), p 8; [Submission 28](#), p 8.

¹⁴⁸ [Answers to supplementary questions](#), Eurobodalla Shire Council, 27 September 2024, p 2.

¹⁴⁹ [Answers to supplementary questions](#), Eurobodalla Shire Council, 27 September 2024, p 2.

¹⁵⁰ [Answers to supplementary questions](#), Northern Beaches Council, 13 September 2024, p 2.

¹⁵¹ [Submission 30](#), p 11.

and when council employees and assets are used for hazard reduction functions.¹⁵²

Current arrangements for shared hazard reduction responsibilities create ambiguity and confusion

2.37 The current arrangements for shared hazard reduction responsibilities create ambiguity and confusion. In particular, the timing and administration of the current arrangements put budgeting and cash flow management pressures on councils. This has potential to compromise effective hazard reduction efforts, which is not in the interests of the State.

2.38 The Committee understands the process for administering and funding hazard reduction is generally as illustrated below.

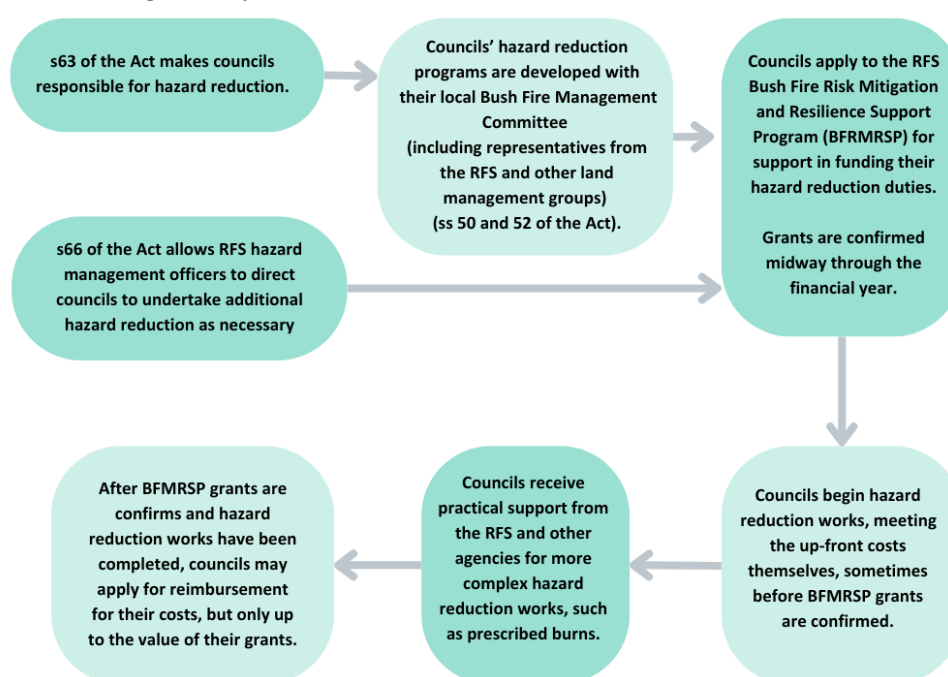


Figure 5. Overview of councils' hazard reduction process¹⁵³

2.39 Figure 5 does not include additional processes that may exist for councils who operate as Zones under joint arrangements. For example Coolamon Shire Council

¹⁵² [Answers to Supplementary Questions](#), Eurobodalla Shire Council, 27 September 2024, p 2; [Answers to Supplementary Questions](#), Northern Beaches Council, 13 September 2024, p 2; [Answers to Supplementary Questions](#), Blue Mountains City Council, 29 September 2024, p 1.

¹⁵³ *Rural Fires Act 1997*, ss 50, 52, 63, 66, Divisions 3 and 4; [Submission 30](#), pp 5-6, 10; [Answers to Supplementary Questions](#), Bega Valley Shire Council, 12 September 2024, p 1; [Submission 6](#), p 5; [Answers to Supplementary Questions](#), Northern Beaches Council, 13 September 2024, p 2; [Submission 71](#), Bega Valley Shire Council, p 3; [Submission 72](#), p 8; [Submission 28](#), p 8; Mr Barnes, [Evidence](#), 20 August 2024, p 53; Mr Donoghue, [Evidence](#), 20 August 2024, p 41; [Submission 45](#), p 5.

administers finances for the Riverina Zone which also includes Wagga Wagga City Council, Lockhart Shire Council and Junee Shire Council.¹⁵⁴

- 2.40 Many councils shared the view that the current arrangements for hazard reduction also create unnecessary ambiguity and complexity. For example:

Upper Lachlan Shire Council	'The archaic administration, financial projection and annual budget bidding system by the RFS continues to be troublesome and not a transparent system to councils. There has been very minimal hazard reduction funding in past 10 years for fire trails maintenance. A review and improvement of RFS budget and reporting systems would no doubt improve the efficiency of this organisation and ensure public confidence that there is value for money being provided from public monies to emergency service agencies.' ¹⁵⁵
Sutherland Shire Council	'Over the past two years, Council has seen an increase in the number of hazard reduction requests for the installation of new APZ's [Asset Protection Zones] and other mitigation strategies for sites deemed a fire risk by RFS. As many of these sites are managed by RFS under the existing Service Agreement, the messaging of these hazard reduction requests can be at times ambiguous due to minimal information and templated notifications which do not outline requirements from Council. A review of the Service Agreement and communication methods from RFS, can provide clearer identification of onus to understand and complete the requested works.' ¹⁵⁶

- 2.41 Again, the proposed new service agreement, provided by the office of the Minister for Emergency Services, indicates that the RFS would take on the councils' hazard reduction responsibilities under section 63 of the Act.¹⁵⁷
- 2.42 However, it also appears that under the proposed new service agreement councils would retain some hazard reduction responsibilities as a landowner. The relevant clause states that councils would be responsible for entering data:
- '... relating to its hazard reduction program and actions relating to council managed lands into any reporting system in accordance with the policy and procedures specified by the RFS and/or the NSW Bush Fire Co-ordinating Committee from time to time.'¹⁵⁸
- 2.43 Under the proposed new service agreement, the Committee considers it is unclear whether councils would continue with their own hazard reduction programs.

¹⁵⁴ [Submission 18](#), Coolamon Shire Council, p 22; [Answers to supplementary questions](#), Coolamon Shire Council, 11 September 2024, p 5.

¹⁵⁵ [Submission 19](#), Upper Lachlan Shire Council, p 4.

¹⁵⁶ [Submission 45](#), pp 4-5.

¹⁵⁷ [Information provided by the office of the Minister for Emergency Services](#), 19 March 2024, p 29.

¹⁵⁸ [Information provided by the office of the Minister for Emergency Services](#), 19 March 2024, p 31.

- 2.44 The Committee recommends that the *Rural Fires Act 1997* be amended to clarify that the NSW Rural Fire Service has primary responsibility for bush fire mitigation and hazard reduction, with councils playing an supporting role. The intention of this recommendation is that high level hazard reduction responsibilities are outlined in an amended Act, with room for flexibility and negotiation at a local level through updated service agreements. Any amendments should aim to reduce the administrative and financial burden borne by councils under the current arrangements, while preserving the important supporting role of councils in hazard reduction. The role councils have to play in hazard reduction is explored more below.

Collaborative hazard reduction is beneficial for councils and residents

- 2.45 Stakeholders highlighted the benefits of a collaborative approach between the RFS and councils in preparing for bush fires.¹⁵⁹

Bush Fire Management Committees

- 2.46 The Committee heard from councils that their collaboration with the RFS through Bush Fire Management Committees (BFMCs) was a positive experience that kept communities safer and more well-informed.¹⁶⁰
- 2.47 BFMCs are forums of diverse stakeholders including councils, Aboriginal Land Councils, community organisations, NSW National Parks and the RFS. They are provided for under the Act at section 50.¹⁶¹
- 2.48 Each rural fire district is represented by a BFMC. These committees are responsible for overseeing bush fire preparedness in a rural fire district, including developing a bush fire risk management plan.¹⁶²
- 2.49 Councils generally supported the continuation of the committees noting the collaboration benefits they enable. For example:

¹⁵⁹ [Submission 29](#), Independent Bushfire Group, p 3; [Submission 45](#), p 7; Mr David Reynolds, Chief Executive, Local Government NSW, [Transcript of evidence](#), 20 August 2024, p 6; Mr Matt Dewaard, Senior Deputy Capain, Jindabyne Bush Fire Brigade, [Transcript of evidence](#), 20 August 2024, p 16; Mr Barnes, [Evidence](#), 20 August 2024, p 53; Mr Ian Brown, Secretary, Independent Bushfire Group, [Transcript of evidence](#), 16 September 2024, p 6.

¹⁶⁰ [Submission 12](#), Queanbeyan-Palerang Regional Council, p 2; [Submission 23](#), p 6; [Submission 76](#), Wollongong City Council, p 2; [Submission 47](#), Dungog Shire Council, p 3.

¹⁶¹ *Rural Fires Act 1997*, s 50.

¹⁶² [Submission 30](#), p 12.

Tamworth Regional Council	'The Bush Fire Management Committee would remain an appropriate conduit for more detailed planning and management between the RFS and the various agencies and land managers that are directly involved in planning, preparing, responding and recovering from fire.' ¹⁶³
Snowy Valleys Council	'Snowy Valleys Council supports the retention of Bushfire Management Committees and the continuation of Bushfire Risk Management Plans as an important tool to mitigate risk in the Snowy Valleys LGA. Local authorities as the level of government closest to community obviously have a significant role to play in bushfire management within their LGA.' ¹⁶⁴

The role of local knowledge in bush fire response and preparedness

- 2.50 Councils can uniquely contribute to hazard reduction because of their experience with and knowledge of the local terrain and conditions. The RFS has technical expertise in bush fire mitigation, for example in conducting hazard reduction burns, while councils and the communities they represent have lived experience on the land, which is vital to effective hazard management.¹⁶⁵
- 2.51 Council participation in hazard reduction also contributes to a sense of ownership of bush fire management among residents, contributing to greater awareness of bush fire risk, and greater community resilience.¹⁶⁶
- 2.52 Local brigades are key to community engagement, and many brigades also perform community support functions beyond bush fire management, for example welfare checks and road accident response.¹⁶⁷
- 2.53 The Committee heard from some councils that they have the operational knowledge and capacity to undertake less technical hazard reduction, such as vegetation cutting and mechanical land clearing.¹⁶⁸
- 2.54 The Committee further notes that there is support for the principle that each landowner (including councils) ought to be responsible for managing bush fire risks associated with their land.¹⁶⁹
- 2.55 The Independent Bushfire Group summarised the benefits of council participation in hazard reduction. They argued that proper bush fire management requires whole-of-government and whole-of-community engagement, and that

¹⁶³ [Submission 48](#), Tamworth Regional Council, p 2.

¹⁶⁴ [Submission 23](#), p 6.

¹⁶⁵ Mr Bola Oyetunji, Auditor-General of NSW, Audit Office of New South Wales, [Transcript of evidence](#), 16 September 2024, p 16; Mr Brett Whitworth, Deputy Secretary, Office of Local Government, Department of Planning, Housing and Infrastructure, [Transcript of evidence](#), 16 September 2024, p 26.

¹⁶⁶ Mr Brown, [Evidence](#), 16 September 2024, pp 2, 3; Mr Dewaard, [Evidence](#), 20 August 2024, p 16.

¹⁶⁷ [Submission 66](#), Menindee Headquarters Brigade NSW Rural Fire Service, pp 1-2.

¹⁶⁸ [Submission 31](#), p 4; [Submission 6](#), p 5; Mr Barnes, [Evidence](#), 20 August 2024, p 53.

¹⁶⁹ [Submission 49](#), p 4; Mr Steven Head, General Manager, Hornsby Shire Council, [Transcript of evidence](#), 20 August 2024, p 31; Mrs Julie Briggs, Chief Executive Officer, Riverina Eastern Regional Organisation of Councils, [Transcript of evidence](#), 20 August 2024, p 23; Mr Will Barton, Director Infrastructure Services, Hawkesbury City Council, [Transcript of evidence](#), 20 August 2024, p 36.

reducing council participation creates 'a consequent reduction in a more diversified, adaptive and effective response at the local community level.'¹⁷⁰

- 2.56 The Committee notes that hazard reduction is best managed collaboratively between councils and the RFS, to maintain local knowledge of bush fire risks and local engagement for bush fire mitigation. The Committee also recognises the value attributed to BFMCs by councils, and the role of these committees in fostering a strong and supportive relationship between local government and the RFS.
- 2.57 For the above reasons, the Committee has recommended that although primary responsibility for bush fire mitigation and hazard reduction should be with the RFS, any amendments to the Act should also recognise that councils still have an important supporting role to play.

¹⁷⁰ [Submission 29](#), p 3.

Chapter Three – Premises for rural fire service

Summary

Under the *Rural Fires Act 1997* (the Act) councils must provide premises to the NSW Rural Fire Service (RFS). In practice this also includes maintaining those premises, and constructing or otherwise acquiring new premises when needed. The RFS will sometimes assist councils financially through grants paid from the RFFF, in acknowledgement of the financial burden on councils.

Arrangements between councils and the RFS for the provision, use and maintenance of premises differ across the state. There is also no central register of information about premises, including their value and current ownership and lease arrangements. Therefore the Committee is not in a position to make major recommendations about how to best manage existing premises, and has instead recommended that the RFS should review and accurately document all arrangements for existing premises, for the purpose of developing a central register of this information held by the Service. As part of this review, the RFS should also consult with councils and landowners about the suitability of current arrangements for existing premises.

The Committee also received evidence from councils that current arrangements for premises presented ongoing and pressing financial and resourcing issues for councils that would continue if not immediately addressed. The Committee heard that the RFS provide financial support to councils to construct and maintain premises, but these allocations and payments are administered in a way that creates uncertainty, financial challenges and administrative complexity for councils. This can be partially addressed by the Committee through recommendations that the RFS issue annual grant allocation letters earlier, and that the RFS ensure grant allocations cover the full maintenance and repair costs for premises.

In consideration of the ongoing issues current arrangements for premises place on councils, and other recommendations in this report that RFS operations be centralised, the Committee recommends that the NSW Government should consider amending the *Rural Fires Act 1997* so that the RFS is responsible for the provision of new premises in the future. If the NSW Government implements this recommendation, any potential funding implications should be considered as part of the ongoing emergency services funding reform or other appropriate mechanism.

Finding 11

Under the *Rural Fires Act 1997* councils must provide premises to the NSW Rural Fire Service. Councils are also responsible for the ongoing maintenance and repair of those premises.

Finding 12

There is a lack of centralised information on NSW Rural Fire Service premises used across the state. The Committee is therefore unable to determine the implications of transferring ownership to the NSW Rural Fire Service.

Recommendation 9

The NSW Rural Fire Service should review and accurately document all arrangements for existing premises, for the purpose of developing a central register of this information held by the Service. As part of this review, the NSW Rural Fire Service should also consult with councils and landowners about the suitability of current arrangements for existing premises and whether ownership of these premises should be transferred to the NSW Rural Fire Service.

Finding 13

Arrangements between councils and the NSW Rural Fire Service for the provision and maintenance of premises are ad-hoc and lack consistency.

Finding 14

Current arrangements between the NSW Rural Fire Service and councils are complex and lead to process duplication and potential waste.

Finding 15

Although councils are responsible for the maintenance and repair of premises, the cost is generally shared between councils and the NSW Rural Fire Service. Based on the most recent estimate councils pay approximately one third of maintenance and repair costs, with the NSW Rural Fire Service paying the remaining two thirds through reimbursing councils. However this estimate is over 10 years old and may not capture potential cost escalations.

Recommendation 10

The NSW Rural Fire Service should ascertain the actual maintenance and repair costs for premises used in each rural fire district and ensure that these costs are fully met through annual grants. Any potential funding implications should be considered as part of the ongoing emergency services funding reform or another appropriate mechanism.

Finding 16

Councils are concerned about the financial sustainability of continuing to provide premises.

Recommendation 11

The NSW Government should amend the *Rural Fires Act 1997* so that the NSW Rural Fire Service is responsible for the provision of new premises in the future. Any potential funding implications should be considered as part of the ongoing emergency services funding reform or another appropriate mechanism.

Finding 17

Councils pay the up-front cost of NSW Rural Fire Service infrastructure projects, being upgrades to existing buildings or the construction of new buildings, and also fund any shortfall beyond what they receive in their annual Rural Fire Fighting Fund grant allocations.

Recommendation 12

That the NSW Treasury confirm the annual rural fire brigade funding target with the NSW Rural Fire Service, and that the NSW Rural Fire Service issue annual Rural Fire Fighting Fund allocation letters, in alignment with councils' budget cycles. This will help councils to more effectively budget, plan and account for their infrastructure responsibilities. Allocation letters should be issued within one month of receiving confirmation of the funding target.

There is a lack of centralised data on land and buildings

- 3.1 Ownership arrangements for premises used by the RFS vary across rural fire districts. In addition, compared to the ownership arrangements of red fleet assets, the arrangements for premises are also more complex as they can involve third parties (where neither the council nor the RFS is the legal owner).
- 3.2 For example, Murrumbidgee Council advised that it owns two land parcels used by the RFS and that other RFS assets were located on private properties. For RFS assets located on private properties in many cases Murrumbidgee Council is the lessee via a peppercorn lease.¹⁷¹
- 3.3 Coolamon Shire Council advised that it provides a mixture of crown land, council land and private property for the RFS's use.¹⁷²
- 3.4 Bega Valley Shire Council advised that for 5 RFS buildings located on private property it is the lessee with a further 24 RFS buildings located on either council owned or managed land.¹⁷³ Central Coast Council advised that 30 sites used by the RFS are on either council owned or managed land. The Council further clarified that of the council managed land, the land is either crown land or owned by state agencies like the NSW National Parks and Wildlife Service.¹⁷⁴
- 3.5 In contrast to the above councils, Sutherland Shire Council advised that it provided 20 parcels of council land for the RFS's use.¹⁷⁵
- 3.6 The above examples show the complexity and diversity of ownership arrangements for premises used by the RFS across different councils. The ownership arrangements for red fleet assets are comparatively less complex as they are only vested in councils under the Act.
- 3.7 The Committee also noted that there does not appear to be a centralised record of RFS premises and their usage arrangements. The RFS advised the Committee that the total carrying value of premises used by the Service was 'unknown' and that the estimated annual operating expenses for RFS premises was 'best answered by local government.'¹⁷⁶

¹⁷¹ [Answers to supplementary questions](#), Murrumbidgee Council, 13 September 2024, p 10.

¹⁷² [Answers to supplementary questions](#), Coolamon Shire Council, 11 September 2024, p 4.

¹⁷³ [Answers to supplementary questions](#), Bega Valley Shire Council, 12 September 2024, p 4.

¹⁷⁴ [Answers to supplementary questions](#), Central Coast Council, 4 October 2024, p 5.

¹⁷⁵ [Answers to supplementary questions](#), Sutherland Shire Council, 13 September 2024, p 4.

¹⁷⁶ [Answers to supplementary questions](#), NSW Rural Fire Service, 21 October 2024, p 6.

- 3.8 The Office of Local Government advised that 'information about the value of council land and buildings used for the purposes of RFS premises is held at an individual council level and is not held by the Office of Local Government.'¹⁷⁷
- 3.9 The Audit Office further advised that because information is held at an individual council level aggregated data is not easily ascertainable and in cases where councils do not recognise buildings in their financial statements other sources of information will be required.¹⁷⁸
- 3.10 The RFS also advised the Committee that 'a detailed audit and review of some 2,000 sites is required to provide a complete understanding of the arrangements, and any limitations or impediments that may apply to a specific site/s for transition.'¹⁷⁹
- 3.11 Without centralised and comprehensive information on RFS premises, the Committee is not in a position to make specific findings or recommendations about ownership arrangements for premises used by the RFS and owned by councils. For these reasons the Committee recommends that the RFS review and accurately document all arrangements for existing premises to support its oversight of the premises it relies on to provide bush fire response.
- 3.12 This should include the creation of a central register of this information held by the RFS. As part of this review, the RFS should also consult with councils and landowners about the suitability of current arrangements for existing premises. This could assist with risk management for premises located on private properties or occupied under peppercorn leases and good faith agreements, where the continued use and access could be uncertain.
- 3.13 Collecting this information would assist in a future assessment of the risks and benefits of transferring the control and ownership of all premises to the RFS.
- 3.14 The Committee further notes the Commissioner's advice that the transfer of premises should be separate from the transfer of red fleet assets to ensure any transfers are appropriately resourced.¹⁸⁰

Councils must provide premises to the RFS for their use

- 3.15 Under section 37 of the Act, councils must provide the local fire control officer with facilities to enable the operation of the RFS in the fire district.¹⁸¹ To fulfil this requirement, many councils provide the RFS with council land and premises to use for local facilities such as Fire Control Centres and Rural Fire Brigade sheds.¹⁸²

¹⁷⁷ [Answers to supplementary questions](#), Office of Local Government, 22 October 2024, p 3.

¹⁷⁸ [Answers to supplementary questions](#), Audit Office of NSW, 4 October 2024, p 1.

¹⁷⁹ [Answers to supplementary questions](#), NSW Rural Fire Service, 21 October 2024, p 6.

¹⁸⁰ Commissioner Rob Rogers, Commissioner, NSW Rural Fire Service, [Transcript of evidence](#), 16 September 2024, p 30.

¹⁸¹ *Rural Fires Act 1997*, s 37.

¹⁸² [Submission 30](#), NSW Government, pp 5, 12; [Submission 21](#), Northern Beaches Council, p 1; [Submission 24](#), Murrumbidgee Council, p 4; [Answers to supplementary questions](#), Coolamon Shire Council, 11 September 2024, p 4; [Answers to supplementary questions](#), Bega Valley Shire Council, 12 September 2024, p 4.

