

Supplementary Questions

1. Can you outline the way your council spends and receives money for rural firefighting, including equipment, premises and hazard reduction. Please include flow charts and note if there are any out-of-pocket expenses.

Coolamon Shire Council administers the Riverina Zones' Finances and does so on behalf of the four member Councils, being Junee, Lockhart, Wagga Wagga and Coolamon.

Between the start of the financial year until we receive the budget allocation the Councils bank roll the RFS. This can extend into February (has in the past) and is when all the fire hazard preparation work takes place and after the majority of M & R on vehicles has been undertaken.

A timeline of Budget process and financing has been attached.

2. Does your council experience any unnecessary administration, duplicate processes, confusion, or waste as part of its operations related to the assets, premises, and funding of the NSW Rural Fire Service? If so, can you provide specific examples.

Council believes there is undue waste in the construction for new stations. An example is Coolamon recently built the Matong Hall which is a 4 bay shed (exterior), fully lined with a commercial kitchen and public toilets for approximately \$390,000. At the same time a 2 bay RFS Shed with Kitchen and toilets was allocated under RFS funding for \$610,000.

3. What were your council's costs (direct and indirect) to maintain rural firefighting equipment and buildings for the 2023 and 2024 financial years?

Direct Costs:

The Zone M&R Allocation for FY2024 was \$533,000.04.

Council's records indicate that \$637,011.21 was spent on M&R. At the start of the 2024 financial year the zone held \$263,504.39 in excess funds so the "overspend" has been funded by that and no additional Council contribution has had to be made.

The Zone M&R Allocation for FY2023 was \$522,549.06

Council's records indicate that \$535,961.94 was spent on M&R. At the start of the 2023 financial year the zone held \$276,917.33 in excess funds so the "overspend" was funded by that and no additional Council contributions were required.

Indirect Costs:

Insurances for all buildings whether they are located on Council owned land or not. In addition Council pay for rates, leases and utilities (power, water, etc.) depending on the situation.

4. How much funding did your council receive in the 2023 and 2024 financial years, for maintaining rural firefighting equipment and buildings?

The Zone M&R Allocation for FY2023 was \$522,549.06

The Zone M&R Allocation for FY2024 was \$533,000.04

5. For the 2023 and 2024 financial years, if your council was out of pocket for any rural firefighting costs, how much was it out of pocket for these periods.

This Council and the zone are managed such that we are not out of pocket, however we do have questions about;

- What happens with a surplus
- What happens if we have a deficit that cannot be covered by existing funds
- Council have no say in what is being paid for. (e.g. what is M & R and what is a regional cost)

Our Region costs do run into negative at times and the Councils effectively bank roll the RFS operation during that time until payments are received.

6. The Independent Pricing and Regulatory Tribunal's (IPART) reviewed the rate peg methodology in 2023. Following the review, IPART has introduced a council-specific emergency services levy (ESL) factor. The ESL factor is intended to allow councils to fully recover the annual increases in emergency service contributions without diverting funds required to maintain service levels and infrastructure for their communities.

- What is your council's opinion on this change and its effectiveness?

IPART investigated and reviewed the Rate Peg methodology and correctly determined that the rises in RFS costs were not being correctly factored into their considerations. This meant any additional increase in RFS costs reduced the spend on the normal operations of

a Council (percentage increase of rate peg are determined on maintaining Councils existing operations) therefore reductions must be made in other services or operations.

When IPART became aware of this anomaly they suggested an ESL factor be included in the Rate Peg determination. This was a welcomed adjustment.

However this does not change the underlying fact that Emergency Services are not being paid for appropriately. Councils are subsidising the RFS Emergency Service at the expense of other services Council's operate.

What is happening is that RFS costs outstrip the rate peg increases and we have to reduce in other areas to make ends meet.

So whilst the IPART determination is appreciated and well received it does not solve the inherent problem with the financial structure of the Emergency Services.

What is not being discussed is how much are the insurance industry collecting compared to what they are paying as their contribution to the RFS.

7. Some councils have suggested a broad-based property levy as a replacement for the ESL. From your council's experience would this significantly change the financial burden on your ratepayers?

It is this Council's opinion that a broad based property levy is a more equitable process of paying for Emergency Services. This levy should apply to all land, no exceptions, as all land is effected by natural disasters and will require assistance or support when an emergency occurs. Therefore all property owners should contribute towards the cost of this service. This levy should apply to State Forests, Crown Land, Religious Organisations, Land Councils etc. All will require a sustainable and functioning Emergency Service to respond.

It would lower insurance premiums and place the cost fairly on each landowner.

8. Does your council conduct a stocktake of 'red fleet' vehicles and a condition assessment of their written down value?

This Council does not do a stocktake of the Red Fleet nor a condition assessment. This Council is of the opinion that the accounting standards do not require these assets to be accounted for in Council's financial statements.

9. If your council conducts a stocktake, does the NSW RFS provide the asset listing used for the stocktake? From your experience is the listing accurate?

Council has reviewed the information provided by the NSW RFS and this is not always accurate.

In the past we have been told that we have vehicles arriving in a financial year, when in fact they may not appear until several years later.

10. Has your council purchased or provided land for rural firefighting purposes. If so, how was the land purchase funded and was the council or ratepayer out of pocket for this? Please quantify if possible.

Council has provided land for Brigade Stations.

In our Region there is a mixture of Stations on Crown Land, Council Land or private property.

RFS TIMELINE/FLOWCHART OF BUDGET AND FINANCING

