

**Submission
No 45**

ASSETS, PREMISES AND FUNDING OF THE NSW RURAL FIRE SERVICE

Organisation: Sutherland Shire Council

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Public Accounts Committee
Email: pac@parliament.nsw.gov.au

To whom it may concern

Public Accounts Committee Inquiry into the Assets, Premises and Funding of the NSW RFS

Thank you for the opportunity to make a submission to the Public Accounts Committee Inquiry into the Assets, Premises and Funding of the NSW Rural Fire Service.

Sutherland Shire Council recognises and highly values its partnership with the NSW RFS staff and volunteer members. Council would like to make it clear that the following submission is in response to the current framework of bush fire management within the Sutherland Shire LGA and is not a reflection of the critical and appreciated work carried out by RFS personnel.

1. The mechanisms for:

a. Funding Rural Fire Service assets and premises:

Council supports the idea that the Rural Fire Service (RFS) should be self-sufficient, capable of operating independently without relying on council support for funding its assets and premises. Council advocates a model where the RFS is empowered and adequately funded to take charge of providing and maintaining its own premises and assets, ensuring it can effectively deliver crucial community protection services related to bushfire risks and hazards.

The provision of RFS Red Fleet assets allocated to the Sutherland LGA are managed and funded directly through the RFS (RFF). Council has no control over the allocation, renewal, or disposal of these assets.

RFS premises and land located in the Sutherland LGA have historically been provided and funded by Council. As RFS has progressed over the years towards a self-sustaining model, Council has shifted from a co-contributor partner to brigade premise

renewals, to RFS funding 100% of the renewal costs of new premises on Council owned land. Council continues to support RFS in the planning, design and construction phases for these new premises and retains responsibility for maintenance.

b. Maintaining Rural Fire Service assets and premises:

The current annual funding allocated for maintenance and repair grants under the RFS falls short of meeting the genuine financial needs required to upkeep assets and premises effectively, requiring council to contribute the remaining required funds.. Council supports the idea that the Rural Fire Service (RFS) should be self-sufficient, capable of operating independently without relying on council support for funding its assets and premises.

Council's current mechanism for maintaining RFS assets and premises is guided by a 2008 service level agreement, its relevance and effectiveness in terms of alignment with current changing environmental conditions, frequency of use, new technologies, and budgetary constraints, is significantly compromised.

Council receives an annual grant funding provision of \$253,091 from the NSW RFS Rural Fire Fighting Fund (RFFF) that is utilised to fund operational and maintenance costs consumed across the 15 occupied premises and the 64 Red Fleet assets, which generally does not cover all the costs required to maintain these assets leaving Council to bear the costs over and above.

Vegetation clearing and maintenance (mitigation works) of APZ and Council owned fire trails is covered by the 2008 Sutherland Rural Fire District Service Agreement, with RFS having responsibility for delivery this body of work on behalf of Council. This provision appears to be unique to Sutherland SLA, with RFS now seeking to transfer the responsibility back to Council to deliver, achieving alignment with other LGA's in negotiating a new Service Agreement. SSC does not support this as it will be an added financial burden for Council to take up.

c. Accounting for the ownership of Rural Fire Service assets and premises:

Council strongly objects to categorising RFS Red Fleet assets as the property of Council for accounting purposes. We emphasise that Council has no control or management of these assets and thus their ownership classification should accurately reflect the entity responsible for their administration and operation.

The Auditor-General's Report on Local Government, bringing a long-standing dispute over the accounting treatment of the Red Fleet to a head. The Audit Report reemphasises the determination that Rural Fire Service assets are the "property" of councils and must be recorded in Council's financial statements, with Council required to therefore absorb all depreciation costs.

The Audit Office Local Government Report has reiterated the concept that RFS mobile and other firefighting assets are deemed to be council assets and applies more pressure on councils and the Office of Local Government (OLG) to conform with this determination, despite councils clearly not having any management or control of these assets. Councils across the State and Local Government NSW (LGNSW) refute this determination. Councils do not have any say in the acquisition, deployment, or disposal of these assets. Comparable assets held by Fire and Rescue NSW and the State Emergency Service are not vested anywhere other than with the organisations that purchase, use, maintain and dispose of them.

Council has expressed the strong objection to the NSW Government's determination on ownership of Rural Fire Services (RFS) assets, applied by the Auditor-General, that RFS assets are the property of councils for accounting purposes. Calling on the NSW Government to take immediate action to permanently determine the accounting treatment of RFS assets by acknowledging that rural firefighting equipment is vested in, under the control of, and the property of the RFS; and seeking an amendment to S119 of *the Rural Fires Act 1997* to make it clear that RFS assets are not the property of councils.

- d. Operational management, including the control of assets and premises, risks, and impacts to local government, and the ability to affect a response to emergencies.

Council has no control or authority over the operational management of RFS assets and premises, including decisions in relation to acquisitions, renewals, deployment and disposals.