- 3.16 Many councils provide land for these premises to the RFS at no cost.¹⁸³ Premises provided to the RFS are listed in a schedule attached to each rural fire district service agreement (service agreement). However, some councils advised that their service agreements are over a decade old and do not accurately set out all the premises currently used by the RFS.¹⁸⁴
- 3.17 Some larger and more complex premises are owned and maintained directly by the RFS.¹⁸⁵
- 3.18 Some councils submitted that the land they provided to the RFS at no cost could be used for other council services, for example to generate revenue through commercial lease or sale.¹⁸⁶ The Committee heard that the diversion of these resources to the RFS contributed to financial and resourcing pressures for councils.¹⁸⁷

Eurobodalla Shire Council

'RFS occupy a large Council site at Bimbimbie, this is used by a mixture of local and non-local RFS units for large scale training, including burning buildings. Currently, there is no rent paid by the RFS for the use of this land. This parcel of land is worth over \$1 million and could be disposed of for the financial benefit of ratepayers (if not occupied by the RFS).'¹⁸⁸

Bega Valley Shire Council

'There are 29 RFS buildings in the shire... several of those parcels will have been provided by council without any compensation which comes at significant opportunity cost on scarce council owned land suitable for placing public infrastructure.'¹⁸⁹

- 3.19 The Committee also heard from Hornsby Shire Council that council owned premises are not always the most suitable for RFS use, but are 'made do' with by the RFS because they can be provided at no cost. The Council explained some of these locations may not be ideal from a planning perspective.¹⁹⁰

Arrangements for premises differ across rural fire districts

- 3.20 The Committee heard that the provision and maintenance of RFS premises is arranged on a case by case basis between councils and the RFS. These

¹⁸³ [Submission 12](#), Queanbeyan-Palerang Regional Council, p 6; [Answers to supplementary questions](#), Bega Valley Shire Council, 12 September 2024, p 4; [Answers to supplementary questions](#), Tamworth Regional Council, 19 September 2024, p 3; [Answers to supplementary questions](#), Blue Mountains City Council, 20 September 2024, p 3; [Answers to supplementary questions](#), Eurobodalla Shire Council, 27 September 2024, p 6.

¹⁸⁴ [Submission 34](#), Shoalhaven City Council, p 2; [Submission 31](#), Blue Mountains City Council, p 3; [Submission 71](#), Bega Valley Shire Council, p 3; [Submission 16](#), Narrandera Shire Council, p 2; [Submission 64](#), Leeton Shire Council, p 2.

¹⁸⁵ NSW Rural Fire Service, [Structure](#), viewed 3 March 2025.

¹⁸⁶ [Answers to supplementary questions](#), Bega Valley Shire Council, 12 September 2024, p 4; [Answers to supplementary questions](#), Tamworth Regional Council, 19 September 2024, p 3; [Answers to supplementary questions](#), Blue Mountains City Council, 20 September 2024, p 3; [Answers to supplementary questions](#), Eurobodalla Shire Council, 27 September 2024, p 6.

¹⁸⁷ [Answers to supplementary questions](#), Bega Valley Shire Council, 12 September 2024, p 4; [Answers to supplementary questions](#), Tamworth Regional Council, 19 September 2024, p 3; [Answers to supplementary questions](#), Eurobodalla Shire Council, 27 September 2024, p 6; [Submission 12](#), p 6.

¹⁸⁸ [Answers to supplementary questions](#), Eurobodalla Shire Council, 27 September 2024, p 6.

¹⁸⁹ [Answers to supplementary questions](#), Bega Valley Shire Council, 12 September 2024, p 4.

¹⁹⁰ [Answers to supplementary questions](#), Hornsby Shire Council, 17 September 2024, p 6.

arrangements can depend on premise type, financial capacity and resourcing of individual councils, availability of private and public land, and contemporaneous RFS policies and decision making.¹⁹¹

- 3.21 The Committee observed that current arrangements for RFS premises were inconsistently documented and managed, in part because of the gradual transition of bush fire management responsibilities from councils to the state.¹⁹²

- 3.22 For example, Hawkesbury City Council explained:

Each council has different processes and systems for how it undertakes its operations, including maintenance of assets and premises, and procurement. With the hard linkage between councils and RFS Districts, this then leads to differences in how each District is operated, leading to reduced potential cost savings and efficiencies which can be generated through economies of scale, bulk purchasing contracts and enhancement of transferability of staff across the State. ...

... Not only does this impact on the emergency response and operations of RFS Districts, it also impacts the attraction and retention of RFS staff and volunteers, resulting in capabilities and accreditations not always aligning to the risk profile, number of Brigades and number volunteers of the District.¹⁹³

- 3.23 The Committee heard that these arrangements were now unnecessarily complex and placed growing financial and resourcing pressure on councils.¹⁹⁴ These pressures are discussed later in this chapter.

- 3.24 Some councils expressed that they had little connection to the premises they provided to the RFS other than ownership or vesting, were not able to easily access these premises, and only undertook maintenance when it was requested or funded by the RFS.¹⁹⁵

Councils will buy or lease premises when required

- 3.25 Under the Act councils are required to provide the district fire control officer with premises. This means that if existing council-owned premises are not available

¹⁹¹ [Submission 49](#), Hawkesbury City Council, p 5; [Answers to supplementary questions](#), Central Coast Council, 4 October 2024, p 5; [Answers to supplementary questions](#), Eurobodalla Shire Council, 27 September 2024, p 6; [Answers to supplementary questions](#), Hawkesbury City Council, 20 September 2024, p 8; [Answers to supplementary questions](#), Hornsby Shire Council, 17 September 2024, p 6.

¹⁹² [Submission 23](#), Snowy Valleys Council, p 4; [Submission 35](#), Warrumbungle Shire Council, p 1; [Submission 43](#), Blacktown City Council, pp 2, 6; [Answers to supplementary questions](#), Sutherland Shire Council, 13 September 2024, p 2; [Answers to supplementary questions](#), Bega Valley Shire Council, 12 September 2024, p 2.

¹⁹³ [Submission 49](#), p 2.

¹⁹⁴ [Submission 43](#), p 6; [Answers to supplementary questions](#), Hornsby Shire Council, 17 September 2024, pp 3, 6; [Answers to supplementary questions](#), Bega Valley Shire Council, p 2.

¹⁹⁵ Mr David Reynolds, Chief Executive, Local Government NSW, [Transcript of evidence](#), 20 August 2024, p 4; Mrs Julie Briggs, Chief Executive Officer, Riverina Eastern Regional Organisation of Councils, [Transcript of evidence](#), 20 August 2024, p 27; [Submission 53](#), Shellharbour City Council, p 2; [Submission 56](#), Ku-ring-gai Council, p 2.

councils are required to procure premises at their own expense, through purchasing a site¹⁹⁶ or leasing a property.¹⁹⁷

- 3.26 These leases are sometimes commercial and sometimes 'peppercorn' leases whereby the council pays a nominal amount of rent to the land owner.¹⁹⁸
- 3.27 When councils purchase premises for RFS use, it is at the request of the RFS, and is usually council funded.¹⁹⁹ For example:

Eurobodalla Shire Council	'Council recently purchased land for a co-located emergency services precinct in Moruya at a cost of \$1 million. The ratepayer is currently out of pocket for this amount. On construction completion, occupation of the precinct will include RFS as well as Fire and Rescue NSW and SES.' ²⁰⁰
Hawkesbury City Council	<p>'Regarding the relocation of the District Fire Control Centre, it was identified as part of the control of the Gaspers Mountain Fire that the current building does not support a modern response to large campaign fire. Accordingly, NSW RFS advised that an original allocation of \$8M will be made from the Rural Fire Fighting Fund. ... it was requested that Council locate a suitable replacement location for construction of the new Fire Control Centre.</p> <p>Council considered a range of Council-owned properties but were found to not meet the needs of the NSW RFS ...</p> <p>A suitable location was found that also enabled enhanced multi-agency response in the event of a natural disaster, but it was more economical to proceed with the purchase of the entire property, rather than a part acquisition. It is anticipated that approximately 40% of the property will be used for the new location of the District Fire Control Centre. The value of the purchase was \$3.5M, and it is projected that approximately \$35K of ancillary costs incurred by Council.'²⁰¹</p>

- 3.28 Eurobodalla Shire Council submitted that there are also ongoing costs associated with council procurement of RFS premises:

For a building funded by NSW Government, the investment decision by the RFS would not necessarily take into account significant maintenance and depreciation costs given the asset is vested to Council and those costs are borne by Council.²⁰²

¹⁹⁶ [Answers to supplementary questions](#), Hawkesbury City Council, 20 September 2024, p 8; [Answers to supplementary questions](#), Eurobodalla Shire Council, 27 September 2024, p 6; [Answers to supplementary questions](#), Murrumbidgee Council, 13 September 2024, p 10.

¹⁹⁷ [Submission 24](#), p 4; [Submission 28](#), Central Coast Council, p 10; [Answers to supplementary questions](#), Eurobodalla Shire Council, 27 September 2024, p 6; [Answers to supplementary questions](#), Coolamon Shire Council, 11 September 2024, p 4.

¹⁹⁸ [Submission 24](#), p 4; [Submission 28](#), p 10; [Submission 60](#), Tweed Shire Council, p 1; [Submission 72](#), Canberra Region Joint Organisation, p 8.

¹⁹⁹ [Answers to supplementary questions](#), Eurobodalla Shire Council, 27 September 2024, p 6; [Answers to supplementary questions](#), Murrumbidgee Council, 13 September 2024, p 10; [Answers to supplementary questions](#), Hawkesbury City Council, 20 September 2024, p 8; [Submission 45](#), p 6; [Submission 71](#), p 4.

²⁰⁰ [Answers to supplementary questions](#), Eurobodalla Shire Council, 27 September 2024, p 6.

²⁰¹ [Answers to supplementary questions](#), Hawkesbury City Council, 20 September 2024, pp 8-9.

²⁰² [Submission 20](#), Eurobodalla Shire Council, p 6.

- 3.29 The Committee heard that the use of peppercorn leases and good faith agreements between councils and private land owners for RFS use of premises have the potential to become problematic should that owner sell the property. For example, Hawkesbury City Council advised the Committee that:

Regarding Mountain Lagoon RFB [Rural Fire Brigade], the previous property owner had allowed the RFB shed to be located on this property and had been located there for many years. On his passing, this became an issue and to reduce the risk of the RFB being made to relocate and incur the associated costs, Council was asked to acquire the land. The purchase and ancillary costs of the land amounted to \$191K, which was funded by Council. This does not include the staff costs associated with the process ...²⁰³

- 3.30 Councils also described the various administrative duties they carry out on behalf of the RFS when negotiating the use of premises or land. These can include liaising with the RFS and private landowners, preparing leases, and financial and project management of infrastructure projects like the construction of a new Fire Control Centre. Councils advise these administrative duties impact their ability to carry out other council functions efficiently and effectively.²⁰⁴ For example:

Central Coast Council	'Council currently provides liaison functions between Council, RFS and other agencies to enable the provision of land/creation of leases and the construction of premises. This includes considerable time and effort including MOU's and contract management functions to deliver the premises. Council also has a number of private agreements with landholders for RFS to access land i.e., where private property must be crossed to access a telecommunications tower or helicopter landing area... this is a burden that Council must carry, which realistically should not be held by Council, and which is not fully costed.' ²⁰⁵
Eurobodalla Shire Council	'In recent years, Council leased land from a private landowner for the Belowra RFS. The rental of \$850 per annum is paid by Council. This amount does not factor in the hours of staff time in setting up the arrangement including some legal costs.' ²⁰⁶

- 3.31 Noting the financial burden to councils if they do not have existing land available for RFS use, the Committee recommends that the NSW Government amend the *Rural Fires Act 1997* so that the RFS is responsible for providing new premises in the future.
- 3.32 This change could support the continued centralisation of responsibilities in the RFS and assist in easing financial strain on councils. Existing premises in use by the RFS would remain under their current ownership arrangements until comprehensive information on the current arrangements is collected and assessed.

²⁰³ [Answers to supplementary questions](#), Hawkesbury City Council, 20 September 2024, p 8.

²⁰⁴ [Submission 34](#), p 3; [Answers to supplementary questions](#), Eurobodalla Shire Council, 27 September 2024, p 6; [Submission 28](#), p 9; [Answers to supplementary questions](#), Blue Mountains City Council, 20 September 2024, p 2.

²⁰⁵ [Submission 28](#), p 9.

²⁰⁶ [Answers to supplementary questions](#), Eurobodalla Shire Council, 27 September 2024, p 6.

- 3.33 However, the Committee acknowledges that this recommendation may mean the RFS has to pay more for RFS services. This is why it has also recommended that any potential funding implications be considered as part of the ongoing emergency services funding reforms or other appropriate mechanism. These reforms are explored more in Chapter Five.

Councils are responsible for constructing new and upgrading existing premises

- 3.34 The RFS determines when to construct new premises or make upgrades to existing buildings. These infrastructure projects are funded by grants from the Rural Fire Fighting Fund (RFFF), and built on land provided by councils.²⁰⁷
- 3.35 Councils are usually notified of upcoming RFS infrastructure projects in their annual allocation letter from the RFS in November or December, midway through the financial year. The allocation letters outline intended infrastructure projects and the value of the RFFF grant for the project.²⁰⁸
- 3.36 Both councils and the RFS may be involved in managing an infrastructure project. The RFS advised:
- Some buildings are built by Council and funded by the RFS in the form of a reimbursement. In other cases, Councils manage the build to RFS standards or the RFS manages the build on behalf of council. On completion, the building is vested in Council. Additionally, some buildings are repurposed council facilities.²⁰⁹
- 3.37 After infrastructure projects are complete, councils can apply to be reimbursed for the cost of construction through the RFFF. Councils are only reimbursed up to the value of the original RFFF grant for that infrastructure project, and are required to fund any shortfall.²¹⁰
- 3.38 Premises funded through the RFFF vest in councils when completed as per section 119(2) of the Act.²¹¹
- 3.39 In practice, this means that the RFS do not own the majority of their assets or premises. Instead, when these items are purchased or constructed using RFFF funding, the owner is listed as a council regardless of whether that council is using that item day to day. As a result, the value of those assets or premises must be reported by councils in their annual financial statements and councils are responsible for their maintenance and repair.²¹²

²⁰⁷ [Submission 30](#), p 4.

²⁰⁸ [Information provided by the office of the Minister for Emergency Services](#), 19 March 2024, p 38; [Submission 34](#), p 3.

²⁰⁹ [Answers to supplementary questions](#), NSW Rural Fire Service, 21 October 2024, p 5.

²¹⁰ [Submission 13](#), Glen Innes Severn Council, p 3; [Submission 49](#), p 6; [Submission 69](#), Liverpool Plains Shire Council, p 2; [Submission 76](#), Wollongong City Council, p 2.

²¹¹ *Rural Fires Act 1997*, s 119(2).

²¹² NSW Audit Office, [Local Government 2023](#), financial audit report, 2024, pp 8-9.

- 3.40 The Committee heard that the current process for funding and managing RFS infrastructure projects was complex and poorly timed, creating cashflow and resourcing issues for some councils.
- 3.41 Councils advised that the notification of RFS infrastructure projects midway through the financial year when the RFFF allocation letter is usually issued mean they have to amend pre-existing annual budgets and resource allocations. This places financial and administrative pressure on councils.²¹³
- 3.42 The Committee heard from several councils about the difficulties of budgeting and resourcing for RFS infrastructure projects. For example:

Shoalhaven City Council	'In the majority, allocations for Infrastructure projects are announced and notified generally to Council in December of the same year projects are budgeted for; therefore, it is unlikely that available Council resources can be identified to deliver projects. Council is proactively working with the RFS District Manager to foresee projects and forecast resources; however, confirmation of projects is only known upon notification from the RFS Commissioner.' ²¹⁴
Hawkesbury City Council	'Council is advised generally at two times of the year when RFS have successfully applied for an allocation for RFFF allocations. The first time is in the budget advice given in November / December from NSW RFS. The second time is generally on an ad hoc basis in March / April. ... Council develops their program of works during the year before the financial year to ensure adequate resourcing is available to complete works. This means that resources are generally at full capacity at the time the allocation has been advised. Therefore, resources are diverted away from the planned program to progress the RFS projects. In many instances, the projects are outside of Council's overall asset priority and defer optimal asset intervention timing, leading to higher costs due to escalation, further deterioration and ongoing maintenance costs due to poorer assets conditions.' ²¹⁵

- 3.43 Because RFFF infrastructure grants are claimable on the completion of work, the Committee also heard that some councils were left bearing the cost of construction until its completion.²¹⁶

²¹³ [Submission 34](#), p 3; [Answers to supplementary questions](#), Hawkesbury City Council, 20 September 2024, p 3; [Answers to supplementary questions](#), Murrumbidgee Council, 13 September 2024, p 2; [Answers to supplementary questions](#), Bega Valley Shire Council, 12 September 2024, p 1; [Answers to supplementary questions](#), Coolamon Shire Council, 11 September 2024, p 1; [Answers to supplementary questions](#), Hornsby Shire Council, 17 September 2024, pp 2-3; [Answers to supplementary questions](#), Tamworth Regional Council, 19 September 2024, p 1.

²¹⁴ [Submission 34](#), p 3.

²¹⁵ [Answers to supplementary questions](#), Hawkesbury City Council, 20 September 2024, p 3.

²¹⁶ [Answers to supplementary questions](#), Eurobodalla Shire Council, 27 September 2024, p 2; [Answers to supplementary questions](#), Murrumbidgee Council, 13 September 2024, p 6; [Answers to supplementary questions](#), Hawkesbury City Council, 20 September 2024, p 3; [Submission 34](#), p 2.

- 3.44 For example, Hawkesbury City Council advised that it can be several months before it is reimbursed. The Council provided an outline of this process:
- On completion of the project, a handover is undertaken with RFS staff and volunteers and payments finalised. Council then prepares the paperwork for the RFFF claim – the funding is received after the expenditure has been incurred and it can be several months prior to payment being received.²¹⁷
- 3.45 Councils also reported duplication of work and administrative burdens associated with managing RFS infrastructure projects.²¹⁸
- 3.46 For example Bega Valley Shire Council advised:
- ... council provides administration support for the procurement, engagement and monitoring of projects and project management services for funded capital works. Additional complications can be seen in the contract being awarded and formed between Council and a contractor, with the delivery of the procurement and subsequent project lying with RFS.²¹⁹
- 3.47 Some councils also reported meeting shortfalls between RFS infrastructure allocations and actual costs. For example Northern Beaches Council reported that it incurred out of pocket costs of \$0.1 million in 2023-24 and \$0.2 million in 2022-23.²²⁰
- 3.48 Hawkesbury City Council also advised that the reimbursement process for the RFFF is 'onerous'. The Council noted that where an allocation is small meeting the requirements can cost more than the allocation value in terms of resources for procurement, project management and reporting.²²¹
- 3.49 In response to evidence throughout this report that the timing of RFFF allocation letters creates financial difficulties for councils,²²² the Committee recommends that the NSW Treasury confirm the annual rural fire brigade funding target with the NSW Rural Fire Service, and that the NSW Rural Fire Service issue annual Rural Fire Fighting Fund allocation letters, in alignment with councils' budget cycles. This will help councils to more effectively budget, plan and account for their infrastructure responsibilities. Allocation letters should be issued within one month of receiving confirmation of the funding target.

²¹⁷ [Answers to supplementary questions](#), Hawkesbury City Council, 20 September 2024, pp 3-4.

²¹⁸ [Submission 34](#), p 3; [Submission 71](#), p 4; [Answers to supplementary questions](#), Hawkesbury City Council, 20 September 2024, p 3.

²¹⁹ [Submission 71](#), p 4.

²²⁰ [Answers to supplementary questions](#), Northern Beaches Council, 13 September 2024, p 2.

²²¹ [Submission 49](#), p 6.

²²² See also Finding 5 and paragraphs 2.28 – 2.33.

- 3.50 The Committee notes that under the Act, the rural fire brigade funding target is prepared and adopted before 31 March in each year, or a later date agreed to by the Treasurer, for the upcoming financial year.²²³ The RFS also advised that the target is agreed upon before each financial year.²²⁴ However it is unclear the month this actually occurs in. As such the Committee cannot provide a more specific recommendation with regards to a date for the RFFF allocation letters.

Councils are responsible for the maintenance and repair of premises

- 3.51 Councils are also responsible for the maintenance and repair of RFS premises vested in them. This is set out at section 119(5) of the Act and reflected under clause 6.5 of the service agreements provided to the Committee during the inquiry. Under the service agreements councils also agree to pay all rates and utilities for RFS premises.²²⁵
- 3.52 Councils receive an annual maintenance and repair grant from the RFFF, for use on fire fighting equipment and RFS premises. This amount is outlined in councils' annual allocation letters from the RFS. Generally, the RFS determines the maintenance and repair schedule for its premises and notifies councils when works are needed. Councils may then apply for reimbursement up to the value of their annual allocation.²²⁶
- 3.53 There are differing arrangements for the procurement of maintenance and repair services for RFS premises. Some councils give the RFS access to their financial and procurement systems, allowing the RFS to engage contractors on the council's behalf, with expenditure occurring through the council's system.²²⁷ In other cases, the RFS independently organises maintenance and repairs and then sends the invoice to council to pay and reconcile within its own systems.²²⁸
- 3.54 Councils reported that they were experiencing increased financial and resource strain because of the requirement under the Act and service agreements that they maintain RFS premises.²²⁹

²²³ *Rural Fires Act 1997*, s 103(1).

²²⁴ [Submission 30](#), NSW Government, p 7.

