

**Submission
No 6**

ASSETS, PREMISES AND FUNDING OF THE NSW RURAL FIRE SERVICE

Organisation: The Hills Shire Council

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Mr Jason Yat-Sen Li MP
Committee Chair
Public Accounts Committee
Parliament of New South Wales

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Our Ref: 21148494

Dear Mr Li

Inquiry into Assets, Premises and Funding of the Rural Fire Service

Thank you for allowing Council the opportunity to provide a submission on your Committee's Inquiry into the Assets, Premises and Funding of the Rural Fire Service (RFS).

By way of background, The Hills Shire Local Government Area (LGA) is located in the north-western area of Sydney with the Shire's Administration Centre at Norwest located approximately 30 km from the Sydney CBD. The LGA covers an area of 386 sq. km extending from the suburbs of West Pennant Hills and Baukham Hills in the south to Wisemans Ferry in the north. Council's population is currently 208,000 and is expected to rise to approximately 260,000 by 2036.

Approximately 70% of the LGA's land area is rural. Urban residential areas are concentrated in the southern part of the Shire. There is increasing development at the boundary between urban and rural areas as new development progresses in release areas at North Kellyville, Box Hill, and Gables (formerly Box Hill North).

Following the proclamation of the Rural Fires Act in 1997, The Hills District Office of the RFS assumed primary responsibility for the prevention, mitigation, and suppression of bush and other fires across much of what was then rural areas of the LGA. However, with rezoning of some of these rural areas for greenfield urban development, The Hills District RFS is now also responsible for fire management across various types of residential, commercial and industrial structures in those new release areas with support from Fire and Rescue NSW under a formal mutual aid agreement.

The Hills District RFS consists of 10 paid staff with 18 brigades supported by over a thousand volunteers. The District's fleet consists of:

- 43 frontline firefighting appliances;
- two firefighting vessels;
- one operational command vehicle;
- 13 field command vehicles;
- 21 support and logistic vehicles;
- one all-terrain vehicle.

Council itself is responsible for the construction and maintenance of 17 separate brigade stations, a training facility at Sackville North and the Fire Control Centre/District Office which also accommodates the LGAs Emergency Operations Centre (EOC), the Round Corner Brigade, as well as the Communications and Catering brigades.

Under Section 119 of the Rural Fires Act 1997, the District's fleet is vested in Council's ownership, despite the fact that it has no direct role to play in the purchase, disposal, or deployment of the fleet. The Council is also required to maintain the fleet and ensure its roadworthiness in accordance with statutory requirements.

As development has occurred across the LGA over the past 50 years, several of the RFS brigades are now physically based in established urban residential areas within the Sydney Fire District. This includes the North Rocks Brigade, which as a result of the 2016 local government boundary reform process, is now located within the City of Parramatta. Despite their location, these brigades play a critical role in bushfire management within their immediate area as well as across the wider LGA.

As the Committee would be aware, prior to the proclamation of the Rural Fires Act in 1997, local Councils through their Fire Control Officer and associated staff were primarily responsible for local bushfire brigades, including their fleet, operational facilities and most importantly, the recruitment and management of volunteers.

District Service Level Agreements (SLAs) were subsequently developed under Section 12A of the Rural Fires Act 1997 as a means of ensuring the smooth transition of these responsibilities to the new RFS while at the same time, ensuring that local Councils continued to play an active role in providing support through the use of those operational facilities as well as access to fire fighting vehicles and equipment. In many instances those operational assets had been constructed and acquired utilizing the Council's own funds, through specific purpose grants that may have been available at the time, fundraising undertaken by individual brigades, or donations.

On a positive note, it should be acknowledged that irrespective of the obligations of each party under the SLA, the relationship between Council, the various Managers of the Hills District RFS and their staff, as well as the volunteers, has been exceptional and one that Council and its community are extremely grateful for and proud of.

Overall, Council is more than satisfied with the current bush fire services provided to its community through the tireless efforts of The Hills District RFS office and the large number of volunteers that it supports. Notwithstanding that comment, there are several issues relating to the funding of bushfire services and the management of the relationship between Council and the RFS that it would ask the Committee to consider as part of its enquiry.

1. Funding of the Rural Fire Service

As the Committee would be aware, the arrangements for the funding of the RFS by local government are detailed in Section 110 of the Rural Fires Act where the relevant Council's contribution is calculated at 11.7 percent of the funding target for the corresponding RFS District.

In addition, Council incurs separate costs in maintaining the District's premises and fleet as required under the SLA. Although an annual grant of approximately \$400,000 is received from the RFS toward those costs, it does not fully offset the actual expenditure incurred in providing those services.