2. Whether the following arrangements between Councils and the Rural Fire Service are fit for purpose:

a. Service Agreements:

While Council strongly supports Service Agreements, there needs to be emphasise placed on the importance of reviewing them at a local level to ensure they remain current and aligned with both RFS and Council business models and to ensure the evolving needs of our community are met.

The Sutherland Rural Fire District Service Agreement has been in place since 1 February 2008, and has facilitated the effective coordination and collaboration between Sutherland Shire Council and the Sutherland RFS District, in managing bush fire services and operations within the Sutherland Shire LGA.

Service Agreements are crucial arrangements as they delineate the precise responsibilities of both RFS and Council under the *NSW Rural Fires Act 1997*. They are intended to provide clarity and accountability in overseeing not only bush fire management but also asset management/maintenance and funding.

Whilst the Sutherland Shire Rural Fire District Service Agreement is outdated due to changes in both parties' business models and the evolution of processes, at the very least, the structure and responsibilities should be maintained, with additional enhancement of mitigation activities and fire trail maintenance. This would help alleviate the burden on local government in safeguarding the community from bush fire risks, particularly the significant hazards originating on government-owned land.

b. The division of responsibilities for bushfire management and hazard reduction:

Council supports maintaining a service agreement within the current operating model, as it enhances role clarity and accountability for both the RFS and Council.

As per the Sutherland Shire District Service Agreement, RFS is responsible for conducting all hazard reduction activities on Council land within Sutherland Shire LGA, including maintaining Assets Protection Zones (APZ), Strategic Fire Advantage Zones (SFAZ) and fire trail vegetation maintenance works.

Over the past two years, Council has seen an increase in the number of hazard reduction requests for the installation of new APZ's and other mitigation strategies for sites deemed a fire risk by RFS. As many of these sites are managed by RFS under the existing Service

Agreement, the messaging of these hazard reduction requests can be at times ambiguous due to minimal information and templated notifications which do not outline requirements from Council. A review of the Service Agreement and communication methods from RFS, can provide clearer identification of onus to understand and complete the requested works.

Council has also seen an increase in the number of requests for trail upgrade/repairs. While necessary, there has been a lack of grant funding opportunities available to support these resource heavy works. The severe weather events of 2022 caused extensive damage to numerous fire trails within the Sutherland Shire network, necessitating substantial remediation efforts by Council to ensure usability for all stakeholders. Funding opportunities to aid in these works were scarce, and despite recommendations from the Bush Fire Management Committee (BFMC) for grant funding for two strategic fire trails, this assistance was denied under the NSW Rural Fire Fighting Fund (RFFF). As a result, the costs of these works had to be absorbed by the operational budget of Council, placing pressure across the organisation in the ability to deliver ongoing services and infrastructure projects to the community. There are significant numbers of fire trails that require remediation and currently there is no opportunities for grant funding or otherwise, to assist with these works.

The existing Service Agreement where RFS are responsible for the maintenance of APZ/SFAZ sites and fire trail vegetation management within the Sutherland Shire LGA, has been informally indicated to decrease in commitment in future. Council strongly advocates that this component of the existing Service Agreement remains as is, at a minimum and/or preferably increased in capacity to better reduce risk to surrounding residents and maintain the additional works being required at RFS request. If the current service agreement changes and the responsibilities are transferred back to Council, it is important to carefully consider and ensure appropriate funding opportunities and time is made available, so Council can continue to ensure our community's safety.

c. Upkeep of assets;

The current arrangements for RFS asset maintenance upkeep are inadequate for their intended purpose requiring council to contribute considerable funds in addition to the annual RFS maintenance grant provision. Rural Fire Service (RFS) should be self-sufficient, capable of operating independently without relying on council support for funding its assets and premises.

Council maintains all assets in a safe compliant standard, providing for the additional shortfall in funding to ensure serviceability of the assets. Under the Service Agreement, Council has no control over the timing and decisions based on condition of when assets

are renewed. The decision to delay or retain poor condition assets significantly impacts the level of funds council is required to contribute of its own funds towards escalating maintenance costs.

The level RFS annual maintenance grant funding provision of \$253,091 is inadequate to support the maintenance upkeep of RFS assets and premises, requiring Council to fund the majority of expense through its general buildings opex budget provision. Which is unsustainable in the longer term given the increasing demands brought about by the obvious effects of climate change with increased scale, frequency and intensity of emergency responses and increased levels of community expectations. Community demands for maintenance and increased area of asset protection zones and mitigation programs are a prime example of changing demands.

d. The provision of insurance:

Council agrees to providing the provision of building insurance as an essential measure to safeguard against potential risks and ensure the protection of our community's assets.

As a Council Asset, Council is currently responsible in providing Building Insurance on all brigade stations as well as the Sutherland Emergency Operations Centre and RFS District Office.