²²⁵ [Rural Fire District Service Agreement between NSW Rural Fire Service and the Council of Central Darling dated 2014](#), 21 August 2024; [Rural Fire District Service Agreement Between NSW Rural Fire Service and Blue Mountains City Council dated 2012](#), 9 September 2024; [Submission 71](#), p 13; [Submission 16](#), p 13; [Submission 57](#), Wagga Wagga City Council, p 11.

²²⁶ [Submission 30](#), p 11; [Submission 69](#), p 2; [Submission 74](#), Riverina Regional Organisation of Councils, p 8; [Submission 75a](#), Bourke Shire Council, p 4.

²²⁷ [Submission 31](#), p 2; [Answers to supplementary questions](#), Tamworth Regional Council, 19 September 2024, p 1; [Answers to supplementary questions](#), Hornsby Shire Council, 17 September 2024, p 1.

²²⁸ [Answers to supplementary questions](#), Eurobodalla Shire Council, 27 September 2024, p 2; [Answers to supplementary questions](#), Murrumbidgee Council, 13 September 2024, p 2.

²²⁹ [Answers to supplementary questions](#), Hawkesbury City Council, 20 September 2024, p 4; [Answers to supplementary questions](#), Blue Mountains City Council, 20 September 2024, p 1; [Answers to supplementary questions](#), Northern Beaches Council, 13 September 2024, p 3.

- 3.55 Similar to construction costs, councils also experience cashflow issues and financial strain from the payment of maintenance and repair grants on a reimbursement basis.²³⁰ The following councils explained the strain this places on their cashflow management:

Ku-Ring-Gai Council	'Maintenance and Repair Budgets that are given to Council to manage RFS buildings and assets, is generally not received until December or January for the current financial year which makes it difficult to properly manage and report on this requirement.' ²³¹
Liverpool Plains Shire Council	'Councils acting as a bank for the RFS undertaking these works also places a cashflow strain on them. It is common for councils to arrange the work, then await reimbursement from RFS for said works.' ²³²

- 3.56 The Committee also heard that maintenance and repair grants, which are also used for building maintenance, do not always cover actual costs, for example:

Sutherland Shire Council

²³⁰ [Submission 56](#), Ku-ring-gai Council, p 3; [Submission 69](#), p 3; [Submission 74](#), p 8; [Submission 28](#), p 3.

²³¹ [Submission 56](#), p 3.

²³² [Submission 69](#), p 2.

²³³ [Submission 45](#), p 2.

²³⁴ [Submission 34](#), p 4.

- 3.57 Councils advised that when they are directed by the RFS to undertake maintenance and repair of premises, council programs of work can be disrupted.²³⁵ Councils noted the challenges this creates in practice, for example:

Liverpool Plains Shire Council	'[Maintenance and repair of premises] is further complicated by differing priorities between organisations. What may be a top priority for maintenance for RFS, is a low to middling priority for Council across its broad asset base.' ²³⁶
Shellharbour City Council	'In the Shellharbour City Local Government Area (LGA), Council, under agreement with the RFS, undertakes maintenance of Council buildings occupied by RFS. The agreement seeks to divide responsibility of the maintenance activities between the RFS and Council. The maintenance requirements can range from routine activities to reactive repairs, often requiring contractors to action. In most instances, the RFS are in the best position to directly engage resources to undertake any works. However, based on the agreement, most requests are referred to Council to action. This creates Council as a 'middle person', which is inefficient and affects Council resources. This also creates an expectation that RFS requests are prioritised, something that Council is unable to provide due to expectations from the broader community.' ²³⁷

- 3.58 The Committee heard that the complexity and diversity of arrangements between councils and the RFS for the procurement of maintenance and repair services created unnecessary complication and duplication of work.²³⁸ For example, Port Macquarie Hastings Shire Council advised:

The existing collaboration between Councils and RFS affects the promptness of response and completion of high-priority tasks. The workflow involves Captains reporting to Fire Command Centre, coordinating with the Council's designated building maintenance officer, and verifying details and budget availability before engaging contractors for the work. This multi-step process significantly influences the timeliness and effectiveness of completing urgent repairs and maintenance. Full accountability of the RFS for the funding and undertaking of maintenance of their assets and premises and associated payment for services would assist in streamlining such processes.²³⁹

- 3.59 The Committee also heard that in cases where the RFS was directly accessing council financial systems, there could be probity concerns for councils. For example, Blue Mountains City Council advised:

[the current arrangement] requires RFS staff to have access to Council financial and procurement systems ... which presents several challenges with regard to

²³⁵ [Submission 69](#), p 2; [Submission 49](#), p 6; [Submission 47](#), Dugong Shire Council, p 3.

²³⁶ [Submission 69](#), p 2.

²³⁷ [Submission 53](#), p 1.

²³⁸ [Submission 70](#), Port Macquarie Hastings Council, p 1; [Answers to supplementary questions](#), Blue Mountains City Council, 20 September 2024, p 2; [Answers to supplementary questions](#), Eurobodalla Shire Council, 27 September 2024, pp 2-3; [Answers to supplementary questions](#), Hawkesbury City Council, 20 September 2024, pp 2-3.

²³⁹ [Submission 70](#), p 1.

compliance with both Council's financial and procurement policies as well as RFS policy and procedure.²⁴⁰

- 3.60 The RFS advised that similar to the costs for the maintenance and repair of red fleet assets, it understands that there is a shortfall in the funding provided. The RFS approximates that councils are funding around one third of the actual costs with the RFS contributing the other two thirds.²⁴¹
- 3.61 The RFS currently gives approximately \$12.5 million to councils for repairs and maintenance costs.²⁴² The RFS also advised that the co-contribution approach is based on historic information that is over 10 years old and that it understands these costs have escalated sharply in recent years due to market conditions.²⁴³
- 3.62 For these reasons, the Committee recommends that the NSW Rural Fire Service should ascertain the actual maintenance and repair costs for its premises in each rural fire district and ensure that these costs are fully met through annual grants.
- 3.63 Again, the Committee recognises that this recommendation means the RFS may pay a greater share of the overall cost of RFS services. This should be considered as part of the NSW Government's ongoing consideration of the way that the state's emergency services are funded. The ongoing emergency services funding reform is discussed further in Chapter Five.

²⁴⁰ [Submission 31](#), p 2.

²⁴¹ [Answers to Supplementary Questions](#), NSW Rural Fire Service, 21 October 2024, p 7.

²⁴² [Answers to Supplementary Questions](#), NSW Rural Fire Service, 21 October 2024, p 5.

²⁴³ [Answers to Supplementary Questions](#), NSW Rural Fire Service, 21 October 2024, p 6.

Chapter Four – Insurance of assets and premises

Summary

Councils and the NSW Rural Fire Service share responsibility for insuring RSF red fleet assets and premises. Insurance arrangements can vary across councils, which can cause issues for local brigades. The RFS should conduct an audit of the insurance coverage of all assets and premises it uses to identify uninsured or underinsured assets and premises.

Finding 18

Current arrangements for insuring assets and premises used by the NSW Rural Fire Service are inconsistent.

Recommendation 13

The NSW Rural Fire Service should conduct an audit of insurance coverage for all assets and premises used by the NSW Rural Fire Service, in order to ascertain:

- **The adequacy of insurance cover.**
- **Who is responsible for insuring the assets.**

- 4.1 Councils are generally responsible for insuring NSW Rural Fire Service (RFS) equipment and premises (RFS assets) which are vested in or owned by councils. The exception to this is red fleet assets, which are insured by the RFS. In practice this means that any premises or fire fighting equipment legally owned by councils but used by the RFS, are insured by councils.
- 4.2 These arrangements can be inconsistent from council to council. For example, the level of excess may vary as well as councils' ease of access to RFS assets they insure. This creates liability and financial concerns for councils, and potential underinsurance concerns for the RFS and local brigades.
- 4.3 Due to the complexity of current ownership and insurance arrangements, and because there is no centralised oversight of the value of council-funded insurance at a state level, any changes to insurance responsibilities would require a high level of planning and cooperation between all parties.²⁴⁴
- 4.4 For these reasons, the Committee recommends that the RFS conduct an audit of insurance coverage for all their assets and premises, in order to ascertain the adequacy of insurance cover, as well as who is responsible for insuring the assets.

²⁴⁴ [Answers to Supplementary Questions](#), NSW Rural Fire Service, 21 October 2024, pp 9-10.

Insurance responsibilities are divided between councils and the NSW Rural Fire Service

4.5 The *Rural Fires Act 1997* (the Act) does not specify who is responsible for insuring RFS assets. In practice the responsibility for insuring these assets is delegated to either councils or the NSW Rural Fire Service through the Rural Fire District Service Agreements (service agreements).²⁴⁵

4.6 Clause 10 of the service agreements seen by the Committee generally allocate insurance responsibilities to either councils or the NSW Rural Fire Service depending on the type of fire fighting equipment. For example:

Asset	Who legally owns the asset	Who bears the insurance responsibility	Insurance responsibilities
Premises	Council ²⁴⁶	Council	Property damage and public liability insurance
Red fleet	Council	NSW Rural Fire Service	Indemnity coverage with the NSW Treasury Managed Fund to provide third party liability cover and comprehensive motor vehicles cover
White fleet	Council	Council ²⁴⁷	Compulsory third party and comprehensive insurance
Premises and District equipment (other than red fleet) ²⁴⁸	Council	Council	Property damage and public liability insurance, third party and comprehensive insurance (including fire and theft)

Figure 6. Insurances responsibilities for fire fighting equipment²⁴⁹

4.7 Since 1 July 2011, the RFS have taken on the insurance responsibilities for red fleet assets.²⁵⁰ The RFS assumed the insurance responsibility for red fleet assets to ensure 'consistency of insurance coverage'.²⁵¹

4.8 This means that despite councils having legal ownership of red fleet assets through vesting under the Act, they are not required to bear the insurance

²⁴⁵ [Submission 30](#), NSW Government, pp 11-12. See for example clause 10 of the [Rural Fire District Service Agreement between NSW Rural Fire Service and Blue Mountains City Council dated 2012](#).

²⁴⁶ Note that some rural fire brigades are located on non-council owned land.

²⁴⁷ Per clause 10.1 (b), councils bear the insurance responsibility for motor vehicles except for red fleet assets or where otherwise agreed in writing between the Council and the Commissioner. See for example: [Rural Fire District Service Agreement between NSW Rural Fire Service and Blue Mountains City Council dated 2012](#), p 13.

²⁴⁸ Per clause 10.1(c) these include: marine fire fighting equipment; wharves, jetties or boat sheds; radio base stations; radio transmitting towers; computer paging systems; pager repeater sites and towers; fire spotting towers; and training facilities. See for example: [Rural Fire District Service Agreement between NSW Rural Fire Service and Blue Mountains City Council dated 2012](#), p 13.

²⁴⁹ [Submission 30](#), pp 11-12.

²⁵⁰ NSW Rural Fire Service, [Annual Report 2021/11](#), annual report, 2011, p 41.

²⁵¹ [Submission 30](#), p 12.

responsibilities as these responsibilities were assumed by the Commissioner through the Treasury Managed Fund.²⁵²

- 4.9 The RFS further explained that while excesses and deductibles have not historically applied to property insurance claims through the Treasury Managed Fund, this changed in the 2024/25 financial year. The RFS must now pay a \$1000 deductible (out of pocket amount) on any insurance claims for property by the RFS.²⁵³

Insurance coverage varies across councils and rural fire districts

- 4.10 For insurance policies held by councils (not through the Treasury Managed Fund) the RFS advised that it:

... is aware that insurance arrangements across councils vary. The RFS understands that there have been instances of some councils underinsuring district equipment. Additionally, the RFS has been made aware of some councils maintaining policies with a significant excess.²⁵⁴

- 4.11 Coolamon Shire Council advised that it insured buildings located on council land and two white fleet vehicles used by volunteers. The Council also advised that it did not insure buildings on private property, for example the fire sheds constructed on private land in the Coolamon Shire local government area.²⁵⁵

- 4.12 In comparison, Tweed Shire Council confirmed that it insures buildings and the RFS insures fire district equipment.²⁵⁶

- 4.13 Similarly Bega Valley Council advised that it 'is responsible for insurance of all buildings occupied by NSW RFS personnel'.²⁵⁷

Impact of variances in insurance excesses on local brigades

- 4.14 The Committee heard from the NSW Rural Fire Service Association (the RFSA) and volunteers that insurance arrangements for equipment purchased directly by brigades through fundraising or donations were unclear.

- 4.15 Vehicles which are donated for brigade use are generally owned by the RFS directly and insured through the Treasury Managed Fund.²⁵⁸

- 4.16 Other donations, for example some additions or upgrades to local brigade buildings, can be included in councils' existing insurance policies.²⁵⁹

²⁵² [Submission 30](#), p 12.

²⁵³ [Answers to supplementary questions](#), NSW Rural Fire Service, 21 October 2024, p 9.

²⁵⁴ [Submission 30](#), p 12; [Answers to supplementary questions](#), NSW Rural Fire Service, 21 October 2024, p 9.

²⁵⁵ [Submission 18](#), p 7.

²⁵⁶ [Submission 60](#), p 6.

²⁵⁷ [Answers to supplementary questions](#), Bega Valley Shire Council, 12 September 2024, p 2.

²⁵⁸ [Answers to supplementary questions](#), NSW Rural Fire Service, 21 October 2024, p 9.

²⁵⁹ [Answers to supplementary questions](#), NSW Rural Fire Service, 21 October 2024, p 9.

- 4.17 The Committee heard that in those cases, brigades may be required by councils to cover any claim excesses. This can have a large impact on a Brigade's ability to purchase additional equipment and plan for future purchases.²⁶⁰
- 4.18 The RFSA explained that differences in insurance policies held by councils can result in insurance excesses varying between '\$5,000, \$10,000 and even \$20,000'. They also explained that these amounts can be 'incredibly significant' to volunteer brigades 'that may have invested years' worth of local fundraising to purchase an item, or worked to secure a one-off grant for an item they couldn't otherwise afford'.²⁶¹
- 4.19 The RFSA submitted that this issue could be addressed by clearly establishing that the state owned RFS assets and premises, and therefore is responsible for insuring them, and requiring minimum standards of insurance, including appropriate excess minimums.²⁶²

Councils are concerned about insurance costs

- 4.20 Councils reported concerns about the unsustainable financial burden from the cost of insuring RFS assets on local government.²⁶³
- 4.21 The Committee attempted to establish the cost of insurance products relating to RFS assets that were funded by councils, however the RFS advised that it did not hold aggregated data on this.²⁶⁴
- 4.22 Some understanding of councils' insurance costs was established through this inquiry from individual councils' advice. For example:
- Northern Beaches Council incurred \$26,000 in annual insurance costs for building insurance and public risk insurance across 14 RFS premises.²⁶⁵
 - Hawkesbury City Council incurred \$41,853 in annual insurance costs for RFS assets and premises in 2022/23. This cost increased to \$56,637 in 2023/24.²⁶⁶
- 4.23 Port Macquarie Hastings Council also highlighted the financial impacts of severe weather events, like hailstorms. The Council advised that these events impact its insurance premiums, and result in a greater portion of funding that was allocated for maintenance budgets being used for insurance coverage.²⁶⁷

²⁶⁰ [Answers to questions on notice](#), NSW Rural Fire Service Association, 10 October 2024, p 3; [Opening statement for public hearing](#), Mr Scott Campbell, NSW Rural Fire Service Association, p 1.

²⁶¹ [Submission 33](#), NSW Rural Fire Service Association, p 3.

²⁶² [Submission 33](#), p 3.

²⁶³ [Submission 31](#), Blue Mountains City Council, p 6; Mr Angus Barnes, Local Emergency Management Officer, Eurobodalla Shire Council, [Transcript of evidence](#), 20 August 2024, p 48; [Submission 40](#), Local Government NSW, p 11; Councillor Russel Fitzpatrick, Chair, Canberra Region Joint Organisation, and Mayor, Bega Valley Shire Council, [Transcript of evidence](#), 20 August 2024, p 28.

²⁶⁴ [Answers to supplementary questions](#), NSW Rural Fire Service, 21 October 2024, p 6.

²⁶⁵ [Submission 21](#), Northern Beaches Council, pp 2-3.

²⁶⁶ [Answers to supplementary questions](#), Hawkesbury Shire Council, 20 September 2024, pp 4-5.

²⁶⁷ [Submission 70](#), Port Macquarie Hastings Council, p 3.

Chapter Five – Funding rural fire services

Summary

Councils are finding it increasingly challenging to fund rural fire fighting assets and activities, particularly when annual increases to their contributions exceed their ability to generate revenue from rates due to the rate cap.

Stakeholders called for the current funding model to be replaced by a broad based property levy, something which is being considered by the NSW Government's reform of emergency services funding.

Given a number of outliers noted in the Committee's analysis of council contribution data, the NSW Government should review the council contributions funding mechanism as part of a wider review of the *Rural Fires Act 1997* and the ongoing reform of emergency services funding or another appropriate mechanism.

Finding 19

The NSW Rural Fire Service sets the rural fire brigade funding target each year. Councils contribute 11.7 per cent of the target, insurers contribute 73.7 per cent and the NSW Government contributes the balance.

Finding 20

Councils are concerned about the sustainability of councils' 11.7 per cent contribution to the rural fire brigade funding target because of the annual rate of growth.

Finding 21

Preliminary analysis of council contributions to the rural fire brigade funding target suggest that some councils are contributing at high rates per resident, in particular regional councils.

Recommendation 14

The NSW Government should review the mechanism for council contributions and overall funding for the RFS as part of the ongoing reform of emergency services funding or another appropriate mechanism. This review should consider:

- **Rate peg constraints on councils funding capacity.**
- **Out of pocket amounts contributed by councils for repairs and maintenance of Red Fleet assets and premises, as well as for the contribution of land and buildings for NSW Rural Fire Service use.**
- **How to ensure equitable contributions to the rural fire brigade funding target across councils.**

- The potential funding implications of any recommendations in this report.

What is the rural fire brigade funding target and who contributes to it?

- 5.1 Each year, the rural fire brigade funding target is calculated by RFS and agreed with Treasury. The funding target is based on approved expenditure limits at that time and adjusted for own source income, statutory adjustment and carried forward expenditure.²⁶⁸ For 2023-24, the funding target was \$549,383,124.²⁶⁹ The funding target reflects the estimated rural fire brigade expenditure for the year.²⁷⁰

Councils contribute 11.7 per cent of the rural fire brigade funding target

- 5.2 Under the *Rural Fires Act 1997* (the Act) councils are required to pay a rural fire brigade contribution to the State Revenue Commissioner (Revenue NSW). Each council is required to contribute 11.7 per cent of the rural fire brigade funding target applicable to their rural fire district.²⁷¹
- 5.3 Councils' individual contributions are calculated by the RFS based on their 20-year contribution history to the Rural Fire Fighting Fund (RFFF).²⁷² The amounts calculated by the RFS are provided to Revenue NSW who then issue a combined invoice to councils for emergency services (i.e. the combined invoice also includes contributions to Fire and Rescue NSW and NSW State Emergency Service).²⁷³

Blue Mountains City Council 's 2023-24 contribution		
Rural fire brigade funding target	\$549,383,124	A
Council's 20-year average contribution to the RFFF	2.505 %	B
Rural fire brigade funding target applicable to the rural fire district	\$13,762,047	C = A x B
Council's 2023-24 contribution	\$1,610,159	D = C x 11.7%

Figure 7. Example calculation for Blue Mountains City Council's rural fire brigade contribution for 2023-24²⁷⁴

²⁶⁸ [Answers to supplementary questions](#), NSW Rural Fire Service, 21 October 2024, p 8.

²⁶⁹ [Answers to supplementary questions](#), NSW Rural Fire Service, 21 October 2024, p 11.

²⁷⁰ [Submission 30](#), NSW Government, p 5.

²⁷¹ *Rural Fires Act 1997*, ss 109-110.

²⁷² [Answers to supplementary questions](#), NSW Rural Fire Service, 21 October 2024, p 8.

²⁷³ [Answers to supplementary questions](#), NSW Rural Fire Service, 21 October 2024, p 8.

²⁷⁴ [Answers to supplementary questions](#), NSW Rural Fire Service, 21 October 2024, p 11.

- 5.4 Northern Beaches Council noted that each of the emergency services have different budgetary structures and cost allocation mechanisms, making the budget process complex and difficult to understand.²⁷⁵

What is the New South Wales Rural Fire Fighting Fund?

The NSW Rural Fire Fighting Fund (RFFF) is a Special Deposits Account established under the *Rural Fires Act 1997*.²⁷⁶ Payments into the RFFF include contributions payable by the Treasurer, appropriations from the Parliament, proceeds from investment of any money in the Fund, and any other money required by law.²⁷⁷

Money in the RFFF can be used for:

- rural fire brigade expenditure
- the exercise of the duties imposed on the Commissioner by section 45
- the construction and maintenance of fire trails
- other fire prevention and hazard reduction works, and
- all money directed to be paid from the Fund by or under the *Rural Fires Act 1997* or any other Act.²⁷⁸

Insurers contribute 73.7 per cent of the rural fire brigade funding target

- 5.5 Under the *Emergency Services Levy Act 2017*, insurers, who insure against loss of or damage to property, are required to contribute 73.7 per cent of the rural fire brigade funding target. Contributions from insurers are also collected by Revenue NSW.²⁷⁹ This is known as the Emergency Services Levy (ESL) and is ultimately paid for by insurance holders.

The NSW Government contributes the remaining balance

- 5.6 Using the contributions collected from councils and the insurers, and State general revenue, the NSW Government pays an annual 'rural fire brigade funding amount' into the RFFF. The amount paid by the NSW Government is the estimated rural fire expenditure for the rural fire brigade funding target, as adjusted.²⁸⁰
- 5.7 In 2023-24 the RFS' combined recurrent and capital expenditure budget was \$808.4 million. This consisted of \$756.1 million recurrent and \$52.3 million capital expenditure.²⁸¹

²⁷⁵ [Submission 21](#), Northern Beaches Council, p 3.