Furthermore, Council also budgets for additional discretionary expenditure of approximately \$280,000 per annum to support the activities of the District and the volunteers including community engagement. This discretionary expenditure is not recovered from any other source.

Unfortunately, Council does not have any direct control on the amount of that funding target for the District, which can fluctuate from year to year depending on strategic and operational decisions of

the RFS and the level of bush fire activity within the District and across the State. This can make it extremely difficult for the development of a Council's budget, particularly when any increase in the funding target is potentially well above the statutory rate cap imposed by IPART.

It is acknowledged that for the 2024/25 financial year, IPART recognised the challenge that all local governments have in recovering any additional emergency service levy fees through the rating system and the impact that these additional charges have on the delivery of other 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 as well as any changes to the Emergency Service Levy (ESL) contributions for all three emergency service organisations, being the Rural Fire Service, Fire and Rescue NSW and the State Emergency Service.

However as stated previously, the change in methodology relates only to compensating Council through the rates system for the annual ESL contribution and does not recognize Council's statutory responsibility under the Rural Fires Act and the associated SLA to maintain and operate the District's premises and its fleet. Along with funding the depreciation of these assets and the discretionary spending by Council to support the operation of the District and the individual brigades, they are all costs that must be borne by Council and separately funded from within its existing income base.

Therefore, Council would strongly recommend that these additional emergency service support costs be taken into consideration by IPART when determining the Rate Peg limit or alternatively, allow Council the ability to recover all emergency service related costs by decoupling them from the rate peg limit.

As a further option to reduce the financial impact on relevant Councils, Section 119 of the Rural Fires Act could be repealed, allowing ownership of the District's fleet to be transferred to the State. It would also reduce the financial impact of the fleet's depreciation on those same Councils, which must be cash funded each year through their normal budgetary processes.

This position is strongly supported by Local Government NSW and many Councils and would seem logical given that each District's fleet is not purchased, disposed of, or deployed by the respective Councils. Such a position would also be consistent with emergency service vehicles owned and operated by Fire and Rescue NSW and the State Emergency Service.

2. District Service Level Agreements

As indicated previously, the District SLA was introduced in 2001 as part of the transition of responsibilities for bush fire management from Council to the RFS following the proclamation of the Rural Fires Act in 1997. Notwithstanding concerns regarding issues such as funding for bush fire services and ownership of the District's fleet etc, the content of the SLA has assisted in clarifying both Council and the RFS's respective roles in providing bushfire services across the local government area over the past 20 years.

The term of the agreement has been extended on a regular basis since that time through an exchange of letters between the Commissioner and Council's General Manager. However, it is of some concern that no formal review of the agreement's content has been undertaken to better reflect the relationship between the parties and the current operating environment. These SLAs need to be updated as a matter of urgency and then reviewed on a regular basis between the two parties.

Given the time that has elapsed since the 2001 changes, it is opportune to review the Act and who should be responsible for what. In many respects, there is a loss of knowledge especially in those Local Government Areas where Rural Fires Act responsibilities were conferred from the Councils. It is increasingly less clear where responsibilities for what activities under the Rural Fires Act ultimately rest. A review of the Act and its governance framework is considered a prudent step.

3. Funding of Bush Fire Mitigation Measures

In August 2002, legislative provisions came into effect to proactively address the bush fire risk to life and property in bushland interface areas throughout NSW. These provisions require proposed developments in bush fire prone areas to comply with the Rural Fire Service's '*Planning for Bush Fire Protection*' guide. As such, developments that have been assessed and approved under these planning and building requirements should incorporate a range of measures within the property that operate in combination to provide protection against bush fire.

However, many developments located in bushland interface areas in NSW pre-date the August 2002 legislation and have not been designed in accordance with the '*Planning for Bush Fire Protection*' guide.

Generally, these developments offer little or no protection against bush fire. In many cases, these properties will contain assets that have inadequate separation from potential bush fire hazards and construction standards that do not adhere to current bush fire building requirements. In addition, other aspects of the development such as access arrangements, water and power supply may also be inappropriate from a bush fire protection perspective. A building or part of a building that has not been assessed and approved in accordance with the '*Planning for Bush Fire Protection*' guide is referred to as 'existing development'.

Existing development can be more susceptible to the impact of bush fire. It is important to recognise the limitations of implementing risk treatments for existing development. Limitations may include environmental and topographical issues surrounding interface areas which can restrict the clearing of vegetation.

