

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

**Organisation:** Shellharbour City Council

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### **Shellharbour City Council Submission Inquiry into the assets, premises and funding of the NSW Rural Fire Service**

The following submission has been prepared by Council staff (Council) and is not necessarily a policy position of Shellharbour City Council. It has not been referred to the elected Council. Council welcomes the inquiry into the assets, premises and funding of the NSW Rural Fire Service.

Council acknowledges the invaluable service provided by the NSW RFS as the lead combat agency for bushfire within NSW.

In the Shellharbour City Local Government Area (LGA), Council, under agreement with the RFS, undertakes maintenance of Council buildings occupied by RFS. The agreement seeks to divide responsibility of the maintenance activities between the RFS and Council.

The maintenance requirements can range from routine activities to reactive repairs, often requiring contractors to action. In most instances, the RFS are in the best position to directly engage resources to undertake any works. However, based on the agreement, most requests are referred to Council to action.

This creates Council as a 'middle person', which is inefficient and affects Council resources. This also creates an expectation that RFS requests are prioritised, something that Council is unable to provide due to expectations from the broader community.

The financial management responsibilities of the allocated budget also become unclear, particularly when there are multiple RFS staff making requests.

Council currently recognises local Rural Fire Service (RFS) building assets and the land those buildings have been constructed upon in Council's ownership. Other RFS type assets including plant and equipment are currently not recognised by Council in its financial statements.

Council has not recognised these assets up to this point due to uncertainty around Council's control of these assets. In particular, Council has concerns in regards to whether it can benefit from the asset in pursuit of its objectives and is not in a position to deny others access to this benefit.

Council cannot sell or otherwise dispose of these assets. Council also has not been able to physically verify the RFS plant and equipment assets due to having no legal right to direct their use and accessibility. In addition, the RFS move plant and equipment between local government areas on a regular basis without the knowledge of Council, therefore the assets listed to Council may be located within any Illawarra local government area at any point in time.

The practice of accounting for RFS assets add to the broader issue of cost shifting from State and Federal Government to local councils, with Council's financial position significantly affected over a number of years due to the cost-shifting of levies, increased regulatory responsibilities imposed upon councils and restrictive funding mechanisms.

LGNSW, through their latest cost shifting survey in 2023, estimates approximately \$1.36 billion has been passed on to NSW councils in the form of cost shifting in the 2021-22 financial year, equating to an average cost of more than \$460 per ratepayer. Shellharbour Council's estimate for this area in 2021-22 was \$12.7 million.


Cost-shifting places an additional burden on local communities and councils, during their ability to maintain crucial services and infrastructure.

Council strongly recommends the committee reconsider the requirement for councils to account for RFS assets and propose the following recommendations for consideration:

- The handover of all local brigade building and vehicle infrastructure assets to the NSW RFS (acknowledging that Council would be willing to be funded on a fee-for-service basis for the ongoing maintenance of RFS vehicles).
- The creation of a more reliable funding stream for Bushfire Asset Protection (including for bushfire trails).

Shellharbour City Council welcomes the opportunity to discuss these matters further. Should you have any questions, please do not hesitate to contact Jacinta Hepperlin (Chief Financial Officer) at [REDACTED]

Yours sincerely



Kate Jessep  
Chief Executive Officer (Acting)