²⁷⁶ *Rural Fires Act 1997*, [s 102\(1\)](#). A Special Deposits Account (SDA) consists of accounts of money authorised by legislation to be deposited therein and is separate from a Consolidated Fund.

²⁷⁷ *Rural Fires Act 1997*, [s 102\(1A\)](#).

²⁷⁸ *Rural Fires Act 1997*, [s 102\(2\)](#).

²⁷⁹ [Submission 30](#), p 5.

²⁸⁰ [Submission 30](#), p 5.

²⁸¹ [Submission 30](#), p 5.

Update on NSW's emergency funding reform

- 5.8 On 16 November 2023, the NSW Government announced the levy on insurers would be removed and applied to property instead. A consultation paper on this reform was released on 10 April 2024.²⁸²
- 5.9 The Committee notes that the NSW Government is currently reviewing the way in which the state funds emergency services, in particular the ESL imposed on insurers. The NSW Government announced that this component of emergency services funding is replaced with a broad-based levy on property owners.²⁸³
- 5.10 This change seeks to make the system fairer by ensuring that everyone whose property is protected by emergency services makes a contribution to those services, rather than just insurance holders. The NSW Government noted that this process is already in place in every other mainland Australian state.²⁸⁴
- 5.11 The Committee sought an update on the progress of the review from NSW Treasury. NSW Treasury advised that:
- In March 2024 an expert panel was set up consisting of representatives from insurance, property, local government, emergency services and other sectors.
 - The NSW Government conducted a six-week public consultation on its consultation paper which ended on 22 May 2024, and it is in the process of reviewing the feedback and insights provided in those submissions.
 - The NSW Government will provide an update on the reform in due course.²⁸⁵

Independent Pricing and Regulatory Tribunal's review of its rate peg methodology

- 5.12 The rate peg²⁸⁶ now takes into account:
- a Base Cost Change (BCC) by council group (metropolitan, regional and rural)
 - a population factor based on each council's population growth and
 - an Emergency Services Levy (ESL) factor to reflect annual changes in each council's ESL contributions that differ from the changes to the council's BCC.²⁸⁷
- 5.13 Independent Pricing and Regulatory Tribunal (IPART) conducted a review of its rate peg methodology for the ESL in 2023. As a result of its review, for the 2024-

²⁸² [Submission 30](#), p 7.

²⁸³ NSW Treasury, [Reforming the emergency services funding system](#), 2024, p 7.

²⁸⁴ NSW Treasury, [Reforming the emergency services funding system](#), 2024, p iv.

²⁸⁵ [Answers to questions on notice](#), NSW Treasury, 16 September 2024, p 1.

²⁸⁶ A rate peg is the maximum percentage that a New South Wales council can increase its income from rates in a given year. The rate peg is set by the NSW Independent Pricing and Regulatory Tribunal (IPART).

²⁸⁷ Independent Pricing and Regulatory Tribunal, [The rate peg](#), viewed 19 February 2025.

25 financial year councils will now be able to recoup the cost of any increase in ESL from the previous financial year through rate increases.²⁸⁸

- 5.14 IPART recognised the challenge that local governments have in recovering additional ESL fees through the rating system and the impact that additional charges have on the delivery of council services. This resulted in changes to the methodology for the calculation of the rate cap limit and now takes into consideration factors such as population growth.²⁸⁹
- 5.15 The change in methodology relates only to compensating council through the rates system for the annual ESL contribution and does not recognise council's statutory obligations under the *Rural Fires Act 1997* and the associated Service Level Agreement to maintain and operate the District's premises and its fleet.²⁹⁰
- 5.16 Some councils argued that the change to rate pegging does not solve the issue, because it still impacts councils' cash flow. The fluctuating funding target which is based on strategic and operational decisions of the RFS and bush fire activity levels, along with a time lag, makes it challenging for councils in balancing their annual budgets. Further, it does not let the councils recover the shortfalls in funding for maintenance and repairs and other administrative costs. Councils are awaiting the result of broader ESL review by NSW Treasury for further improvements.²⁹¹
- 5.17 The Committee also notes that IPART's new methodology may not resolve issues for all councils. For example, there are some councils that applied for a Special Rate Variation from IPART and will not benefit from the change in rate peg methodology.
- 5.18 Hornsby Shire Council advised that the total ESL contribution for the council increased by \$1.78 million (77 per cent) from \$2.31 million in 2018-19 to \$4.099 million in 2023-24. This impacted the council's budget over a number of years that directed funding away from core services and strategic needs. As a result, the council was approved a Special Rate Variation (SRV) of 31.05 per cent over four years from IPART to avoid further declines in its operating result.²⁹²
- 5.19 Because of this, Hornsby Shire Council advised that 'the new ESL factor is currently ineffective for Hornsby as Council is locked into the SRV increases sought from IPART in its application until 2027/28.'²⁹³ The Committee understands that this means if the Council's required contributions increase significantly before 30 June 2027, the Council will be unable to benefit from the new ESL factor as it has already locked in a SRV increase until 2027/28.

²⁸⁸ [Submission 30](#), p 15.

²⁸⁹ [Submission 6](#), Hills Shire Council, p 3.

²⁹⁰ [Submission 6](#), p 3.

²⁹¹ [Submission 6](#), p 5; [Answers to Supplementary Questions](#), Eurobodalla Shire Council, 27 September 2024, p 5.

²⁹² [Answers to supplementary questions](#), Hornsby Shire Council, 17 September 2024, pp 4-5.

²⁹³ [Answers to supplementary questions](#), Hornsby Shire Council, 17 September 2024, p 5.

Call for a broad-based property levy to replace councils' contributions model

- 5.20 Some stakeholders noted the inconsistency in the funding models for the NSW Police Force and NSW Ambulance who are funded by appropriations, compared to other emergency services like the NSW Rural Fire Service, NSW State Emergency Service and Fire and Rescue NSW who are funded through council contributions.²⁹⁴
- 5.21 Several stakeholders supported a broad-based property levy to fund emergency services, rather than the current contributions model.²⁹⁵ It was noted that moving to a broad-based property levy could address funding issues from individuals electing not to take out insurance.²⁹⁶
- 5.22 Local Government NSW (LGNSW) also proposed that the contribution requirements on both insurers and councils should be replaced with a broad-based property levy. LGNSW advised that this model is already adopted by most other states and is supported on the basis that it provides greater transparency, accountability and equity.²⁹⁷
- 5.23 The Committee understands that a broad based property levy is currently used in Victoria, South Australia and other states to fund bush fire services/emergency services.²⁹⁸
- 5.24 LGNSW also expressed that with increasing frequency and intensity of natural disasters due to climate change, emergency services funding is expected to increase over time.²⁹⁹
- 5.25 Coolamon Shire Council stated that the current funding model is 'not fit for purpose and as it stands, [is] an unsustainable means of funding emergency services into the future'.³⁰⁰
- 5.26 The Council noted a number of issues in the current model, including that the insurance industry currently bears a significant portion of the funding burden, at 73.7 per cent. The Council also noted the risk of property owners choosing to opt out of insurance due to the risk of rising insurance premiums resulting from natural disasters.³⁰¹

²⁹⁴ [Submission 18](#), Coolamon Shire Council, p 2.

²⁹⁵ [Submission 23](#), Snowy Valleys Council, p 3; [Submission 40](#), Local Government NSW, p 10; [Submission 41](#), Byron Shire Council, p 1; [Submission 43](#), Blacktown City Council, p 9; [Submission 64](#), Leeton Shire Council, p 7; [Submission 72](#), Canberra Region Joint Organisation, p 3.

²⁹⁶ [Submission 18](#), p 2.

²⁹⁷ [Submission 40](#), p 10.

²⁹⁸ State Revenue Office Victoria, [Fire services property levy](#), viewed 4 March 2025; Department of Treasury and Finance South Australia, [Taxes, levies and duties](#), viewed 4 March 2025; ACT Revenue Office, [Police, fire and emergency services levy](#), viewed 11 April 2025; Department of Fire and Emergency Services, [About the Emergency Services Levy](#), viewed 11 April 2025.

²⁹⁹ [Submission 40](#), p 5.

³⁰⁰ [Submission 18](#), p 2.

³⁰¹ [Submission 18](#), p 2.

- 5.27 Coolamon Shire Council also observed that instead of insurance, people are relying on disaster funding and crowd sourcing after a natural disaster. The Council further noted that there could be situations where the same person contributes to the RFS funding three times, through their insurance, as a rate payer and as a taxpayer. Or, individuals may not contribute at all if they do not hold insurance and are neither a rate payer or a tax payer.³⁰²
- 5.28 To address these issue, Coolamon Shire Council stated that the current contributions model should be replaced with a broad-based levy on all properties, including non-rated properties.³⁰³ The call for a broad-based property levy was echoed by several other councils.³⁰⁴
- 5.29 Some councils proposed that a broad-based property levy could be collected through Service NSW or Revenue NSW. For example, Snowy Valleys Council stated that it supported a broad-based property levy to fund emergency services in NSW. The council also suggested that such a levy is collected by the State Government and levied like land tax rather than using local government as a 'collection agent'.³⁰⁵
- 5.30 Junee Shire Council, who also recommended that the Emergency Service Levy on both the insurance industry and Local Government be removed and replaced with a broad-based property levy, note that it could be levied via a separate line item on the rate invoice from councils.³⁰⁶
- 5.31 Noting the review of funding of emergency services is ongoing and the concerns raised by councils about cashflow timing issues and significant year on year increase, the Committee recommends that the NSW Government should review the mechanism for council contributions as part of a wider review of the *Rural Fires Act 1997*. This should include a review of the sustainability and equitability of council contributions and should be informed by the completion of the NSW Government's review of emergency services funding and the concerns raised in this inquiry.

Increases to councils' contributions may be higher than the rate peg

- 5.32 Some councils advised that their contributions are increasing at a higher rate than their 'rate peg' increase over the same period. Those councils argue that the rising contribution costs are impacting the financial viability of local government.
- 5.33 The funding target can fluctuate from year to year depending on strategic and operational decisions of the RFS and the level of bush fire activity. Significant fluctuations can make council's budgeting process difficult, especially when an increase in the funding target, and in turn council contributions, is more than the

³⁰² [Submission 18](#), p 2.

³⁰³ [Submission 18](#), p 2.

³⁰⁴ [Submission 21](#), pp 3-4.

³⁰⁵ [Submission 23](#), p 3.

³⁰⁶ [Submission 42](#), Junee Shire Council submission, p 2.

statutory rate cap imposed by NSW Independent Pricing and Regulatory Tribunal (IPART).³⁰⁷

- 5.34 In practice this means that councils have to fund the gap from their own income, between what they contribute to the RFFF and the revenue they collect from rate payers.
- 5.35 Hawkesbury City Council reported that its contribution has increased by 62.9 per cent since 2013-14, as compared to the rate peg increase of 24.4 per cent over the same period.³⁰⁸
- 5.36 Queanbeyan-Palerang Regional Council (QPRC) advised that it imposed an 18 per cent annual increase on rates for the three years commencing 2023-24. The Council explained that the rate variation only enables it to continue to meet current service levels. The Council also needs to find additional budget savings of \$5.5 million per year.³⁰⁹
- 5.37 QPRC highlighted the rate variation in the context of a '5 year average annual increase in the Emergency Services levy on QPRC [which] is 16% per annum, reaching \$1.9 million'. QPRC advised that this is equivalent to 45 per cent of the general component of QPRC's Financial Assistance Grant from the Federal Government.³¹⁰
- 5.38 In regard to the sustainability of councils' contributions to emergency services, Coolamon Shire Council noted that councils are rate pegged, and advised that funding and income opportunities in rural areas 'is very limited, to none at all.' Coolamon Shire Council further advised that increases in contributions require the reduction of services.³¹¹

Committee analysis of recent council contributions

- 5.39 The Committee reviewed councils' contributions for 2023-24 using data provided by the RFS. The Committee calculated councils' contribution made per resident and considered annual contributions as a percentage of council revenue from total ordinary rates. Below are some observations made by the Committee.
- 5.40 Regional councils tend to make higher annual contributions compared to metro councils. In addition metro councils tend to contribute less on a per resident basis. The Committee notes that some councils are also required to make separate contributions to Fire and Rescue NSW.
- 5.41 The five highest annual contributing councils are regional councils. Port Stephens council made the largest contribution of approximately \$2.5 million in 2023-24 followed by Central Coast Council and MidCoast Council with contributions of

³⁰⁷ [Submission 6](#), Hills Shire Council, p 3.

³⁰⁸ [Submission 49](#), Hawkesbury City Council, p 1.

³⁰⁹ [Submission 12](#), Queanbeyan-Palerang Regional Council, p 5.

³¹⁰ [Submission 12](#), p 5.

³¹¹ [Submission 18](#), p 8.

\$2.06 million and \$2.05 million respectively.³¹² See Appendix Three for a schedule of council contributions for 2022-23 and 2023-24.

On average councils contributed \$36.76 per resident

- 5.42 The Committee considered council's 2023-24 annual contributions compared to the number of residents within each council.
- 5.43 The Committee found most councils contribute between \$1.00 and \$27.00 per resident. However, a few councils are contributing at a much higher rate per resident. The Committee estimated that the average contribution per resident across all councils was \$36.76.³¹³

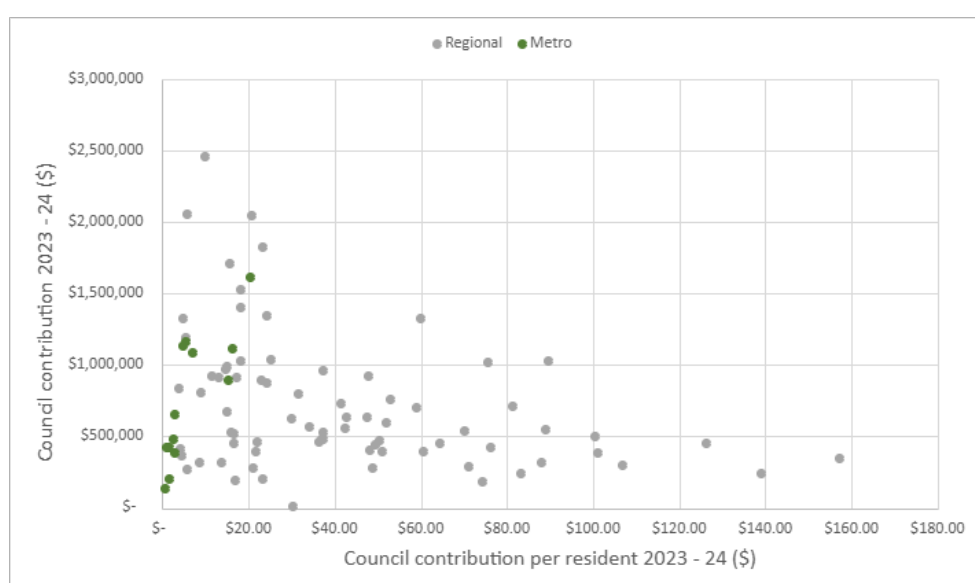


Figure 8. Council's 2023-24 annual contributions and estimated contribution per resident³¹⁴

- 5.44 The Committee noted that Balranald Shire Council appears to make the highest paying contribution on a per resident basis. It was estimated that the Council contributed at a rate of \$157.34 per resident. The Committee noted that five other regional councils appear to be contributing over \$100.00 per resident. These are outlined below in Table 6.
- 5.45 On the other end of the spectrum some councils, such as Blacktown City Council and Fairfield City Council, contributed less than an estimated \$1.00 per resident in 2023-24. These are outlined below in Table 6.

³¹² Port Stephens Council as the lead Council for the Lower Hunter Zone.

³¹³ Committee analysis. See Appendix Three: Table A for data.

³¹⁴ Committee analysis. See Appendix Three: Table A for data.

- 5.46 The Committee noted in the table below the highest and lowest contributing councils per resident.

Council	Council contribution 2023-24 (\$)	2023 estimated resident population (no.)	Estimated contribution per resident (\$)
Councils with six highest per resident rates:			
Balranald Shire	\$346,457	2,202	\$157.34
Central Darling Shire	\$244,256	1,757	\$139.02
Murrumbidgee	\$455,087	3,607	\$126.17
Carrathool Shire	\$295,678	2,765	\$106.94
Bourke Shire ³¹⁵	\$381,810	3,776	\$101.11
Gwydir Shire	\$496,225	4,940	\$100.45
Councils with the four lowest per resident rates:			
Liverpool City	\$424,234	247,672	\$1.71
Ku-ring-gai	\$197,333	126,983	\$1.55
Blacktown	\$418,449	426,202	\$0.98
Fairfield	\$138,840	209,742	\$0.66

Table 6. Councils who contributed over an estimated \$100.00 and below an estimated \$2.00 per resident

- 5.47 The Committee understands that regional councils are contributing more per resident due to lower populations compared to metro councils.

On average councils contributions were equivalent to approximately 4% of total ordinary rates

- 5.48 Given councils raised concerns about their ongoing ability to fund annual contributions in comparison to their ability to generate revenue from rates, the Committee analysed councils' annual contribution as a percentage of their 'total ordinary rates' revenue.³¹⁶
- 5.49 Based on available revenue data, councils' 2023-24 contributions were equivalent to approximately 3.94% of their revenue from total ordinary rates on average. The average contribution percentage was slightly higher for 2022-23, at 4.23%.³¹⁷

³¹⁵ Bourke Shire Council is the lead council for the Barwon Darling Zone. The 2023-24 contribution amount and 2023 estimated residential population includes both Bourke Shire Council and Brewarrina Shire Council. These councils make up the Barwon Darling Zone.

³¹⁶ Ordinary rates are a major revenue source for councils. This revenue is generated from a levy on rateable land within a council and is used to provide council services.

³¹⁷ Committee analysis. See Appendix Three: Table B for data.

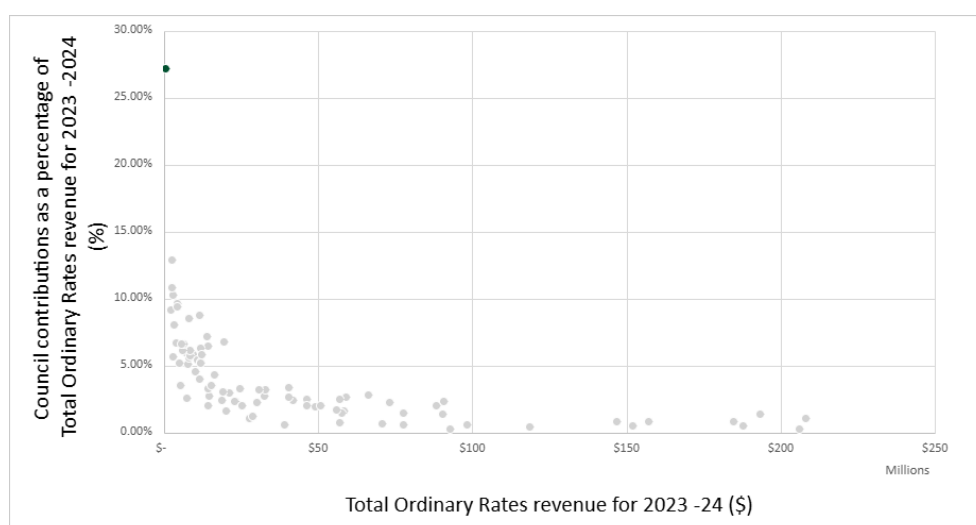


Figure 9. Council contributions for 2023-24 as a percentage of their total ordinary rates³¹⁸

- 5.50 Despite a moderate contribution rate overall, when examining contribution rates on an individual council basis, the Committee noted a number of outlier councils who contributed at a higher rate than the average.
- 5.51 For example, Central Darling Shire Council appears to contribute 27.08 per cent of their total ordinary rates income for the levy in 2023-24. This council was the highest by a significant margin in comparison to other councils. The Committee understands that Central Darling Shire Council receives significant grant funding from the Commonwealth and State government, but lower revenue from ordinary rates compared to other councils.³¹⁹
- 5.52 After the Central Darling Shire Council, the councils with the next highest contributions as a proportion of their total ordinary rates are:

Council	Council contribution 2023-24 (\$)	Total ordinary rates 2023-24 (\$)	Proportion of total ordinary rates 2023-24 (%)
Central Darling Shire	\$244,256	\$902,000	27.08%
Bourke Shire ³²⁰	\$381,810	\$2,977,000	12.83%
Weddin Shire	\$318,175	\$2,961,000	10.75%
Balranald Shire	\$346,457	\$3,402,000	10.18%
Murrumbidgee	\$455,087	\$4,757,000	9.57%

³¹⁸ Committee analysis. See Appendix Three: Table B for data.

³¹⁹ Central Darling Shire Council, [Annual Report 2023-24](#), annual report, pp 60, 63. For 2023-24, Central Darling Shire Council reported \$27.5 million in State and Commonwealth operating grants and \$14.2 million in State and Commonwealth capital grants. This is compared to \$0.9 million in total ordinary rates revenue.

³²⁰ Bourke Shire Council is the lead council for the Barwon Darling Zone. The Barwon Darling Zone includes Bourke Shire Council and Brewarrina Shire Council. Analysis is based on these councils combined total ordinary rates for the year.

Table 7. Councils with the five highest contributions as a proportion of their total ordinary rates revenue

- 5.53 Based on the analysis, the Committee notes that the impact of the required 11.7% contribution varies significantly across councils. Where the proportion is high and the council does not have alternate revenue sources, large increases in the required contribution would likely affect a council's ability to provide other services expected by their residents.

