

**Responses to Supplementary Questions – Public Accounts Committee Inquiry
Into the Assets, Premises and Funding for the NSW Rural Fire Service**

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.*

Following the determination of the Rural Fire District allocations for each financial year, Council is advised of the maintenance and repair (M&R) component related to 'district equipment', being the firefighting appliances and equipment that is vested in Council's ownership. Through the framework of the Rural Fire District Service Agreement, Council delegates responsibility for the management of these functions to the RFS, and then provides local RFS staff with remote access to Council's systems to enable them to carry out these activities on Council's behalf.

The RFS then manage the M&R process, with related expenditure occurring through Council's financial system. Paragraph 8.9 of the current Blue Mountains Service Agreement notes that funding for M&R will be provided on a reimbursement basis, meaning that Council is required to cover these costs in the first instance and this expenditure offset at a later stage by submitting claims to the Rural Fire Fighting Fund. It is Council's understanding that the claims process is managed in good faith by local RFS staff, with related income being directed to Council accounts. The timing of these reimbursements appears to be highly variable.

While the coordination of M&R of district equipment rests with the RFS, a number of services related to M&R are provided by Council, such as fleet servicing and repairs to RFS occupied premises. Council recovers many costs from the M&R allocation, but due to the complex administration involved, it is not clear whether all costs are being reimbursed. If Council is incurring additional costs beyond the M&R allocation, it is difficult to quantify how much that might be.

Council notes the Committee's requests for diagrammatic representation of the flow of funding between the RFS and Council, however, due to the complexities of how, where and when money is transferred between the two organisations, this is a difficult proposition and Council has been unable to develop an accurate diagram within the time provided.

With regard to hazard reduction grant funding, this has been decoupled from the RFFF M&R allocation for several years. Council submits bids for funding through the RFS 'GUARDIAN' platform, with advice of the successful allocation generally being received in Q1 of each financial year. As per the funding agreement, Council is required to cover the full cost of the work and must then make a claim for reimbursement against the grant allocation. Reimbursement payments have been timelier in the recent past, however, some payments have historically taken quite a long time and have carried over into the following financial year on some occasions.

BMCC views this funding stream as a supplement to its internal fire mitigation allocation, and therefore the grant amounts generally do not cover the full cost of each hazard reduction site. BMCC accepts it has a responsibility to manage bushfire risk on land under its control and is therefore willing to fund a major component of the works program and all staff costs.

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.*

In the time provided to compose a response to this question, it has not been possible to forensically examine all administrative processes that support RFS operations within the LGA. Therefore, Council is unable to provide any specific examples to illustrate the type of issues flagged in this question.

However, as a general principle, it is reasonable to suggest that the drivers for Council support of the RFS and the related administrative and service delivery processes are poorly understood by a large proportion of Council staff. The nature of the RFS / local government relationship is inherently complex and the number of long-serving staff that understand the mechanics of these systems is steadily decreasing. Newcomers to local government are often surprised and confused by the convoluted financial and administrative linkages between the two organisations.

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

For FY23, Council's financial records indicate a total expenditure of \$789,519 for RFS related support services. Within this figure, \$310,561 was spent on fleet servicing and support and \$357,692 for maintenance and repair of RFS equipment and premises.

For FY24, Council's financial records indicate a total expenditure of \$587,864 for RFS related support services. Within this figure, \$271,800 was spent on fleet servicing and support and \$176,112 for maintenance and repair of RFS equipment and premises.

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

FY23: \$789,520

FY:24 \$616,930

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.*

FY23: \$82,923

FY24: Nil

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?*

Council is unable to provide a response to this question at this time.

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?*

In the absence of a model for a property-based levy, it is difficult to determine whether the introduction of such a funding system would have an adverse impact on ratepayers. The introduction of any property-based levy must be carefully engineered to ensure that the overall cost burden remains neutral for the majority of residents.

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

Yes, Councils Fleet service conducted an audit of the RFS fleet in August 2022. This included an asset condition report.

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?*

Councils Fleet service conducted an audit of the RFS fleet in August 2022, NSW RFS provided the Fleet list, the list provided was accurate in both vehicle numbers, type and brigade location.

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.*

In the Blue Mountains context, most redevelopment projects occur on the same site that the RFS has previously occupied, so there is no direct cost for the provision of land in these cases. However, there have been cases where RFS stations have been relocated and Council has needed to dedicate land already in its ownership (but planned for allocation to other purposes), become Crown land manager for specific parcels, or to lease land from the State. While most costs are now borne by the RFS, there are almost certainly indirect costs to Council in the provision of land, particularly where the opportunity for other community uses or generation of income are not realised.