Since November 2011, responsibility of providing third party liability cover and comprehensive motor vehicle insurance for all mobile assets under the RFS Red Fleet Program has been held by RFS.

e. Provision of land and construction management for RFS premises:

Council supports the notion where reasonably practical to provide the land, with RFS to fund construction management of their facility.

Under the Service Agreement, Council is responsible for providing facilities for all existing and future NSW RFS buildings including all brigade stations, the Sutherland Emergency Operations Centre and RFS District Office. Along with these buildings, Council provides engineering and technical services to the RFS as well as construction management services for building renewals.

Whilst Council does not anticipate for an increase in the number of RFS sites, more recently have been receiving requests for enhancements to facilities to meet the increased needs of the agency with regards to infrastructure for both operational and training requirements.

Frequently, requests for building enhancements requires additional land to accommodate the extra infrastructure. As an urban Council situation in an area of high population density

where land availability is limited, devising suitable designs using innovative solutions to meet the needs of the agency is becoming increasingly challenging for Councils.

f. Bushfire Management Committees (RFS led committee)

Council views the Bush Fire Management Committee (BFMC) as a critical and effective framework for managing bushfire risks within our community. Council fully supports its role within the Sutherland Shire LGA, enhancing communication that might otherwise be disjointed, by providing a platform for interagency collaboration on fire related matters. It also facilitates the ability to collaborate with neighbouring landholders on mitigation strategies that mutually enhance each other's efforts in reducing the risk.

A consideration for the BFMC is the potential for organisational observers to also attend the meetings with their delegated BFMC member/alternate member. Each Council has a different emergency management structure in place, where bush fire management responsibility is shared across several business functions rather than one central business unit. This approach will not only enhance situational awareness across Council but also mitigate the business continuity risk associated with relying solely on one Council Officer with the necessary knowledge and experience.

3. The appropriate role for local authorities in the provision of emergency services; (LEMO)

Council fully supports the crucial role of local government in providing emergency service support. We believe that effective emergency management at a local level is best achieved through collaboration, communication, coordination and resilience which ensures the safety and well-being of our community.

The SERM Act recognises that the involvement of local government in all stages of an emergency is critical (i.e. in all the PPRR stages).

To prevent and prepare for emergencies Sutherland Shire Council:

- act as the Chair of the Local Emergency Management Committee (LEMC) and coordinate a communication network with emergency response agencies.
- manage the review and update of the Local Emergency Management Plan (EMPLAN) and additional sub plans for our local area.
- reduce natural disaster risks such as bush fire, storm and flood risk across the local area and disseminate emergency management information to the public.
- facilitate community recovery planning and implementation.

- support the development of resilience within the community.
- Provide a Local Emergency Management Officer (LEMO).

The Local LEMO / LEMC is a legislative requirement of Council's in the *State Emergency and Rescue Management Act 1989 (SERM Act 1989)*. Council is required to provide executive support for the LEMC and the Local Emergency Operations Controller (LEOCON) within its LGA.

Sutherland Shire LEMC is responsible for the preparation and review of emergency management plans to prevent, prepare for, respond to, and recover from emergencies within the Sutherland Shire LGA, and is chaired by the council's Chief Executive Officer or as delegated. The Committees membership includes representation from all emergency service agencies, government service providers and major stakeholders including ANSTO, AMPOL and Westfields. Sutherland Shire LEMC has a very high level of participation and through the LEMO, engage in emergency planning, conduct incident debriefs, and work collaboratively to advocate for essential infrastructure. This concerted effort ensures for efficient emergency management and multiagency responses across the Sutherland Shire LGA.

Sutherland Shire Council has identified a business continuity risk in only having a single LEMO with corporate knowledge and experience of emergency management within its structure. To mitigate this risk, Council has established a 'LEMO Team', in which a single lead rotates out of the LEMO position and is supported by assistant LEMOs. As all positions are part time, this improves engagement in emergency management planning and preparedness, while establishing business continuity. Furthermore, a team-based approach to the LEMO role has built a collaborative environment through the crisis management that builds continuous improvement and a learning culture.

4. The sustainability of local government contributions to emergency service provision;

Council is committed to supporting local government contributions to emergency service provision. However, it is imperative that any increase to these contributions remain within the peg rate, ensuring fiscal responsibility while supporting essential services.

The current payments made by local councils in New South Wales (NSW) constitute 11.7 percent of the total costs associated with fire and emergency services in the state.

In 2023/24 financial year, Sutherland Shire Council's contribution to the emergency service levy (\$6.3m) has risen by 49% compared to \$4.2m in previous financial year. This increase surpasses the rate peg of 3.7%, placing significant financial strain on Council's budget.

| Year | Net Costs |
|-------------|-------------|
| ESL 2022/23 | \$4,235,709 |
| ESL 2023/24 | \$6,302,350 |

Should you require any further information, please do not hesitate to contact me on [REDACTED] or [REDACTED].

Kind regards



Brooke Martin
Director Infrastructure and Operations