Councils are incurring costs on top of their 11.7 per cent contribution

- 5.54 Besides the 11.7 per cent contribution, councils stated that they also directly fund a range of activities. For example, Hawkesbury City Council advised that it funds activities like maintenance of buildings, rates, printing, training, change over and purchase of additional personnel carriers and Group Officer vehicles, a field day, catering, cleaning, water, a portion of vehicle servicing, and general equipment purchases and maintenance.³²¹
- 5.55 Councils' costs outside of their annual contributions are discussed in chapters one to four and the Committee has made several recommendations to address concerns about councils' out of pocket costs. This further emphasises the financial impact of the current contribution model on councils and lack of consistency.

³²¹ [Submission 49](#), p 2.

Appendix One – Terms of reference

That the Public Accounts Committee inquire into and report on:

1. The mechanisms for:

- a. funding Rural Fire Service assets and premises;
- b. Maintaining Rural Fire Service assets and premises;
- c. Accounting for the ownership of Rural Fire Service assets and premises;
- d. Operational management, including the control of assets and premises, risks, and impacts to local government, and the ability to effect a response to emergencies;

2. Whether the following arrangements between Councils and the Rural Fire Service are fit for purpose:

- a. Service agreements;
- b. The division of responsibilities for bushfire management and hazard reduction;
- c. Upkeep of assets;
- d. The provision of insurance;
- e. Provision of land and construction management for RFS premises;
- f. Bushfire Management Committees

3. The appropriate role for local authorities in the provision of emergency services;

4. the sustainability of local government contributions to emergency service provision;

5. Any other related matters.

Appendix Two – Conduct of inquiry

The inquiry into the assets, premises and funding of the NSW Rural Fire Service was referred by the Minister for Local Government, the Hon Ron Hoenig MP to the Public Accounts Committee on 31 January 2024. The terms of reference for the inquiry is at Appendix One.

The Committee issued a media release on 20 February 2024 and wrote to key stakeholders inviting them to make a submission to the inquiry.

Submission closed on 10 May 2024. A total 78 submissions were received from councils, joint organisations, unions, RFS brigades, government agencies and members of the public.

A list of submissions is at Appendix Five. Submissions are available on the Committee [webpage](#).

On 9 August 2024 the Committee held a round table and met with Mayors from ten local councils across the state.

On 21 August the Committee visited NSW Rural Fire Service headquarters and rural fire brigade facilities in the Hawkesbury region. On 22 August the Committee visited rural fire brigade facilities in the Cessnock region. Details of these site visits are at Appendix Four.

The Committee held two public hearings at Parliament House on 20 August 2024 and 16 September 2024. The Committee heard from a range of witnesses including councils, joint organisations, unions, RFS brigades and NSW government agencies in person and via videoconference.

A list of witnesses is at Appendix Six. Transcripts of evidence taken at the hearings are available on the inquiry [webpage](#).

Appendix Three – Council contributions analysis

Table A: Analysis of council contribution data to estimated resident population

The Committee sought to understand how much each council is contributing to bush fire response on a per resident basis. To do this the Committee used data from the NSW Rural Fire Service on each council's:

- average contribution to the Rural Fire Fighting Fund for the past 20 years (see: 20 Year Avg % of RFFF)
- rural fire brigade funding target applicable to their rural fire district (see: Funding Target 2023-24 \$)
- each council's annual contribution (11.7%) (See: Council contribution 2023-24 \$)

The Committee performed this analysis by dividing each council's annual contribution to the rural fire brigade funding target by their estimated resident population for 2023. Please see results for each council in the below table.³²²

Council	20 Year Avg % of RFFF	Funding Target 2023-24 \$	Council contribution 2023-24 \$	2023 Estimated resident population (no.)	Council contribution per resident 2023-24 \$
TOTAL	100.0	\$549,383,124	\$64,277,822	-	-
Armidale Regional ³²³ (New England Zone)	1.386	\$7,614,450	\$890,891	38,609	\$23.07
Armidale Regional				29,594	
Uralla Shire				6,047	
Walcha				2,968	
Ballina Shire	0.420	\$2,307,409	\$269,967	47,279	\$5.71
Balranald Shire	0.539	\$2,961,175	\$346,457	2,202	\$157.34
Bathurst Regional	1.039	\$5,708,091	\$667,847	44,612	\$14.97
Bega Valley Shire	1.365	\$7,499,080	\$877,392	36,279	\$24.18
Bellingen Shire	0.874	\$4,801,609	\$561,788	13,231	\$42.46
Berrigan Shire	0.314	\$1,725,063	\$201,832	8,643	\$23.35

³²² 20 Year average % of RFFF, Funding Target 2023-24 and Council contribution 2023-24 from [Answers to supplementary questions](#), NSW Rural Fire Service, p 11; 2023 Estimated resident population from Australian Bureau of Statistics, [Population estimates and components by LGA, 2022 to 2023](#), viewed 12 December 2024; Council contribution per resident 2023-24 is analysis by Committee.

³²³ Armidale Regional Council as lead council for New England Zone.

Council	20 Year Avg % of RFFF	Funding Target 2023-24 \$	Council contribution 2023-24 \$	2023 Estimated resident population (no.)	Council contribution per resident 2023-24 \$
Blacktown City	0.651	\$3,576,484	\$418,449	426,202	\$0.98
Blue Mountains City	2.505	\$13,762,047	\$1,610,159	78,446	\$20.53
Bogan Shire	0.280	\$1,538,273	\$179,978	2,420	\$74.37
Bourke Shire ³²⁴ (Barwon Darling Zone)	0.594	\$3,263,336	\$381,810	3,776	\$101.11
Bourke Shire				2,365	
Brewarrina Shire				1,411	
Byron Shire	0.495	\$2,719,446	\$318,175	37,126	\$8.57
Camden	0.595	\$3,268,830	\$382,453	134,811	\$2.84
Campbelltown City	0.749	\$4,114,880	\$481,441	184,784	\$2.61
Carrathool Shire	0.460	\$2,527,162	\$295,678	2,765	\$106.94
Central Coast	3.199	\$17,574,765	\$2,056,248	351,934	\$5.84
Central Darling Shire	0.380	\$2,087,656	\$244,256	1,757	\$139.02
City of Lithgow	0.965	\$5,301,547	\$620,281	20,724	\$29.93
Clarence Valley	2.097	\$11,520,564	\$1,347,906	55,323	\$24.36
Cobar Shire	0.452	\$2,483,212	\$290,536	4,078	\$71.24
Coffs Harbour City	1.435	\$7,883,648	\$922,387	80,489	\$11.46
Coolamon Shire ³²⁵ (Riverina Zone, excl. previous Urana Shire Council)	2.370	\$13,020,380	\$1,523,384	83,181	\$18.31
Coolamon Shire				4,549	
Junee Shire				6,520	
Lockhart Shire				3,396	
Wagga Wagga City				68,716	
Coonamble Shire ³²⁶ (North West Zone)	1.097	\$6,026,733	\$705,128	11,963	\$58.94
Coonamble Shire				3,861	
Walgett Shire				5,519	
Warren Shire				2,583	
Edward River	0.634	\$3,483,089	\$407,521	8,430	\$48.34
Eurobodalla Shire	1.607	\$8,828,587	\$1,032,945	40,912	\$25.25

³²⁴ Bourke Shire Council as lead council for Barwon Darling Zone.

³²⁵ Coolamon Shire Council as lead council for Riverina Zone (excl the previous Urana Shire Council).

³²⁶ Coonamble Shire Council as lead council for North West Zone.

Council	20 Year Avg % of RFFF	Funding Target 2023-24 \$	Council contribution 2023-24 \$	2023 Estimated resident population (no.)	Council contribution per resident 2023-24 \$
Fairfield City	0.216	\$1,186,668	\$138,840	209,742	\$0.66
Federation	0.747	\$4,103,892	\$480,155	12,939	\$37.11
Forbes Shire	0.729	\$4,005,003	\$468,585	9,300	\$50.39
Glen Innes Severn	0.690	\$3,790,744	\$443,517	8,989	\$49.34
Goulburn Mulwaree	0.819	\$4,499,448	\$526,435	32,710	\$16.09
Greater Hume Shire ³²⁷ (Hume Zone, in Southern Border Team)	1.417	\$7,784,759	\$910,817	68,962	\$13.21
Greater Hume Shire				11,445	
Albury City				57,517	
Griffith City	0.704	\$3,867,657	\$452,516	27,132	\$16.68
Gundagai	0.925	\$5,081,794	\$594,570	11,424	\$52.05
Gunnedah Shire	0.438	\$2,406,298	\$281,537	13,280	\$21.20
Gwydir Shire	0.772	\$4,241,238	\$496,225	4,940	\$100.45
Hawkesbury City	1.727	\$9,487,847	\$1,110,078	68,156	\$16.29
Hay Shire	0.367	\$2,016,236	\$235,900	2,830	\$83.36
Hilltops	1.430	\$7,856,179	\$919,173	19,255	\$47.74
Inverell Shire	0.611	\$3,356,731	\$392,738	18,059	\$21.75
Kempsey Shire	0.812	\$4,460,991	\$521,936	31,453	\$16.59
Ku-ring-gai	0.307	\$1,686,606	\$197,333	126,983	\$1.55
Lachlan Shire	0.851	\$4,675,250	\$547,004	6,147	\$88.99
Lake Macquarie City	1.852	\$10,174,575	\$1,190,425	219,249	\$5.43
Leeton Shire	0.302	\$1,659,137	\$194,119	11,431	\$16.98
Liverpool City	0.660	\$3,625,929	\$424,234	247,672	\$1.71
Liverpool Plains Shire	0.836	\$4,592,843	\$537,363	7,667	\$70.09
Lord Howe Island Board ³²⁸	0.021	\$115,370	\$13,498	445	\$30.33
Mid-Coast	3.186	\$17,503,346	\$2,047,891	97,909	\$20.92
Mid-Western Regional	1.501	\$8,246,241	\$964,810	25,921	\$37.22
Moree Plains Shire	0.751	\$4,125,867	\$482,726	12,873	\$37.50
Murray River	0.988	\$5,427,905	\$635,065	13,326	\$47.66
Murrumbidgee	0.708	\$3,889,633	\$455,087	3,607	\$126.17

³²⁷ Greater Hume Shire Council as lead council for Hume Zone within the Southern Border Team.

³²⁸ Australian Bureau of Statistics, [Lord Howe Island, Census All persons QuickStats](#), viewed 12 December 2024

Council	20 Year Avg % of RFFF	Funding Target 2023-24 \$	Council contribution 2023-24 \$	2023 Estimated resident population (no.)	Council contribution per resident 2023-24 \$
Muswellbrook Shire	0.889	\$4,884,016	\$571,430	16,778	\$34.06
Nambucca Shire	0.716	\$3,933,583	\$460,229	20,774	\$22.15
Narrabri Shire	0.722	\$3,966,546	\$464,086	12,754	\$36.39
Narrandera Shire	0.431	\$2,367,841	\$277,037	5,692	\$48.67
Narromine Shire	0.607	\$3,334,756	\$390,166	6,443	\$60.56
Northern Beaches	2.057	\$11,300,811	\$1,322,195	267,921	\$4.94
Oberon	0.664	\$3,647,904	\$426,805	5,600	\$76.22
Orange City ³²⁹ (Canobolas Zone)	2.842	\$15,613,468	\$1,826,776	78,427	\$23.29
Orange City				44,244	
Blayney Shire				7,644	
Cowra				12,659	
Cabonne				13,880	
Parkes Shire	0.828	\$4,548,892	\$532,220	14,256	\$37.33
Penrith City	1.015	\$5,576,239	\$652,420	224,483	\$2.91
Port Macquarie-Hastings	1.249	\$6,861,795	\$802,830	89,596	\$8.96
Port Stephens ³³⁰ (Lower Hunter Zone)	3.819	\$20,980,941	\$2,454,770	251,063	\$9.78
Port Stephens				77,748	
Cessnock City				67,591	
Dungog Shire				9,767	
Maitland City				95,957	
Queanbeyan-Palerang Regional	1.505	\$8,268,216	\$967,381	65,369	\$14.80
Richmond Valley ³³¹ (Northern Rivers Zone)	2.178	\$11,965,564	\$1,399,971	77,080	\$18.16
Richmond Valley				23,705	
Kyogle				9,468	
Lismore City				43,907	
Shellharbour City	0.574	\$3,153,459	\$368,955	79,738	\$4.63
Shoalhaven City	2.664	\$14,635,566	\$1,712,361	109,895	\$15.58

³²⁹ Orange City Council as lead council for Canobolas Zone.

³³⁰ Port Stephens Council as lead council for Lower Hunter Zone.

³³¹ Richmond Valley Council as lead council for Northern Rivers Zone.

Council	20 Year Avg % of RFFF	Funding Target 2023-24 \$	Council contribution 2023-24 \$	2023 Estimated resident population (no.)	Council contribution per resident 2023-24 \$
Singleton	1.247	\$6,850,808	\$801,545	25,332	\$31.64
Snowy Monaro Regional	2.069	\$11,366,737	\$1,329,908	22,132	\$60.09
Snowy Valleys	0.992	\$5,449,881	\$637,636	14,935	\$42.69
Sutherland Shire	1.766	\$9,702,106	\$1,135,146	235,029	\$4.83
Tamworth Regional	1.535	\$8,433,031	\$986,665	65,246	\$15.12
Temora Shire ³³² (Bland Temora Zone)	1.601	\$8,795,624	\$1,029,088	11,493	\$89.54
Temora Shire				6,029	
Bland Shire				5,464	
Tenterfield Shire	0.698	\$3,834,694	\$448,659	6,973	\$64.34
Kiama	0.492	\$2,702,965	\$316,247	23,002	\$13.75
Hornsby Shire	1.690	\$9,284,575	\$1,086,295	154,072	\$7.05
The Hills Shire	1.806	\$9,921,859	\$1,160,858	207,959	\$5.58
Tweed Shire	0.645	\$3,543,521	\$414,592	98,967	\$4.19
Upper Hunter Shire	1.180	\$6,482,721	\$758,478	14,338	\$52.90
Upper Lachlan Shire	1.102	\$6,054,202	\$708,342	8,706	\$81.36
Warrumbungle Shire ³³³ (Castlereagh Zone)	1.591	\$8,740,686	\$1,022,660	13,537	\$75.55
Warrumbungle Shire				9,228	
Gilgandra Shire				4,309	
Weddin Shire	0.495	\$2,719,446	\$318,175	3,616	\$87.99
Wentworth Shire	0.612	\$3,362,225	\$393,380	7,688	\$51.17
Western Plains Regional ³³⁴	1.603	\$8,806,611	\$1,030,373	56,558	\$18.22
Wingecarribee Shire	1.427	\$7,839,697	\$917,245	53,109	\$17.27
Wollondilly Shire	1.383	\$7,597,969	\$888,962	57,616	\$15.43
Wollongong City	1.307	\$7,180,437	\$840,111	219,141	\$3.83
Yass Valley	1.130	\$6,208,029	\$726,339	17,477	\$41.56

³³² Temora Shire Council as lead council for Bland Temora Zone.

³³³ Warrumbungle Shire Council as lead council for Castlereagh Zone.

³³⁴ The Committee understands that Western Plains Regional Council is Dubbo Regional Council

Council	20 Year Avg % of RFFF	Funding Target 2023-24 \$	Council contribution 2023-24 \$	2023 Estimated resident population (no.)	Council contribution per resident 2023-24 \$
Average		\$6,172,844	\$722,223		\$36.76
Median		\$4,801,609	\$561,788		\$23.35
Minimum		\$115,370	\$13,498		\$0.66
Maximum		\$20,980,941	\$2,454,770		\$157.34

Table B: Analysis of council contribution data to total ordinary rates

The Committee sought to understand how much each council contributes as proportion of their total ordinary rates. To do this the Committee used data from the NSW Rural Fire Service on each council's annual contribution for 2023-24 and 2022-23. The Committee then collected council's reported total ordinary rates revenue from their financial statements. The Committee performed its analysis by dividing each council's total ordinary rates revenue by their annual contributions. Please see results for each council in the below table.³³⁵

Some council data on total ordinary rates revenue from 2023-24 was not available at the time of analysis.

Council	Council contribution 2023-24 \$	Council contribution 2022-23 \$	Total ordinary rates 2023-24 \$	Total ordinary rates 2022-23 \$	Contribution as % of total ordinary rates 2023-24 %	Contribution as % of total ordinary rates 2022-23 %
TOTAL	\$64,277,822	\$64,234,419	-	-	-	-
Armidale Regional ³³⁶ (New England Zone)	\$890,891	\$890,289	\$32,771,000	\$27,639,000	2.72	3.22
Armidale Regional			\$23,386,000	\$19,754,000		
Uralla Shire			\$4,335,000	\$4,184,000		
Walcha			\$5,050,000	\$3,701,000		
Ballina Shire	\$269,967	\$269,785	\$28,182,000	\$26,821,000	0.96	1.01
Balranald Shire	\$346,457	\$346,223	\$3,402,000	\$3,126,000	10.18	11.08
Bathurst Regional	\$667,847	\$667,396	\$30,646,000	\$29,436,000	2.18	2.27
Bega Valley Shire	\$877,392	\$876,800	\$32,814,000	\$26,025,000	2.67	3.37
Bellingen Shire	\$561,788	\$561,409	\$9,794,000	\$9,052,000	5.74	6.20
Berrigan Shire	\$201,832	\$201,696	\$5,831,000	\$5,608,000	3.46	3.60
Blacktown City	\$418,449	\$418,166	\$206,468,000	\$197,297,000	0.20	0.21
Blue Mountains City	\$1,610,159	\$1,609,072	\$73,701,000	\$70,644,000	2.18	2.28
Bogan Shire	\$179,978	\$179,856	\$3,240,000	\$3,140,000	5.55	5.73
Bourke Shire ³³⁷ (Barwon Darling Zone)	\$381,810	\$381,552	\$2,977,000	\$2,900,000	12.83	13.16
Bourke Shire			\$1,831,000	\$1,779,000		
Brewarrina Shire			\$1,146,000	\$1,121,000		
Byron Shire	\$318,175	\$317,960	\$29,096,000	\$27,623,000	1.09	1.15
Camden	\$382,453	\$382,195	\$77,957,000	\$71,280,000	0.49	0.54
Campbelltown City	\$481,441	\$481,116	\$98,708,000	\$93,619,000	0.49	0.51

³³⁵ Council contribution 2023-24 and Council contribution 2022-23 from [Answers to supplementary questions](#), NSW Rural Fire Service, p 11; Total Ordinary Rates 2023-24 and Total Ordinary Rates 2022-23 from councils financial statements and annual reports; Council contribution as a percentage of total ordinary rates revenue for 2023-24 and Council contribution as a percentage of total ordinary rates revenue for 2022-23 is analysis by Committee.

³³⁶ Armidale Regional Council as lead council for New England Zone.

³³⁷ Bourke Shire Council as lead council for Barwon Darling Zone.

Assets, premises and funding of the NSW Rural Fire Service

Council contributions analysis

Council	Council contribution 2023-24 \$	Council contribution 2022-23 \$	Total ordinary rates 2023-24 \$	Total ordinary rates 2022-23 \$	Contribution as % of total ordinary rates 2023-24 %	Contribution as % of total ordinary rates 2022-23 %
Carrathool Shire	\$295,678	\$295,478	\$3,716,000	\$3,614,000	7.96	8.18
Central Coast	\$2,056,248	\$2,054,859	\$208,293,000	\$199,376,000	0.99	1.03
Central Darling Shire	\$244,256	\$244,091	\$902,000	\$866,000	27.08	28.19
City of Lithgow	\$620,281	\$619,862	\$21,588,000	\$14,308,000	2.87	4.33
Clarence Valley	\$1,347,906	\$1,346,996	\$40,730,000	\$37,811,000	3.31	3.56
Cobar Shire	\$290,536	\$290,340	\$4,408,000	\$4,272,000	6.59	6.80
Coffs Harbour City	\$922,387	\$921,764	\$49,460,000	\$48,349,000	1.86	1.91
Coolamon Shire ³³⁸ (Riverina Zone, excl. previous Urana Shire Council)	\$1,523,384	\$1,522,356	\$59,319,000	\$53,952,000	2.57	2.82
Coolamon Shire			\$2,705,000	\$2,611,000		
Junee Shire			\$5,181,000	\$4,405,000		
Lockhart Shire			\$2,766,000	\$263,000		
Wagga Wagga City			\$48,667,000	\$46,673,000		
Coonamble Shire ³³⁹ (North West Zone)	\$705,128	\$704,652	\$16,840,000	\$16,104,000	4.19	4.38
Coonamble Shire			\$5,298,000	\$5,064,000		
Walgett Shire			\$6,156,000	\$5,843,000		
Warren Shire			\$5,386,000	\$5,197,000		
Edward River	\$407,521	\$407,246	\$8,146,000	\$7,776,000	5.00	5.24
Eurobodalla Shire	\$1,032,945	\$1,032,247	\$33,217,000	\$31,654,000	3.11	3.26
Fairfield City	\$138,840	\$138,746	\$93,032,000	\$89,855,000	0.15	0.15
Federation	\$480,155	\$479,831	\$10,722,000	\$8,979,000	4.48	5.34
Forbes Shire	\$468,585	\$468,269	\$8,475,000	\$8,119,000	5.53	5.77
Glen Innes Severn	\$443,517	\$443,218	\$7,477,000	\$7,607,000	5.93	5.83
Goulburn Mulwaree	\$526,435	\$526,080	\$23,665,000	\$22,782,000	2.22	2.31
Greater Hume Shire ³⁴⁰ (Hume Zone, in Southern Border Team)	\$910,817	\$910,202	\$58,895,000	\$55,960,000	1.55	1.63
Greater Hume Shire			\$9,781,000	\$9,292,000		
Albury City			\$49,114,000	\$46,668,000		
Griffith City	\$452,516	\$452,210	\$19,165,000	\$18,389,000	2.36	2.46
Gundagai	\$594,570	\$594,168	\$11,157,000	\$10,596,000	5.33	5.61
Gunnedah Shire	\$281,537	\$281,347	\$14,851,000	\$14,255,000	1.90	1.97

³³⁸ Coolamon Shire Council as lead council for Riverina Zone (excl the previous Urana Shire Council).

