

## **ASSETS, PREMISES AND FUNDING OF THE NSW RURAL FIRE SERVICE**

**Organisation:** Walgett Shire Council

**Date Received:** 10 May 2024



**Public Accounts Committee Review into the Assets, premises and  
funding of the NSW Fire Service**

## **Walgett Shire Council Submission**

6 May 2024

## ***Advocacy Against the Requirement for Councils to Account for Rural Fire Service Assets***

**TO: The Public Accounts Committee**

Thank you for the opportunity to provide comment on the review of *Assets, premises and funding of the NSW Rural Fire Service*, being undertaken by the NSW Government.

Walgett Shire Council intends in this submission to present a compelling case against the current requirement for councils to account for NSW Rural Fire Service (RFS) assets, particularly in light of the Australian Accounting Standards and the findings of the GAAP Consulting Report, commissioned by the Office of Local Government and titled "Review of accounting for 'red truck' assets and other firefighting equipment" (the GAAP Report).

### **Control and Ownership**

The argument surrounding accounting for the RFS assets has centred around who holds control of the assets under the Australian Accounting Standards.

The Walgett Shire Council refutes claims to ownership and control of the assets, in that we don't have any operational oversight of the assets, including access to, management or control of the assets, at all.

The RFS, through its service standards and rural fire district service agreements, possesses decision making authority over fire-fighting equipment under the Act. Furthermore, procurement decisions, replacement and retirement determinations, service standards all contribute to the conclusion that control of the assets rests with the RFS. This is reinforced in the GAPP Report, written by Mr Colin Parker, a qualified and experienced expert in the accounting field.

### **Transparency**

The RFS is the "the world's largest volunteer firefighting organisation, with over 70,000 volunteers and more than 2,000 brigades". Walgett Shire Council has several active brigades and in November of 2023, saw first-hand the RFS in action, during the Hudson Bushfires. During this emergency, the Walgett Shire was supported by many volunteers and significant plant and equipment was mobilized from outside our Shire.

Diffusing responsibility for the management of its assets across over 100 councils cannot be an efficient and accountable model for operating the service, nor reflect the true costs involved in protecting NSW communities.

In addition to this, the Walgett Shire Council strongly believes the continued pressure on councils to account for the RFS fleet creates confusion and unrealistic expectations from our community. Further it hides what are clearly State owned assets on council books, misrepresenting to the community the service delivery responsibility of the State.

The State government need to be transparent about the cost of operations and management of the RFS as a whole.

## **The Rural Fires Act**

The legal vesting of assets with councils, as stipulated by section 119 of the *Rural Fires Act 1997* (the Act), does not reflect the true model of control and for this reason alone, Council recommends that the Act needs a review to reflect the true situation.

The apparent disconnect between legal ownership and operational control raises questions about the transparency of financial reporting. The mandatory inclusion of RFS assets in council accounts has the potential to lead to a distorted representation of council's financial position, creating a scenario where assets are nominally "vested" in council, but effective control resides with the RFS.

## **Impact on Financial Sustainability**

The practice of accounting for RFS assets adds to the broader issue of cost shifting from the State and Federal governments to local councils. A survey recently completed by Local Government NSW into cost shifting shows an average of \$460 per ratepayer is paid directly to services that should be delivered by the other tiers of government.

This additional burden of cost shifting places an undue burden on our local communities, affecting their ability to maintain essential services and infrastructure. The fiscal responsibility of managing firefighting assets, which are under the control of the RFS, should not be shifted to councils, especially when we are already strained by existing financial pressures.

## **Conclusion**

Walgett Shire Council urges the Parliamentary Accounts Committee to reconsider the requirement for councils to account for RFS assets and to recommend that Section 119 of the *Rural Fires Act 1997* (the Act) specifically be amended.

By doing so, the Committee would contribute to fostering transparency in financial reporting for both Council and the RFS.

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