

ASSETS, PREMISES AND FUNDING OF THE NSW RURAL FIRE SERVICE

Name: Mr Charles Kolano

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Partially
Confidential

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

TO: Public Accounts Committee

Members of the Committee,

My submission is opposed to the vesting of NSW Rural Fire Service (RFS) assets to Council's as it is irresponsible, and simply a cost shifting exercise to all Council's financial detriment, and especially to the Snowy Monaro Regional Council (Council) as it (the Council) is in extreme financial difficulties. In addition, RFS has shown obvious signs of what I believe to be deceit, discrimination and disregard for due process.

Please see attached letters dated 15 January 2024 and 19 February 2024 addressed to the Commissioner, NSW RFS regarding the lack of compliance by the RFS with their own Code of Conduct and state laws.

For Councils to have to account for the RFS assets, is contrary to the wellbeing of members of the communities, who will be further forced into a never ending, spiraling mountain of debt to support a state government statutory body that failed to adhere to its own principles, policies and laws.

Financial Sustainability and Ownership

A recent financial sustainability review for the Council states, "Council has generated operating deficits each year indicating that Council is not generating sufficient general fund revenue to meet operational expenditure, including depreciation." The report concludes stating *"the operating deficit over a 10 year forecast averages \$12.3 million per year from 2023-2024."*

In the minutes of Council's, Audit, Risk and Improvement Committee meeting 13 March 2023, a question was asked by the Committee as to, "Why are user fees and charges up." The response from Council CFO was, *"Noticed large amount of income for RFS compared to budgets."*

It should be noted Council has had a total of nine accounting officers in this position with five having the title of CFO, since amalgamation. Council was granted rate increases by IPART that has amounted to 53% over a four year period. To vest RFS assets onto Council's books and increase debt of Council will destroy many within the local community, financially.

Community members pay rates to Council, pay fund levies and insurance premiums to support the emergency services including the RFS, but have no legal rights of ownership or usage of the RFS assets, neither does Council. Section 119 Rural Fires Act 1997 defines "fire fighting equipment means fire fighting apparatus, buildings, water storage towers or lookout towers."

Buildings

Council's Business Paper 18 August 2022 states the NSW RFS has been granted sufficient funding for the Emergency Operations Centre (EOC) from NSW Government. However, further in the document it states, *"2ha land to be transferred to Council from Snowy Hydro Limited and capital expenditure by Council is \$500,000 dollars."* Ratepayers being slugged again.

Council approved resolution 217/22 for an EOC to be built in Cooma, NSW, where Council will contribute \$500,000 towards this development for survey, legal fees and construction of road. Resolution 217/22 states at part F: Note that the other costs associated with the development and construction of the EOC will be borne by the NSW RFS.

Following concerns raised by community members with Council's, Councillor Williamson questions were raised at the Council March 2024 meeting, regarding the erection of an EOC in Cooma NSW where it is to be built, on flood prone land, when alternative land is available outside the flood prone area.

Councillor Williamson wrote in his private capacity to the NSW Emergency Services Minister, highlighting the risks involved and asking if the Minister will accept the risks of a building being constructed in a known flood prone area or, will the risks and high expenditure with an unknown ceiling of debt be passed onto the community through the vesting of the building to Council. A copy of this letter is available at <https://www.facebook.com/lukewilliamsonfor>.

Community Concerns and Funding

Should this EOC be vested in Council, then what are the additional costs to the community for depreciation, increased insurance costs (if available), extra construction costs, maintenance costs, repair costs and naturally no rates from this property will be paid to Council for a building in a flood prone land as it would be vested in Council. Clearly this amount would be in the range of \$1 million + dollars per year to be added to Council's operating debt of \$12.3 million dollars per year as stated above.

For comparison, in the Monaro Post newspaper 20/3/2024, it states the report on proposed fees and charges to Council in November 2023, projected deficit for the operation of the Cooma Regional Sports Hub to be \$584,750 which included depreciation of an unspecified amount. The estimated annual operation costs for the hub are \$185,000 for contractors, \$75,000 for utilities \$56,000 for cleaning and \$100,000 for maintenance, a staggering \$416,000 pa, but with an income of only \$63,000. Clearly a political agenda is being played at the expense of the local community for this sports hub.

The local community is under increasing pressure as rates and charges are on the increase at a phenomenal rate, far greater than wage increases for most of the community. Funding for the RFS from local government is claimed to be 11.7 per cent. However, funding from local

Council to the RFS is somewhat skewed, without details being disclosed to the public of the level of Councils contributions to the RFS.

The cost of vesting RFS assets in Council will result in the substantial increase in rates and user fees and charges, with various services slashed or terminated, resulting in Councils Hardship Policy being increasingly used by Council against those who cannot afford these increases. Following on from the effects of that policy is Council's Debt Collection Policy, which will be invoked, further effecting and eroding the wellbeing of the community at an ever increasing and alarming rate.

Accountability

The RFS must retain control and ownership of all its assets including buildings, to lessen the hardships and cost of living pressures now being experienced by all community members, instead of advancing those hardships on them.

Your sincerely

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