³³⁹ Coonamble Shire Council as lead council for North West Zone.

³⁴⁰ Greater Hume Shire Council as lead council for Hume Zone within the Southern Border Team.

Assets, premises and funding of the NSW Rural Fire Service

Council contributions analysis

Council	Council contribution 2023-24 \$	Council contribution 2022-23 \$	Total ordinary rates 2023-24 \$	Total ordinary rates 2022-23 \$	Contribution as % of total ordinary rates 2023-24 %	Contribution as % of total ordinary rates 2022-23 %
Gwydir Shire	\$496,225	\$495,890	\$8,763,000	\$8,433,000	5.66	5.88
Hawkesbury City	\$1,110,078	\$1,109,328	\$46,654,000	\$44,262,000	2.38	2.51
Hay Shire	\$235,900	\$235,740	\$2,602,000	\$2,570,000	9.07	9.17
Hilltops	\$919,173	\$918,552	\$14,515,000	\$14,006,000	6.33	6.56
Inverell Shire	\$392,738	\$392,472	\$15,032,000	\$14,507,000	2.61	2.71
Kempsey Shire	\$521,936	\$521,584	\$23,230,000	\$22,053,000	2.25	2.37
Ku-ring-gai	\$197,333	\$197,200	\$39,532,000	\$38,303,000	0.50	0.51
Lachlan Shire	\$547,004	\$546,635	-	\$6,897,000	-	7.93
Lake Macquarie City	\$1,190,425	\$1,189,621	\$157,474,000	\$151,401,000	0.76	0.79
Leeton Shire	\$194,119	\$193,988	\$7,872,000	\$7,688,000	2.47	2.52
Liverpool City	\$424,234	\$423,947	\$118,836,000	\$111,859,000	0.36	0.38
Liverpool Plains Shire	\$537,363	\$537,000	\$8,936,000	\$8,689,000	6.01	6.18
Lord Howe Island Board ³⁴¹	\$13,498	\$13,489	-	-	-	-
Mid-Coast	\$2,047,891	\$2,046,509	\$91,192,000	\$87,236,000	2.25	2.35
Mid-Western Regional	\$964,810	\$964,159	\$31,122,000	\$29,692,000	3.10	3.25
Moree Plains Shire	\$482,726	\$482,400	\$25,601,000	\$24,627,000	1.89	1.96
Murray River	\$635,065	\$634,636	\$12,246,000	\$11,654,000	5.19	5.45
Murrumbidgee	\$455,087	\$454,780	\$4,757,000	\$4,589,000	9.57	9.91
Muswellbrook Shire	\$571,430	\$571,044	\$19,543,000	\$19,137,000	2.92	2.98
Nambucca Shire	\$460,229	\$459,918	\$11,831,000	\$11,333,000	3.89	4.06
Narrabri Shire	\$464,086	\$463,773	\$14,540,000	\$14,006,000	3.19	3.31
Narrandera Shire	\$277,037	\$276,850	\$5,445,000	\$5,230,000	5.09	5.29
Narromine Shire	\$390,166	\$389,903	\$6,424,000	\$6,163,000	6.07	6.33
Northern Beaches	\$1,322,195	\$1,321,302	\$184,972,000	\$178,300,000	0.71	0.74
Oberon	\$426,805	\$426,517	\$4,585,000	\$4,390,000	9.31	9.72
Orange City ³⁴² (Canobolas Zone)	\$1,826,776	\$1,825,542	\$66,512,000	\$61,964,000	2.75	2.95
Orange City			37,229,000	\$35,610,000		
Blayney Shire			\$9,960,000	\$7,798,000		
Cowra			\$7,760,000	\$7,447,000		
Cabonne			\$11,563,000	\$11,109,000		
Parkes Shire	\$532,220	\$531,861	\$15,561,000	\$15,010,000	3.42	3.54
Penrith City	\$652,420	\$651,979	\$152,417,000	\$145,458,000	0.43	0.45

³⁴¹ Australian Bureau of Statistics, [Lord Howe Island, Census All persons QuickStats](#), viewed 12 December 2024

³⁴² Orange City Council as lead council for Canobolas Zone.

Assets, premises and funding of the NSW Rural Fire Service

Council contributions analysis

Council	Council contribution 2023-24 \$	Council contribution 2022-23 \$	Total ordinary rates 2023-24 \$	Total ordinary rates 2022-23 \$	Contribution as % of total ordinary rates 2023-24 %	Contribution as % of total ordinary rates 2022-23 %
Port Macquarie-Hastings	\$802,830	\$802,288	\$58,187,000	\$54,936,000	1.38	1.46
Port Stephens ³⁴³ (Lower Hunter Zone)	\$2,454,770	\$2,453,112	\$193,708,000	\$179,901,000	1.27	1.36
Port Stephens			\$52,231,000	\$47,353,000		
Cessnock City			\$47,183,000	\$44,623,000		
Dungog Shire			\$10,275,000	\$9,268,000		
Maitland City			\$84,019,000	\$78,657,000		
Queanbeyan-Palerang Regional	\$967,381	\$966,728	\$50,997,000	\$42,633,000	1.90	2.27
Richmond Valley ³⁴⁴ (Northern Rivers Zone)	\$1,399,971	\$1,399,026	\$57,415,000	\$54,424,000	2.44	2.57
Richmond Valley			\$15,815,000	\$15,146,000		
Kyogle			\$8,000,000	\$7,653,000		
Lismore City			\$33,600,000	\$31,625,000		
Shellharbour City	\$368,955	\$368,706	\$57,286,000	\$54,184,000	0.64	0.68
Shoalhaven City	\$1,712,361	\$1,711,205	\$88,815,000	\$84,244,000	1.93	2.03
Singleton	\$801,545	\$801,003	\$24,884,000	\$23,742,000	3.22	3.37
Snowy Monaro Regional	\$1,329,908	\$1,329,010	\$19,966,000	\$17,564,000	6.66	7.57
Snowy Valleys	\$637,636	\$637,205	\$12,432,000	\$10,511,000	5.13	6.06
Sutherland Shire	\$1,135,146	\$1,134,380	\$147,350,000	\$141,768,000	0.77	0.80
Tamworth Regional	\$986,665	\$985,998	\$42,263,000	\$40,193,000	2.33	2.45
Temora Shire ³⁴⁵ (Bland Temora Zone)	\$1,029,088	\$1,028,393	\$11,852,000	\$11,393,000	8.68	9.03
Temora Shire			\$4,402,000	\$4,224,000		
Bland Shire			\$7,450,000	\$7,169,000		
Tenterfield Shire	\$448,659	\$448,356	\$6,858,000	\$4,795,000	6.54	9.35
Kiama	\$316,247	\$316,033	\$20,503,000	\$19,545,000	1.54	1.62
Hornsby Shire	\$1,086,295	\$1,085,562	\$78,133,000	\$72,166,000	1.39	1.50
The Hills Shire	\$1,160,858	\$1,160,074	\$90,816,000	\$85,451,000	1.28	1.36
Tweed Shire	\$414,592	\$414,312	\$71,029,000	\$66,965,000	0.58	0.62
Upper Hunter Shire	\$758,478	\$757,966	\$12,156,000	\$11,704,000	6.24	6.48
Upper Lachlan Shire	\$708,342	\$707,863	\$8,403,000	\$8,026,000	8.43	8.82

³⁴³ Port Stephens Council as lead council for Lower Hunter Zone.³⁴⁴ Richmond Valley Council as lead council for Northern Rivers Zone.³⁴⁵ Temora Shire Council as lead council for Bland Temora Zone.

Assets, premises and funding of the NSW Rural Fire Service

Council contributions analysis

Council	Council contribution 2023-24 \$	Council contribution 2022-23 \$	Total ordinary rates 2023-24 \$	Total ordinary rates 2022-23 \$	Contribution as % of total ordinary rates 2023-24 %	Contribution as % of total ordinary rates 2022-23 %
Warrumbungle Shire ³⁴⁶ (Castlereagh Zone)	\$1,022,660	\$1,021,970	\$14,393,000	\$13,981,000	7.11	7.31
Warrumbungle Shire			\$8,893,000	\$8,648,000		
Gilgandra Shire			\$5,500,000	\$5,333,000		
Weddin Shire	\$318,175	\$317,960	\$2,961,000	\$2,931,000	10.75	10.85
Wentworth Shire	\$393,380	\$393,115	\$6,023,000	\$5,643,000	6.53	6.97
Western Plains Regional ³⁴⁷	\$1,030,373	\$1,029,678	\$40,712,000	\$38,869,000	2.53	2.65
Wingecarribee Shire	\$917,245	\$916,625	\$56,392,000	\$53,822,000	1.63	1.70
Wollondilly Shire	\$888,962	\$888,362	\$46,809,000	\$43,444,000	1.90	2.04
Wollongong City	\$840,111	\$839,544	\$188,092,000	180,568,000	0.45	0.46
Yass Valley	\$726,339	\$725,849	\$12,710,000	\$12,416,000	5.71	5.85
Average	\$722,223	\$721,735			3.94	4.23
Median	\$561,788	\$561,409			2.72	3.10
Minimum	\$13,498	\$13,489				
Maximum	\$2,454,770	\$2,453,112				

³⁴⁶ Warrumbungle Shire Council as lead council for Castlereagh Zone.

³⁴⁷ The Committee understands that Western Plains Regional Council is Dubbo Regional Council

Appendix Four – Site visits

In August 2024, members of the Public Accounts Committee conducted three site visits to support its inquiry into the assets, premises and funding of the NSW Rural Fire Service.

Members visited:

- NSW Rural Fire Service Headquarters
- NSW Rural Fire Service facilities in Hawkesbury local government area, and
- NSW Rural Fire Service facilities in Cessnock and Maitland local government areas.

These site visits enabled the Committee to better understand the NSW Rural Fire Service's operations, the role of councils in the rural fire fighting system and the different types of local brigade facilities in regional NSW.

On 21 August 2024, members visited the NSW Rural Fire Service Headquarters at Sydney Olympic Park. The Committee received a tour of the State Operations Centre, located at the Headquarters, a central facility used to support local fire control centres across NSW. Members also met with the NSW Rural Fire Service Commissioner and other NSW Rural Fire Service staff. Members heard about the evolution of rural fire fighting in NSW, including changing legislation, the use of district service agreements, the funding process, the role of councils, the role of volunteers and the future of rural fire fighting.

The Committee then visited the Hawkesbury Fire Control Centre in Wilberforce and met with staff from Hawkesbury City Council and Hawkesbury Rural Fire District. Members heard about land procurement, the changing role of local communities in the provision of rural fire fighting and local facilities, administrative complexities in day-to-day processes, fundings arrangements and ideas on potential processes for centralisation and what should remain locally managed.

The Committee also visited rural fire brigades in Wilberforce and Freeman's Reach and met with local volunteers to hear about their experiences and the brigades' histories.

On 22 August 2024, the Committee met with staff from Cessnock City Council and the Lower Hunter Rural Fire District and toured the facilities of the Paxton Rural Fire Brigade, Pokolbin Rural Fire Brigade and Rothbury Rural Fire Brigade. Members heard about the history of the brigades, brigade volunteers, the red fleet in use, the types of incidents that the brigades respond to, hazard reduction processes and red fleet repairs and maintenance.

The Committee then visited the Lower Hunter Fire Control Centre in Maitland and participated in a roundtable discussion council staff from Cessnock City Council, City of Maitland, Singleton Shire Council, Upper Hunter Shire Council, City of Lake Macquarie, and Port Stephens Council. The Committee discussed stocktaking processes, fleet management and maintenance, annual funding for maintenance and repairs, councils' annual contributions and arrangements for premises.

The Committee would like to thank all the council staff, NSW Rural Fire Service staff and the Rural Fire Service volunteers that assisted the Committee with its site visits. The Committee is grateful to them for sharing their knowledge and experiences. The Committee also thanks the participants in the roundtable for sharing their views.

Appendix Five – Submissions

No.	Author
1	Berrigan Shire Council
2	Cobar Shire Council
3	Martin and Marion Tebbutt
4	Mr Benn Banasik
5	Mr Graham Brookhouse
6	The Hills Shire Council
7	Uralla Shire Council
8	Mr John O'Donnell
9	Name suppressed
10	Lockhart Shire Council
11	Albury City Council
12	Queanbeyan-Palerang Regional Council
13	Glen Innes Severn Council
14	Andi Mellis
15	Warren Shire Council
16	Narrandera Shire Council
17	Mr Charles Kolano
18	Coolamon Shire Council
19	Upper Lachlan Shire Council
20	Eurobodalla Shire Council
21	Northern Beaches Council
22	Mrs Jeanette Davidson
23	Snowy Valleys Council
24	Murrumbidgee Council
25	Lisa McLeod
26	Murray River Council
27	Jindabyne Rural Fire Service
28	Central Coast Council
29	Independent Bushfire Group
30	NSW Government
31	Blue Mountains City Council
32	Mid-Western Regional Council

No.	Author
33	NSW Rural Fire Service Association
34	Shoalhaven City Council
35	Warrumbungle Shire Council
36	Campbelltown City Council
37	Clarence Valley Council
38	Walgett Shire Council
39	Cessnock City Council
40	Local Government NSW
41	Byron Shire Council
42	Junee Shire Council
43	Blacktown City Council
44	Bellingen Shire Council
45	Sutherland Shire Council
46	Gunnedah Shire Council
47	Dungog Shire Council
48	Tamworth Regional Council
49	Hawkesbury City Council
50	Forestry Corporation of NSW
51	Mr Peter Burfitt
52	icare
53	Shellharbour City Council
54	Gwydir Shire Council
55	Bathurst Regional Council
56	Ku-ring-gai Council
57	Wagga Wagga City Council
58	Confidential
59	Tenterfield Shire Council
60	Tweed Shire Council
61	Public Service Association of New South Wales
62	Hornsby Shire Council
63	Federation Council
64	Leeton Shire Council
65	Local Government Professionals Australia, NSW
66	Menindee Headquarters Brigade, NSW RFS
67	Northern Rivers Joint Organisation

No.	Author
68	Weddin Shire Council
69	Liverpool Plains Shire Council
70	Port Macquarie Hastings Council
71	Bega Valley Shire Council
72	Canberra Region Joint Organisation
73	Wingecarribee Shire Council
74	Riverina Eastern Regional Organisation of Councils
75	Bourke Shire Council
75a	Bourke Shire Council
76	Wollongong City Council
77	John Larter
78	Fire Brigade Employees' Union

Appendix Six – Witnesses

20 August 2024

Parliament House, Macquarie Room, Sydney, NSW

Witness	Position and Organisation
Cr Darriea Turley AM	President, Local Government NSW
Mr David Reynolds	Chief Executive, Local Government NSW
Mr Shaun McBride	Chief Economist, Local Government NSW
Dr Andy Asquith	Research Officer, Public Service Association of NSW
Mr Troy Wright	Assistant General Secretary, Public Service Association of NSW
Mr Graeme McCrabb	RFS Captain, Menindee Headquarters Brigade
Mr Robert Woods	Secretary, Menindee Headquarters Brigade, NSW RFS
Mr Colin Wooden	Brigade Captain, Jindabyne Bush Fire Brigade
Mr Matt Dewaard	Senior Deputy Captain, Jindabyne Bush Fire Brigade
Ms Elizabeth Grochowski	Brigade Secretary, Jindabyne Bush Fire Brigade
Mrs Julie Briggs	Chief Executive Officer, Riverina Eastern Regional Organisation of Councils
Cr David McCann OAM, OAM(Mil)	Member of Executive, Riverina Eastern Regional Organisation of Councils and Mayor, Coolamon Shire Council
Cr Russell Fitzpatrick	Chair, Canberra Region Joint Organisation and Mayor, Bega Valley Shire Council
Ms Sharon Houlihan	Executive Officer, Canberra Region Joint Organisation
Mr David Walsh	Chief Financial Officer, Northern Beaches Council
Mr Steven Head	General Manager, Hornsby Shire Council
Ms Fiona Leatham	Director Infrastructure and Major Projects, Hornsby Shire Council
Mr Mitchel Woods	Chief Financial Officer, Sutherland Shire Council
Mr Mark Mills	Manager Fleet and Logistics, Sutherland Shire Council

Mr Will Barton	Director Infrastructure Services, Hawkesbury City Council
Ms Vanessa Browning	Chief Financial Officer, Hawkesbury City Council
Cr David McCann OAM, OAM(Mil)	Mayor, Coolamon Shire Council
Mr Tony Donoghue PSM	General Manager, Coolamon Shire Council
Ms Kaitlin Salzke	Chief Financial Officer, Murrumbidgee Council
Mr Matthew Corradin	Acting Director, Environment and Planning, Central Coast Council
Ms Penelope Goodwin	Assets and Data Analysis Officer, Gwydir Shire Council
Mr Angus Barnes	Local Emergency Management Officer, Eurobodalla Shire Council
Ms Hailie Ryzak	Director Strategy & Corporate Services, Blue Mountains City Council
Mr Peter Belshaw	Program Leader, Emergency Management, Blue Mountains City Council
Ms Sherrill Young	Manager of Financial Services, Tamworth Regional Council
Mr Murray Russell	Manager of Transport Operations, Tamworth Regional Council
Mr Anthony McMahon	Chief Executive Officer, Bega Valley Shire Council
Ms Iliada Bolton	Director Business and Governance, Bega Valley Shire Council

16 September 2024**Parliament House, Macquarie Room, Sydney, NSW**

Witness	Position and Organisation
Mr Ian Brown	Secretary, Independent Bushfire Group
Mr Bill Shields	Acting Convenor, Independent Bushfire Group
Mr Gregor Manson	Member, Independent Bushfire Group
Mr Leighton Drury	State Secretary, Fire Brigade Employees' Union
Mr Jonathon Wright	Senior Organiser, Fire Brigade Employees' Union
Mr Bola Oyetunji	Auditor-General of NSW, Audit Office of New South Wales
Ms Claudia Migotto	A/Deputy Auditor-General, Audit Office of New South Wales

Mr Andy Hobbs Click or tap here to enter text.	Executive Director, Financial Stewardship & Public Reporting, NSW Treasury
Mr Dougal Horton	Director, Justice & Emergency Services, NSW Treasury
Mr Sam Toohey	Executive Director, Delivery & Coordination Group, Premier's Department
Mr Nathan Vincent	Director, Emergency Management and Coordination, Premier's Department
Mr Brett Whitworth	Deputy Secretary, Office of Local Government, Department of Planning, Housing and Infrastructure
Commissioner Rob Rogers AFSM	Commissioner, NSW Rural Fire Service

Appendix Seven – Extracts from minutes

Minutes of Meeting no. 2

10:02AM, 7 August 2023

Meeting room 1254 and Webex

Members Present:

In person: Mr Jason Yat-Sen Li MP (**Chair**), Mr Clayton Barr MP (**Deputy Chair**), Ms Jenny Leong MP, Mr Michael Regan MP.

By videoconference: Dr David Saliba MP

Apologies:

Mr Anthony Roberts MP

Officers Present:

Leon Last, Alison Buskens, Ashley Kim, Nicolle Gill, Jennifer Gallagher and Jacqueline Linnane.

Agenda Item

1. Confirmation of minutes – Meeting No. 1

Resolved, on the motion of Ms Leong, seconded by Mr Regan: That the minutes of the meeting of 28 June 2023 be confirmed.

2. Correspondence received

Mr Barr left the meeting at 10:13AM.

2.4 Rural Fire Service assets

The Committee considered the following correspondence received:

- Letter dated 6 July 2023 from Ken Liddell, General Manager, Cessnock City Council regarding the non-recognition of Rural Fire Service assets. (Attach. 2.12)

Mr Regan informed the Committee about his position as a current Councilor of Northern Beaches Council, where the issue had also been discussed.

Resolved, on the motion of Ms Leong, seconded by Mr Regan: That the Committee:

1. Reply to Cessnock City Council, and
2. Request a briefing from the Audit Office of NSW on this issue at a future committee meeting.

Mr Barr returned to the meeting at 10:20AM.

3. ***

4. ***

5. ***

6. ***

7. ***

8. Next meeting

The meeting adjourned at 10:37AM until a time and date to be determined.

Minutes of Meeting no. 5

1:36PM, 24 October 2023

Room 850B and Webex

Members Present:

In person: Mr Jason Yat-Sen Li (**Chair**), Mr Clayton Barr (**Deputy Chair**) and Ms Jenny Leong.

By videoconference: Dr David Saliba, Mr Anthony Roberts and Mr Michael Regan.

Officers Present:

Leon Last, Alison Buskens, Ashley Kim and Nicolle Gill.

Agenda Item

1. Confirmation of minutes

Resolved, on the motion of Mr Roberts, seconded by Mr Barr: That the minutes of the meetings of 18 September and 28 September 2023 be confirmed.

2. Correspondence

The Committee noted the following correspondence received:

2.4 Ministerial referral

- Letter dated 11 October 2023, from the Hon. Ron Hoenig MP, Minister for Local Government referring an inquiry into the assets, premises and funding of the NSW Rural Fire Service (RFS).

The Committee noted that an amendment was moved in the Legislative Assembly on 12 October 2024 to refer the Rural Fires Amendment (Red Fleet) Bill 2023 to the Public Accounts Committee for consideration.