The Hills Bush Fire Management Committee (BFMC) is responsible for preparing the Bush Fire Risk Management Plan (BFRMP) which identifies coordinated multi-agency objectives and associated treatment strategies to reduce the risk to property over a five-year period. One key strategy which the Council is tasked with is the year-on-year cyclical maintenance of Asset Protection Zones (APZ) within public bushland reserves.

An APZ is a fuel-reduced area surrounding a building or structure. It is located between the building or structure and the bush fire hazard. An APZ provides:

- a buffer zone between a bush fire hazard and an asset;
- an area of reduced bush fire fuel that allows suppression of fire;
- an area from which backburning may be conducted; and
- an area which allows emergency services access and provides a relatively safe area for firefighters and homeowners to defend their property.

The current Hills Bush Fire Risk Management Plan identifies 29 Council managed public bushland reserve APZ's which adjoin a total of 698 properties across the local government area.

In June 2022, Council engaged an environmental consultant who was commissioned with the task of assessing the condition of 70 Council managed APZ locations throughout the local government area. Of these sites, the assessment identified 25 APZ sites which were in high to excellent condition, 35 in moderate condition, 30 in low condition and 7 in poor condition. Overall, the majority of APZ's surveyed requires significant maintenance to be compliant with RFS standards.

The recommendations of the study identified a focus on the following management actions to achieve the RFS standards in Councils APZ's:

- raking or manual removal of fine fuels;
- mowing or grazing of grass;
- removal or pruning of trees, shrubs and under-storey;
- slashing and trittering;
- burning (hazard reduction burning and piler burning).

The planning and implementation of each of these recommended management actions require a multi-agency approach where any one agency does not have the available resources to achieve all of these objectives. For approximately two decades, Council has focused on mechanical APZ maintenance namely the removal of fine fuels, removal or pruning of vegetation, slashing, and mowing where suitable. This process is resource heavy and requires significant long-term investment into the program to ensure a minimum maintenance service of the APZ's are achieved.

In the past Council has utilised grant funding from the NSW Rural Fire Service's Rural Fire Fighting Fund, Bush Fire Risk Mitigation and Resilience Support Program and Bush Fire Support Program to supplement Council's Asset Protection Zone program across the LGA.

Financial Year	Bid amount	Funded amount	% received	Date funding allocation received
2023/24	\$409,670	\$409,670	100%	6/02/2024
		\$37,770		21/08/2024
2022/23	\$375,910	\$119,000	32%	19/12/2024
2021/22	\$376,880	\$370,180	98%	30/09/2021
2020/21	\$391,620	\$311,300	98%	29/01/2021
		\$71,820		23/12/2020

Between the 2020/21 and 2023/24 financial years, Council applied for funding totaling \$1,554,080 to implement these measures. Although it successfully received a total allocation of \$1,368,477 in funding over that period, the timing of the funding has been inconsistent. By way of example, Council has only received the full allocation of funding within the first quarter of the financial year once (2021/22), with all other years receiving funding allocation late into the 2nd quarter or 3rd quarter of the financial year, deep into the fire season. Without the assurance of the full RFS funding allocations within a suitable timeframe, efficient planning for the APZ program year-on-year is impacted.

The Hills BFMC also identifies the strategic bush fire mitigation treatments through the Fuel Management Register of hazard reduction activities in the BFRMP. The current BFRMP identifies 98 sites which are planned for prescribed hazard reduction burns with 89 of those under RFS jurisdiction and 9 to be managed by Fire and Rescue NSW. Although Council has input into the planning for burns through NSW Fire and Rescue, Council does not manage hazard reduction burns as a responsible agency.

Council's requirement to successfully implement the recommended bushfire mitigation management actions noted above as well as its obligations under the BFRMP are dependent on the supporting resources of the two firefighting agencies. Managing this requirement through a multi-agency process is increasingly difficult as more and more land management agencies are engaging the support of the RFS and NSW Fire and Rescue.

The division of responsibility for bushfire management and hazard reduction between Council and the RFS is highly reliant on the cross-agency processes. This process shown above requires the RFS in particular to supplement Councils APZ program and to implement the hazard reduction program in conjunction with Fire and Rescue NSW to ensure that the bushfire risk to Council's residents is minimised. The current APZ funding program also requires an increased transparency around when and what funding is to be allocated to Council and how Council can improve its application process in future years.

I thank the Committee for the opportunity to provide this submission. Should you wish to discuss these matters further, please do not hesitate to contact me on [REDACTED] [REDACTED] or [REDACTED]

Yours faithfully

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Michael Edgar
GENERAL MANAGER