Resolved, on the motion of Mr Barr, seconded by Mr Roberts:

- That the Committee note that correspondence from the Minister for Local Government and that the Committee consider the Ministerial referral after the amendment to the Rural Fires Amendment (Red Fleet) Bill 2023 has been resolved by the House.

3. ***

4. ***

5. Briefing from the Audit Office

Ms Margaret Crawford, Auditor-General, Mr Ian Goodwin, Deputy Auditor-General and Claudia Migotto, Assistant Auditor-General were admitted to the meeting at 2:22pm.

The Committee discussed the management of rural firefighting equipment and *** with the Audit Office representatives.

Representatives of the Audit Office left the meeting at 3:37pm.

6. ***

7. Next Meeting

The meeting adjourned at 3:51pm until 24 November 2023 at 10:00am.

Minutes of Meeting no. 6

10:03AM, 24 November 2023

Meeting room 1254 and Webex

Members Present:

In person: Mr Jason Yat-Sen Li MP (**Chair**) and Ms Jenny Leong MP.

By videoconference: Dr David Saliba MP, Mr Anthony Roberts MP and Mr Michael Regan MP.

Apologies:

Mr Clayton Barr (**Deputy Chair**).

Officers Present:

Leon Last, Alison Buskens, Ashley Kim, Madelaine Winkler, Isabella Ciampa and Yann Pearson.

Agenda Item

1. ***

2. Confirmation of minutes

Resolved, on the motion of Mr Roberts, seconded by Ms Leong: That the minutes of the meeting of 24 October 2023 be confirmed.

3. ***

4. ***

5. Inquiry – the assets, premises and funding of the NSW Rural Fire Service

5.1 Briefing paper

The Committee noted the briefing note on the assets, premises and funding of the NSW Rural Fire Service prepared by the secretariat.

5.2 Terms of reference

The Committee noted the correspondence from the Minister for Local Government, dated 11 October 2023, requesting the Committee to conduct an inquiry into 'the assets, premises and funding of the NSW Rural Fire Service' with the attached terms of reference.

Resolved, on the motion of Mr Regan, seconded by Dr Saliba: That the Chair on behalf of the Committee, writes to the Minister for Local Government and:

1. Confirms the Committee's acceptance of the inquiry into the assets, premises and funding of the NSW Rural Fire Service, and
2. Proposes that the referred terms of reference be amended by inserting an additional term of reference (1)(d), so that the proposed amended terms of reference read as follows:

Proposed amended Terms of Reference

That the Public Accounts Committee inquire into and report on:

1. The mechanisms for:
 - a. Funding Rural Fire Service assets and premises;
 - b. Maintaining Rural Fire Service assets and premises;
 - c. Accounting for the ownership of Rural Fire Service assets and premises;
 - d. Operational management, including the control of assets and premises, risks, and impacts to local government, and the ability to effect a response to emergencies;
2. Whether the following arrangements between Councils and the Rural Fire Service are fit for purpose:
 - a. Service agreements;
 - b. The division of responsibilities for bushfire management and hazard reduction;
 - c. Upkeep of assets;
 - d. The provision of insurance;
 - e. Provision of land and construction management for RFS premises;
 - f. Bushfire Management Committees
3. The appropriate role for local authorities in the provision of emergency services;
4. The sustainability of local government contributions to emergency service provision;
5. Any other related matters.

5.3 Submissions

The Committee discussed the potential stakeholders and the call for submissions, as well as the general timing of the inquiry. The Committee noted the secretariat will prepare materials to inform the Committee's discussion on this matter at a future meeting.

6. ***

7. ***

8. ***

9. ***

10. Next meeting

The meeting adjourned at 12:50PM until a time and date to be determined.

Minutes of Meeting no. 8

01:04PM, 5 February 2024

Meeting room 1136 and Webex

Members Present:

In person: Mr Jason Yat-Sen Li MP (**Chair**), Mr Clayton Barr MP (**Deputy Chair**), Ms Jenny Leong MP, and Mr Michael Regan MP.

By videoconference: Dr David Saliba MP and Mr Anthony Roberts MP.

Officers Present:

Helen Minnican (Clerk), Sam Griffith, Leon Last, Alison Buskens, Madelaine Winkler, Jennifer Gallagher and Yann Pearson.

Agenda Item

1. ***

2. Confirmation of minutes

Resolved, on the motion of Mr Barr, seconded by Mr Roberts: That the minutes of the meeting of 4 December 2023 be confirmed.

3. ***

4. Correspondence

4.2 Other

The Committee noted the letter received 29 November 2023 from Karina Ewer, Chief Executive Officer, Berrigan Shire Council regarding the accounting treatment of RFS Assets.

Resolved, on the motion of Mr Barr, seconded by Ms Leong: That the Chair, on behalf of the Committee, write to Katrina Ewer to inform the council that the committee has adopted an inquiry into the assets, premises and funding of the NSW Rural Fire Service and provide the Terms of Reference for the Inquiry.

5. ***

6. **Proposed inquiry into the assets, premises and funding of the NSW Rural Fire Service**

6.1 Correspondence

The Committee noted correspondence received on 24 January 2024 from Peter McCabe on behalf of the Hon. Ron Hoenig MP, Minister for Local Government, and letter received on 31 January 2024 from the Hon. Ron Hoeing MP, Minister for Local Government regarding the terms of reference for the NSW Rural Fire Service Assets Inquiry.

6.2 Proposed inquiry

The Committee considered the draft Terms of Reference from the Minister for Local Government, including the proposed amendment to add item 1(d).

Resolved, on the motion of Mr Barr, seconded by Ms Leong:

- That the Committee conduct an inquiry into the assets, premises and funding of the NSW Rural Fire Service in accordance with the circulated terms of reference.
- That the Committee call for submissions to be received by 10 May 2024 and write to the listed stakeholders asking them to make a submission.
- That the Chair issue a media release announcing the inquiry.

The Committee asked the secretariat to consult with the Aboriginal Liaison Officer on the final inquiry stakeholder list.

The Committee agreed to provide any additional stakeholders to the secretariat by close of business Thursday 8 February 2024.

7. ***

8. **Next meeting**

The meeting adjourned at 3.00pm until 1.00pm, 11 March 2024.

Minutes of Meeting no. 10

1:02PM, 11 March 2024

Meeting room 1136 and Webex

Members Present:

In person: Mr Li (**Chair**), Mr Barr (**Deputy Chair**)

By videoconference: Mr Roberts, Dr Saliba, Mr Regan

Apologies:

Ms Leong

Officers Present:

Leon Last, Alison Buskens, Madelaine Winkler, and Yann Pearson.

Agenda Item

1. Personal or pecuniary interests

Mr Barr informed the Committee that he has previously travelled to Menindee. He also informed the Committee that a representative of the Menindee HQ brigade, NSW Rural Fire Service contacted him regarding the Committee's inquiry into the *assets, premises and funding of the NSW Rural Fire Service*. Mr Barr noted that he suggested the representative could contact the Public Accounts Committee directly. Correspondence from the Menindee HQ Brigade, NSW Rural Fire Service is included in agenda item 4.1.

2. ***

3. ***

4. Inquiry: assets, premises and funding of the NSW Rural Fire Service

4.1 Correspondence

The Committee noted the following correspondence received:

- Letter dated 19 February 2024 from Karina Ewer, Chief Executive Officer, Berrigan Shire Council confirming that Ms Ewer would like the Committee to accept previous correspondence, received on 29 November 2023, as a submission to the Committee's inquiry into the assets, premises and funding of the NSW Rural Fire Service.
- Letter dated 8 March 2024 from Rob Woods, Secretary, Menindee HQ Brigade, NSW Rural Fire Service, inviting the Committee to visit the Menindee HQ Brigade as part of its inquiry.

Resolved on the motion of Mr Regan, seconded Dr Saliba: That the Chair reply to Rob Woods, Secretary, Menindee HQ Brigade, NSW Rural Fire Service thanking them for their letter and inviting Menindee HQ Brigade to make a submission to the inquiry into the assets, premises and funding of the NSW Rural Fire Service.

4.2 Submissions

The Committee considered submission 1 for publication.

Resolved, on the motion of Mr Roberts, seconded by Mr Barr: That the Committee accept the submission from Berrigan Shire Council and publish it in full on the Committee's webpage.

5. ***

6. ***

7. ***

8. Next meeting

The meeting adjourned at 2:29pm until Monday, 25 March 2024.

Minutes of Meeting no. 12

1:04PM, 6 May 2024

Meeting room 1136 and videoconference

Members Present:

In person: Mr Li (**Chair**), Mr Barr (**Deputy Chair**), Mr Regan

By videoconference: Dr Saliba

Apologies:

Ms Leong, Mr Roberts

Officers Present:

Leon Last, Charlie King, Madelaine Winkler, Divya Bhandari, Jenny Gallagher, Yann Pearson and Dhriti Bhattacharjee.

Agenda Item

1. ***

2. Confirmation of Minutes – Meeting no. 10

Resolved on the motion of Mr Barr, seconded by Mr Regan: That the minutes of the meeting of 25 March 2024 be confirmed.

3. ***

4. ***

5. Inquiry into the assets, premises and funding of the NSW Rural Fire Service

5.1 Submissions

The Committee considered submissions numbered 2 to 13 for publication.

Resolved on the motion of Mr Barr, seconded by Mr Regan:

- That the Committee accept and publish submissions 2, 4 to 8 and 10 to 13 in full on the Committee's website.
- That the Committee accept and publish submission 3 as partially confidential on the Committee's website, keeping the attachments confidential to the Committee.
- That the Committee accept and publish the submission 9 as partially confidential on the Committee's website, suppressing the name of the submission maker.

5.2 Ongoing inquiry plan

The Committee discussed the forward planning for the inquiry, including potential site visits and seeking information from relevant local government stakeholders.

Resolved on the motion of Mr Regan, seconded by Mr Barr: That the Committee write to invite former Commissioner of Fire and Rescue, Mr Greg Mullins and former Commissioner, NSW Rural Fire Service Shane Fitzsimmons to brief the Committee on the Rural Fire Service.

6. ***

7. ***

8. ***

9. ***

10. Next meeting

The meeting adjourned at 3:31pm until Monday, 3 June 2024.

Minutes of Meeting no. 13

1:00PM, 3 June 2024

Meeting room 1136 and videoconference

Members Present:

In person: Mr Li (**Chair**) and Mr Regan

Via videoconference: Mr Barr (**Deputy Chair**), Mr Roberts and Dr Saliba.

Apologies:

Ms Leong

Officers Present:

Leon Last, Alison Buskens, Charlie King, Divya Bhandari, Jennifer Gallagher and Yann Pearson.

Agenda Item

1. Personal or pecuniary interests

Mr Regan informed the Committee that he is a Councillor on the Northern Beaches Council. Discussion ensued.

2. Confirmation of Minutes – Meeting no. 12

Resolved on the motion of Mr Regan, seconded by Mr Barr: That the minutes of the meeting of 6 May 2024 be confirmed.

3. ***

4. Briefing from Audit Office of NSW

Bola Oyetunji, Auditor-General, Claudia Migotto, Acting Deputy Auditor-General, Aaron Green, Assistant Auditor-General, Financial Audit, Alison Brown, Assistant Auditor General, Financial Audit were admitted to the meeting at 2:05pm.

Representatives from the Audit Office of NSW briefed the Committee on the work of the Audit Office relating to the assets, premises and funding of the NSW Rural Fire Service

Representatives from the Audit Office of NSW exited the meeting at 2:50pm.

5. ***

6. ***

7. Inquiry into the assets, premises and funding of the NSW Rural Fire Service

7.1 Submissions

Mr Regan exited the meeting at 2:54pm.

The Committee considered submissions numbered 14 to 76 for publication.

Resolved on the motion of Mr Barr, seconded by Mr Roberts:

- That the Committee accept and publish submissions 15, 18 – 21, 23 – 47, 49 – 56, 59 – 70, and 72 – 76 in full on the Committee's website.
- That the Committee accept and publish submission 14 as partially confidential on the Committee's website, keeping certain addresses confidential.
- That the Committee accept and publish submission 16 as partially confidential on the Committee's website, keeping pages 6 – 37 confidential.
- That the Committee accept and publish submission 17 as partially confidential on the Committee's website, keeping pages 4 – 23 confidential.
- That the Committee accept and publish submission 22 as partially confidential on the Committee's website, keeping pages 21 – 22 confidential.
- That the Committee accept and publish submission 48 as partially confidential on the Committee's website, keeping pages 4 – 10 and page 17 confidential.
- That the Committee accept and publish submission 57 as partially confidential on the Committee's website, keeping pages 5 – 85 confidential.
- That the Committee accept submission 58 and that it remain confidential to the Committee.
- That the Committee accept and publish submission 71 as partially confidential on the Committee's website, keeping pages 7 – 49 confidential.

Mr Regan returned to the meeting at 2:57pm.

7.2 Next steps

The Committee discussed the forward plan for the inquiry, including potential public hearings and site visits.

Resolved, on the motion of Mr Barr, seconded by Mr Roberts:

- That the Committee hold a public hearing for the inquiry into assets, premises and funding of the NSW Rural Fire Service in August and/or September 2024, on a date to be determined.
- That the Committee conduct site inspections in August and/or September 2024 as part of its inquiry into the assets, premises and funding of the NSW Rural Fire Service.
- That the Committee seek funding approval from the Speaker to undertake possible site inspections in 2024 as part of the inquiry into assets, premises and funding of the NSW Rural Fire Service.
- That the Committee authorise the Chair and Committee staff to make arrangements for possible site inspections.

8. ***

9. Next Meeting

The meeting adjourned at 2:59pm until Tuesday 11 June 2024.

Minutes of Meeting no. 14

1:01PM, 11 June 2024

Macquarie Room and Webex

Members Present:

In person: Mr Li (Chair), Mr Barr (Deputy Chair), Ms Leong, Mr Regan and Dr Saliba

Via videoconference: Mr Roberts

Officers Present:

Leon Last, Alison Buskens, Charlie King, Divya Bhandari, Jennifer Gallagher and Yann Pearson.

Agenda Item

1. ***

2. Confirmation of Minutes – Meeting no.13

Resolved on the motion of Mr Regan, seconded by Mr Roberts: That the minutes of the meeting of 3 June 2024 be confirmed.

3. Inquiry into assets, premises and funding of the NSW Rural Fire Service

3.1 Correspondence

The Committee noted receipt of the following information from James Connolly, Deputy Chief of Staff of the Hon. Jihad Dib MP, Minister for Customer Service & Digital Government, Minister for Emergency Services, and Minister for Youth Justice:

1. Overview of RFS Operations
2. Example of a Council Service Level Agreement (Current)
3. Proposed new Council Service Level Agreement
4. Example of an allocation letter

Resolved on the motion of Mr Barr, seconded by Dr Saliba: That the Committee accept and publish the information provided in full on the Committee's website

3.2 Submissions

The Committee considered submissions number 77 and 78 for publication.

Resolved on the motion of Mr Barr, seconded by Dr Saliba: That the Committee accept and publish submissions 77 and 78 in full on the Committee's website.

4. ***

5. ***

6. ***

7. ***

8. Next Meeting

The meeting adjourned at 4:26pm until August 2024.

Minutes of Meeting no. 15

1:03PM, 5 August 2024

Meeting room 1136 and Webex

Members Present:

In person: Mr Li (**Chair**), Mr Barr (**Deputy Chair**), Ms Leong

Via videoconference: Mr Regan, Dr Saliba, Mr Roberts

Officers Present:

Leon Last, Charlie King, Divya Bhandari, Madelaine Winkler, Jennifer Gallagher and Yann Pearson.

Agenda Item

1. ***

2. Confirmation of Minutes – Meeting no. 14

Resolved on the motion of Mr Barr, seconded by Mr Roberts: That the minutes of the meeting of 11 June 2024 be confirmed.

3. ***

4. ***

5. Inquiry into assets, premises and funding of the NSW Rural Fire Service

5.1 Roundtable with Council representatives

Resolved on the motion of Mr Barr, seconded by Mr Roberts: That the Committee hold a roundtable working lunch, on Friday 9 August 2024, with representatives from selected

councils who have made a submission to the Committee's inquiry into assets, premises and funding of the NSW Rural Fire Service.

Extract from meeting papers: Proposed short list of councils to invite to round table with Committee.

1. Bega Valley Shire Council
2. Bourke Shire Council
3. Coolamon Shire Council
4. Dungog Shire Council
5. Federation Council
6. Gunnedah Shire Council
7. Leeton Shire Council
8. Liverpool Plains Shire Council
9. Mid-Western/Mudgee Regional Council
10. Murray River Council
11. Queanbeyan-Palerang Regional Council
12. Shoalhaven City Council
13. Snowy Valleys Council
14. Tamworth Regional Council

5.2 Hearing schedules

The Committee noted the updates proposed hearing schedule.

The Committee noted correspondence was received from the NSW National Parks and Wildlife Services, the Northern Rivers Joint Organisation, and Queanbeyan-Palerang Regional Council declining the Committee's invitation to appear at a public hearing.

Resolved on the motion of Mr Barr, seconded by Mr Roberts: That the stakeholders listed in the attached schedules are invited to appear before the Committee to give evidence at public hearings on 20 August 2024 and 16 September 2024.

5.3 Visits of inspection

The Committee discussed the upcoming visits of inspection on 21 and 22 August 2024 to the RFS Headquarters and Hawkesbury region and the Cessnock region respectively.

6. ***

7. ***

8. ***

9. Next Meeting

The meeting adjourned at 3:40pm until 9:00am on Tuesday 20 August 2024.

Minutes of Meeting no. 16

8:50AM, 20 August 2024

Macquarie room and Webex

Members Present:

In person: Mr Li (**Chair**), Mr Barr (**Deputy Chair**), and Dr Saliba.

Via videoconference: Mr Roberts, Ms Leong, and Mr Regan.

Officers Present:

Leon Last, Alison Buskens, Charlie King, Divya Bhandari, Jennifer Gallagher and Yann Pearson.

Agenda Item

1. Personal or pecuniary interests

Items noted under agenda item 6.3 and agenda item 7.

2. Confirmation of Minutes – Meeting no.15

Resolved on the motion of Mr Barr, seconded by Mr Regan: That the minutes of the meeting of 5 August 2024 be confirmed.

3. ***

4. ***

5. ***

6. Inquiry into assets, premises and funding of the NSW Rural Fire Service

6.1 Submissions

The Committee considered a supplementary submission from Bourke Shire Council received on 9 August 2024.

Resolved on the motion of Mr Barr, seconded by Ms Leong: That the Committee accept and publish the submission in full on the Committee's website, with contact details redacted.

6.2 Visits of inspection

The Committee discussed arrangements for visits of inspection on 21 August 2024 and 22 August 2024 have been finalised.

6.3 Pre-hearing procedural resolutions

Mr Regan informed the Committee that his wife is an employee of Local Government NSW.

Resolved on the motion of Mr Roberts, seconded by Mr Regan:

- That the Committee invites the witnesses listed in the notice of public hearing for Tuesday, 20 August 2024 to give evidence in relation to the inquiry into the assets, premises and funding of the NSW Rural Fire Service.
- That the Committee authorises the audio-visual recording, photography and broadcasting of the public hearing on 20 August 2024, in accordance with the

Legislative Assembly's guidelines for the coverage of proceedings for parliamentary committees administered by the Legislative Assembly.

- That the Committee adopt the following process in relation to supplementary questions:
 - Members to email any proposed supplementary questions for witnesses to the secretariat by 4pm, Tuesday 27 August 2024;
 - Secretariat to then circulate all proposed supplementary questions to Committee, with members to lodge any objections to the questions within 24 hours. Questions will then be sent to witnesses.
- That witnesses be requested to return answers to questions taken on notice and supplementary questions within 14 days of the date on which the questions are forwarded to witnesses.

The deliberative meeting adjourned at 9:02 am

7. Public Hearing – Assets, premises and funding of the NSW Rural Fire Service

Witnesses and the public were admitted. The Chair opened the public hearing at 9:03am and made a short opening statement.

Cr Darriea Turley AM, President, Local Government NSW, via videoconference, was affirmed and examined.

Mr David Reynolds, Chief Executive, Local Government NSW, was sworn and examined.

Mr Shaun McBride, Chief Economist, Local Government NSW, was affirmed and examined.

Cr Darriea Turley made an opening statement.

The Committee questioned the witnesses. Evidence concluded and the witnesses withdrew.

Dr Andy Asquith, Research Officer, Public Service Association of NSW, was affirmed and examined.

Mr Troy Wright, Assistant General Secretary, Public Service Association of NSW, was affirmed and examined.

Mr Troy Wright made an opening statement.

The Committee questioned the witnesses. Evidence concluded and the witnesses withdrew.

Mr Graeme McCrabb, Rural Fire Service Captain, Menindee Headquarters Brigade, via videoconference, was affirmed and examined.

Mr Robert Woods, Secretary, Menindee Headquarters Brigade, via videoconference, was affirmed and examined.

Mr Colin Wooden, Brigade Captain, Jindabyne Bush Fire Brigade, via videoconference, was affirmed and examined.

Mr Matt Dewaard, Senior Deputy Captain, Jindabyne Bush Fire Brigade, via videoconference, was affirmed and examined.

Ms Elizabeth Grochowski, Brigade Secretary, Jindabyne Bush Fire Brigade, via videoconference, was affirmed and examined.

Mr Colin Wooden made an opening statement.

Mr Graeme McCrabb made an opening statement.

The Committee questioned the witnesses. Evidence concluded and the witnesses withdrew.

The hearing adjourned at 10.55 am and resumed at 11.06 am.

Cr David McCann, OAM, OAM (Mil), Member of Executive, Riverina Eastern Regional Organisation of Councils, and Mayor, Coolamon Shire Council, was sworn and examined.

Mrs Julie Briggs, Chief Executive Officer, Riverina Eastern Regional Organisation of Councils, was sworn and examined.

Cr Russell Fitzpatrick, Chair, Canberra Region Joint Organisation, and Mayor, Bega Valley Shire Council, via videoconference, was sworn and examined.

Ms Sharon Houlihan, Executive Officers, Canberra Region Joint Organisation, was affirmed and examined.

Cr David McCann made an opening statement.

Cr Russell Fitzpatrick made an opening statement.

The Committee questioned the witnesses. Evidence concluded and the witnesses withdrew.

Mr Regan informed the Committee that he is a Councillor of the Northern Beaches Council.

Mr David Walsh, Chief Financial Officer, Northern Beaches Council, via videoconference, was affirmed and examined.

Mr Steven Head, General Manager, Hornsby Shire Council, was affirmed and examined.

Ms Fiona Leatham, Director Infrastructure and Major Projects, Hornsby Shire Council, was affirmed and examined.

Mr Mitchel Woods, Chief Financial Officer, Sutherland Shire Council, was affirmed and examined.

Mr Mark Mills, Manager Fleet and Logistics, Sutherland Shire Council, was affirmed and examined.

Mr Will Barton, Director Infrastructure Services, Hawkesbury City Council, was affirmed and examined.

Ms Vanessa Browning, Chief Financial Officer, Hawkesbury City Council, was affirmed and examined.

Mr Will Barton made an opening statement.

Ms Fiona Leatham made an opening statement.

The Committee questioned the witnesses. Evidence concluded and the witnesses withdrew.

The hearing adjourned at 12.55 pm and resumed at 1.34 pm.

Cr David McCann, OAM, OAM (Mil), Mayor, Coolamon Shire Council, was sworn and examined.
Mr Tony Donoghue, PSM, General Manager, Coolamon Shire Council, was affirmed and examined.

Ms Kaitlin Salzke, Chief Financial Officer, Murrumbidgee Council, via videoconference, was affirmed and examined.

Ms Kaitlin Salzke made an opening statement.

Mr Tony Donoghue made an opening statement.

The Committee questioned the witnesses. Evidence concluded and the witnesses withdrew.

Mr Matthew Corradin, Acting Director, Environment and Planning, Central Coast Council, was affirmed and examined.

Ms Penelope Goodwin, Assets and Data Analysis Officer, Gwydir Shire Council, via videoconference, was affirmed and examined.

Mr Angus Barnes, Local Emergency Management Officer, Eurobodalla Shire Council, was affirmed and examined.

Mr Matthew Corradin made an opening statement.

Mr Angus Barnes made an opening statement.

Ms Penelope Goodwin made an opening statement.

The Committee questioned the witnesses. Evidence concluded and the witnesses withdrew.

The hearing adjourned at 2.57 pm and resumed at 3.07 pm.

Ms Haile Ryzak, Director Strategy and Corporate Services, Blue Mountains City Council, via videoconference, was affirmed and examined.

Mr Peter Belshaw, Program Leader, Emergency Management, Blue Mountains City Council, via videoconference, was affirmed and examined.

Ms Sherrill Young, Manager of Financial Services, Tamworth Regional Council, via videoconference, was affirmed and examined.

Mr Murray Russell, Manager of Transport Operations, Tamworth Regional Council, via videoconference, was affirmed and examined.

Mr Anthony McMahon, Chief Executive Officer, Bega Valley Shire Council, via videoconference, was affirmed and examined.

Mrs Iliada Bolton, Director Business and Governance, Bega Valley Shire Council, via videoconference, was affirmed and examined.

Ms Sherrill Young made an opening statement.

Mr Peter Belshaw made an opening statement.

Mr Anthony McCahon made an opening statement.

The Committee questioned the witnesses. Evidence concluded and the witnesses withdrew.
The public hearing concluded at 3:45pm.

8. Post-hearing deliberative meeting

The Committee commenced a deliberative meeting at 3:45pm.

8.1 Publication orders

Resolved on the motion of Mr Barr, seconded by Ms Leong: That the corrected transcript of public evidence given today be authorised for publication and uploaded on the Committee's webpage.

9. Next Meeting

The meeting adjourned at 3:49pm, until 21 August 2024.

Minutes of Meeting no. 18

9:05AM, 16 September 2024

Macquarie room and Webex

Members Present:

In person: Mr Li (**Chair**), Mr Barr (**Deputy Chair**), Dr Saliba and Ms Leong.

Via videoconference: Mr Regan and Mr Roberts.

Officers Present:

Leon Last, Alison Buskens, Madelaine Winkler, Charlie King, Divya Bhandari, Yann Pearson and Rhea Maggs.

Agenda Item

1. ***

2. Pre-hearing procedural resolutions

The Committee considered the notice of public hearing for Monday, 16 September 2024.

Resolved on the motion of Dr Saliba, seconded by Mr Regan:

- That the Committee invites the witnesses listed in the notice of public hearing for Thursday, 16 September 2024 to give evidence in relation to the inquiry into assets, premises and funding of the NSW Rural Fire Service.
- That the Committee authorises the audio-visual recording, photography and broadcasting of the public hearing on 16 September 2024, in accordance with the Legislative Assembly's guidelines for the coverage of proceedings for parliamentary committees administered by the Legislative Assembly.
- That the Committee adopt the following process in relation to supplementary questions:

- Members to email any proposed supplementary questions for witnesses to the secretariat by 4pm, Monday 23 September 2024;
- Secretariat to then circulate all proposed supplementary questions to Committee, with members to lodge any objections to the questions within 24 hours. Questions will then be sent to witnesses.
- That witnesses be requested to return answers to questions taken on notice and supplementary questions within 14 days of the date on which the questions are forwarded to witnesses.

The deliberative meeting adjourned at 9:07 am.

3. Public hearing – Inquiry into assets, premises and funding of the NSW Rural Fire Service

Witnesses and the public were admitted. The Chair opened the public hearing at 9:19 am and made a short opening statement.

Mr Ian Brown, Secretary, Independent Bushfire Group, was affirmed and examined.

Mr Bill Shields, Acting Convenor, Independent Bushfire Group, was affirmed and examined.

Mr Gregor Manson, Member, Independent Bushfire Group, was affirmed and examined.

Mr Brown made an opening statement. The Committee questioned the witnesses. Evidence concluded and the witnesses withdrew.

Mr Leighton Drury, State Secretary, Fire Brigade Employee's Union, was affirmed and examined.

Mr Jonathan Wright, Senior Organiser, Fire Brigade Employee's Union, was affirmed and examined.

Mr Drury and Mr Wright made opening statements. The Committee questioned the witnesses. Evidence concluded and the witnesses withdrew.

Mr Bola Oyetunji, Auditor-General of NSW, Audit Office of New South Wales, was sworn and examined.

Ms Claudia Migotto, Acting Deputy Auditor-General, Audit Office of New South Wales, was affirmed and examined.

Mr Oyetunji made an opening statement. The Committee questioned the witnesses. Evidence concluded and the witnesses withdrew.

The hearing adjourned at 10:54 am and recommenced at 11:35 am.

Mr Andy Hobbs, Executive Director, Financial Stewardship & Public Reporting, NSW Treasury, was affirmed and examined.

Mr Dougal Horton, Director, Justice & Emergency Services, NSW Treasury, was affirmed and examined.

Mr Sam Toohey, Executive Director, Delivery & Coordination Group, Premier's Department, was affirmed and examined.

Mr Nathan Vincent, Director, Emergency Management and Coordination, Premier's Department, was affirmed and examined.

The Committee questioned the witnesses. Evidence concluded and the witnesses withdrew.

Mr Brett Whitworth, Deputy Secretary, Office of Local Government, Department of Planning, Housing and Infrastructure, was affirmed and examined.

Mr Whitworth made an opening statement. The Committee questioned the witness. Evidence concluded and the witness withdrew.

The hearing adjourned at 12:33 pm and recommenced at 1:24 pm.

Commissioner Rob Rogers AFSM, NSW Rural Fire Service, was sworn and examined.

Commissioner Rogers made an opening statement. The Committee questioned the witness. Evidence concluded and the witness withdrew.

The public hearing concluded at 2:31 pm.

4. Post-hearing deliberative meeting

4.1 Publication orders

The Committee commenced a deliberative meeting at 2:33pm.

Resolved, on the motion of Mr Barr seconded by Ms Leong: That the corrected transcript of public evidence given today be authorised for publication and uploaded on the Committee's webpage.

5. Inquiry into assets, premises and funding of the NSW Rural Fire Service

5.1 Documents provided at visit of inspection

The Committee considered the following documents provided by NSW Rural Fire Service on 21 August 2024 during the Committee's visit of inspection.

- 2014 Rural Fire District Service Agreement between NSW Rural Fire Service and Council of Central Darling
- 2011 Rural Fire District Service Agreement – Amendment between NSW Rural Fire Service and Ku-ring-gai Council

Resolved, on the motion of Mr Roberts, seconded by Mr Barr: That the Committee accept the documents provided by the NSW Rural Fire Service on 21 August 2024 and, upon receipt of consent from the agreements' counterparties, authorises these documents for publication on the Committee's webpage with contact details redacted.

5.2 Answers to questions on notice and supplementary questions

The Committee considered the following answers to questions taken on notice at the public hearing on 20 August 2024, received from:

- Coolamon Shire Council on 2 September 2024
- Tamworth Regional Council on 6 September 2024
- Blue Mountains City Council on 9 September 2024
- Local Government New South Wales on 10 September 2024
- Public Service Association of New South Wales on 10 September 2024

The Committee considered the following answers to supplementary questions, received from:

- Coolamon Shire Council on 11 September 2024
- Bega Valley Shire Council on 12 September 2024
- Sutherland Shire Council on 13 September 2024

Resolved, on the motion of Ms Leong, seconded by Mr Barr:

- That the Committee accept the responses to questions taken on notice from Coolamon Shire Council, Local Government New South Wales, and Public Service Association of New South Wales and publish them on its website, with contact details redacted.
- That the Committee accept the responses to questions take on notice from Tamworth Regional Council and Blue Mountains City Council and, upon receipt of consent from the NSW Rural Fire Service to publish service agreements provided in responses, authorises these documents for publication on the Committee's webpage with contact details redacted.
- That the Committee accept the responses to supplementary questions from Coolamon Shire Council, Bega Valley Shire Council and Sutherland Shire Council and publish them on its website, with contact details redacted.

6. ***

7. Next meeting

The meeting adjourned at 3:07pm until 14 October 2024.

Minutes of meeting no. 19

1:05PM, 14 October 2024

Meeting room 1136 and Webex

Members Present:

In person: Mr Li (**Chair**), Mr Barr (**Deputy Chair**), Ms Leong.

Via videoconference: Dr Saliba

Apologies:

Mr Regan and Mr Roberts.

Officers Present:

Leon Last, Alison Buskens, Yann Pearson and Rhea Maggs.

Agenda

1. ***

2. Confirmation of Minutes – Meeting no. 17 and Meeting no. 18

Resolved on the motion of Mr Barr, seconded by Ms Leong: That the minutes of the meetings of 12 September 2024 and 16 September 2024 be confirmed.

3. ***

4. Inquiry into the assets, premises and funding of the NSW Rural Fire Service

4.1 Responses to supplementary questions

Committee considered the answers to supplementary questions, received from:

- Northern Beaches Council on 13 September 2024
- Murrumbidgee Council on 13 September 2024
- Hornsby Shire Council on 17 September 2024
- Tamworth Regional Council on 19 September 2024
- Blue Mountains City Council on 20 September 2024
- Hawkesbury City Council on 20 September 2024
- Gwydir Shire Council on 24 September 2024
- Eurobodalla Shire Council on 27 September 2024

Resolved on the motion of Dr Saliba, seconded by Mr Barr:

- That the Committee accept the responses to supplementary questions from Northern Beaches Council, Hornsby Shire Council, Blue Mountains City Council, Hawkesbury City Council, Gwydir Shire Council and Eurobodalla Shire Council and publish them on its website, with contact details redacted.
- That the Committee accept the responses to supplementary questions from Murrumbidgee Council to publish them on its website, with the last paragraph on page 6 kept confidential to the Committee.
- That the Committee accept the responses to supplementary questions from Tamworth Regional Council and publish them on its website, with pages 12-15 kept confidential to the Committee.

5. ***

6. ***

7. ***

8. ***

9. Next meeting

The meeting adjourned at 3.10pm until 11 November 2024.

Minutes of meeting no. 20

1:04PM, 11 November 2024

Meeting room 1136 and Webex

Members Present:

In person: Mr Li (**Chair**), Mr Barr (**Deputy Chair**), Ms Leong, and Mr Regan.

Via videoconference: Dr Saliba and Mr Roberts

Officers Present:

Leon Last, Alison Buskens, Divya Bhandari, Charlie King, Madelaine Winkler, Yann Pearson and Rhea Maggs.

Agenda

10. ***

11. Confirmation of minutes – Meeting no. 19

Resolved, on the motion of Mr Barr, seconded by Ms Leong: That the minutes of the meeting of 14 October 2024 to be confirmed.

12. ***

13. Inquiry into the assets, premises and funding of the NSW Rural Fire Service

13.1 Correspondence

• *******

- The Committee considered correspondence from Scott Campbell, President of the NSW Rural Fire Service Association enclosing his intended opening statement for the 16 September 2024 public hearing, received 10 October 2024.

Resolved, on the motion of Mr Regan, seconded by Mr Barr: That the Committee accept the correspondence from NSW Rural Fire Service Association and publish it on its website.

13.2 Responses to questions on notice and supplementary questions

The Committee considered publication orders for answers to questions on notice, received from:

- NSW Treasury on 2 October 2024
- Audit Office of NSW on 4 October 2024
- Premier's Department on 10 October 2024
- NSW Rural Fire Service Association on 10 October 2024

The Committee considered publication orders for answers to supplementary questions, received from:

- Audit Office of NSW on 4 October 2024
- Central Coast Council on 4 October 2024
- Local Government New South Wales on 11 October 2024
- NSW Rural Fire Service on 21 October 2024
- Office of Local Government on 22 October 2024

Resolved, on the motion of Mr Regan, seconded by Mr Barr: That the Committee accept the responses to questions on notice and supplementary questions from NSW Treasury, Audit Office of NSW, Premier's Department, NSW Rural Fire Service Association, Central Coast Council, Local Government New South Wales, NSW Rural Fire Service and Office of Local Government and publish them on its website, with contact details redacted.

14. ***

15. Next meeting

The meeting adjourned at 2:35pm until 22 November 2024.

Minutes of meeting no. 23

1:37PM, 17 February 2025

Meeting room 1043 and Videoconference

Members Present:

In person: Mr Li (**Chair**), Mr Barr (**Deputy Chair**) and Ms Leong.

Via videoconference: Dr Saliba, Mr Roberts and Dr Saliba.

Officers Present:

Stephanie Mulvey, Alison Buskens, Charlie King, Divya Bhandari, Yann Pearson and Rhea Maggs.

Agenda

1. ***

2. Confirmation of minutes – Meeting no. 22

Resolved, on the motion of Mr Barr, seconded by Ms Leong: That the minutes of the meeting of 28 November 2024 to be confirmed.

3. ***

4. ***

5. ***

6. ***

7. Inquiry into the assets, premises and funding of the NSW Rural Fire Service

7.1 Submissions (containing services agreements)

The Committee considered the publication of service agreements for the following rural fire districts/zones previously resolved to be kept confidential.

Resolved on the motion of Ms Leong, seconded by Mr Barr: That the Committee, upon consent from the agreements' counterparties, authorise the following documents for publication on the Committee's webpage with contact details redacted:

- Pages 9 to 38 of Submission 16 from Narrandera Shire Council, which included the Rural Fire District Service Agreement between the councils of Griffith City, Leeton Shire, Murrumbidgee Shire and Narrandera Shire and the NSW Rural Fire Service, dated 1 January 2011
- Pages 6 to 85 of Submission 57 from Wagga Wagga City Council, which included the Zone Rural Fire Service Agreement between the councils of Coolamon, Junee, Lockhart, Urana and Wagga Wagga and the NSW Rural Fire Service, dated 21 January 2007, and
- Pages 8 to 50 of Submission 71 from Bega Valley Shire Council, which included the Rural Fire District Service Agreement between the councils of Bega Valley Shire and Eurobodalla Shire and the NSW Rural Fire Service, dated 2 July 2012.

8. ***

9. ***

10. Next meeting

The meeting adjourned at 4:05 PM until 24 March 2025.

Unconfirmed minutes of meeting no. 26

1:10PM, 5 May 2025

Meeting room 1254 and videoconference

Members Present:

In person: Mr Li (**Chair**), Mr Barr (**Deputy Chair**).

Via videoconference: Ms Leong, Mr Regan and Dr Saliba.

Apologies:

Mr Roberts.

Officers Present:

Sam Griffith, Alison Buskens, Charlie King, Yann Pearson and Karena Li.

Agenda item

1. ***

2. Confirmation of minutes – Meeting no. 25

Resolved, on the motion of Mr Barr, seconded by Mr Regan: That the minutes of the meeting of 24 March 2025 to be confirmed.

3. ***

4. Inquiry into the assets, premises and funding of the NSW Rural Fire Service

Resolved on the motion of Mr Barr, seconded by Ms Leong: That the Committee consider the draft report in globo.

Discussion ensued.

Resolved on the motion of Mr Barr, seconded by Mr Regan:

- That the following words are removed from the report:
 - (Chapter Three, page 42) 'Recommendation 12 The NSW Rural Fire Service should issue annual Rural Fire Fighting Fund allocation letters within one month of receiving confirmation of the annual rural fire brigade funding target from NSW Treasury, or as soon as reasonably practicable after that date.'
 - (At paragraph 3.49, page 50) 'In response to evidence throughout this report that the timing of RFFF allocation letters creates financial difficulties for councils, the Committee recommends that the NSW Rural Fire Service issue annual Rural Fire Fighting Fund allocation letters within one month of receiving confirmation of the annual rural fire brigade funding target from NSW Treasury, or as soon as reasonably practicable after that date. The aim should be to issue this as early as possible, ideally before the relevant financial year, to assist councils to more effectively budget, plan and account for their infrastructure responsibilities.'
- That the following words are inserted into the report:
 - Chapter Three, page 42) 'Recommendation 12 That the NSW Treasury confirm the annual rural fire brigade funding target with the NSW Rural Fire Service, and that the NSW Rural Fire Service issue annual Rural Fire Fighting Fund allocation letters, in alignment with councils' budget cycles. This will help councils to more effectively budget, plan and account for their infrastructure responsibilities. Allocation letters should be issued within one month of receiving confirmation of the funding target.'
 - (At paragraph 3.49, page 50) 'In response to evidence throughout this report that the timing of RFFF allocation letters creates financial difficulties for councils, the Committee recommends that the NSW Treasury confirm the annual rural fire brigade funding target with the NSW Rural Fire Service, and that the NSW Rural Fire Service issue annual Rural Fire Fighting Fund allocation letters, in alignment with councils' budget cycles. This will help councils to more effectively budget, plan and account for their infrastructure responsibilities. Allocation letters should be issued within one month of receiving confirmation of the funding target.'

Resolved on the motion of Mr Barr, seconded by Mr Regan:

- That the draft report as amended be the report of the Committee and that it be signed by the Chair and presented to the House.
- That the Chair and committee staff be permitted to correct stylistic, typographical and grammatical errors.
- That once tabled the report be published on the Committee's webpage.

Resolved on the motion of Mr Barr, seconded by Mr Regan: That report cover option 2 be used for the Committee's report.

5. ***

6. ***

7. ***

8. Next meeting

The meeting adjourned at 3:45pm until 26 May 2025.

Appendix Eight – Glossary

District equipment	Fire Fighting Apparatus and the other vehicles and equipment owned by the State of NSW, or by councils, or which are vested in councils and used by the Rural Fire Service operating in a Rural Fire Service District.
Fire District	A legally defined area of land in NSW, in which Fire and Rescue NSW has fire management responsibilities for.
Fire Fighting Apparatus	All vehicles, equipment and other things used for or in connection with, the prevention or suppression of fire or the protection of life or property in case of fire, by the Members of the Rural Fire Service operating in a Rural Fire District.
NSW Rural Fire Service Association	An independent association of NSW Rural Fire Service members which provides a range of operational and welfare support to volunteers and staff.
Red fleet	Land-based, fire fighting vehicles like tankers and pumpers.
Rural Fire Brigade	An organisation established by councils and staffed by NSW Rural Fire Service employees and volunteers. Rural Fire Brigades are responsible for hazard reduction and local responses to lower level fire events.
Rural Fire District	A legally defined area of land in NSW, in which the NSW Rural Fire Service has fire management responsibilities for. There are currently 43 Rural Fire Districts across NSW which make up 95% of the landmass.
Rural Fire District Service Agreement	An agreement between the NSW Rural Fire Service and a council or group of councils. These agreements may specify: which functions imposed on a council/s can be exercised by the NSW Rural Fire Service Commissioner, any obligations imposed on a council/s because of the Commissioner agreeing to exercise the councils' functions, set performance targets for those functions and provide for the evaluation and review of results in relation to those targets.
Rural Fire Fighting Fund	A fund that councils, insurers and the NSW Government contribute to on an annual basis. Money in this fund is used for things like rural fire brigade expenditure, the construction and maintenance of fire trails and other fire prevention and hazard reduction works.
Rural Fire Zone	Several Rural Fire Districts which are grouped together for operational purposes.
Vesting	Placing something, like an asset or property in the possession or control of another entity.
White fleet	Land-based, non-fire fighting vehicles like, cars, personnel transport vehicles, and catering vehicles.