

ASSETS, PREMISES AND FUNDING OF THE NSW RURAL FIRE SERVICE

Organisation: Federation Council

Date Received: 10 May 2024

Submission to Parliamentary Inquiry

Assets, premises and funding of the NSW Rural Fire Service

May 2024

TERMS OF REFERENCE

That the Public Accounts Committee inquiry into and report on:

1. The mechanisms for:
 - a. Funding Rural Fire Service assets and premises
 - b. Maintaining Rural Fire Service assets and premises
 - c. Accounting for the ownership of RFS assets and premises
 - 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.
2. Whether the following arrangements between Councils and the Rural Fire Service are fit for purpose:
 - a. Service agreements
 - b. The division of responsibilities for bushfire management and hazard reduction
 - c. Upkeep of assets
 - d. The provision of insurance
 - e. Provision of land and construction management for RFS premises
 - f. Bushfire Management Committees.
3. The appropriate role for local authorities in the provision of emergency services.
4. The sustainability of local government contributions to emergency service provision.
5. Any other related matters. LGNSW considers the Terms of Reference (ToR) to be sufficiently comprehensive to deal with the key issues of concern to local government.

SUBMISSION

The following submission seeks to address key issues pertaining to the above Terms of Reference.

“Red Fleet” Assets

The argument surrounding accounting for RFS “red fleet” assets relates to who holds control of the assets under the Australian Accounting Standards.

Council does not have effective control of the “red fleet” assets

Federation Council maintains that it does not have effective ownership or control of Rural Fire Service “red fleet” assets.

Council does not purchase or plan for the purchase of fleet vehicles to support RFS operations. Council does not maintain or plan maintenance schedules for fleet vehicles to support RFS operations. Council does not control where and how fleet vehicles are operated or utilised. Council does not make decisions to dispose of or plan for the disposal or renewal of “red fleet” vehicles.

Further to this, in March 2024, the NSW State Coroner, Magistrate Teresa O’Sullivan, provided a number of recommendations in the Inquests and Inquiries into the 2019/2020 NSW Bushfire Season. Recommendations 21 and 22 direct action to be taken by the NSW Rural Fire Service in relation to safety of vehicles, in particular “rollover protections, falling object protection structures, and cabin strength for frontal impact for such firefighting appliances”.

Recommendation 23 also referred to a report commissioned by the NSW RFS for Fleet Safety Summary Report of Monash University Accident Research Centre’s dated March 2023. The NSW RFS has not engaged with Federation Council in relation to this review or the final report about “red fleet” vehicles that are supposedly within Council’s effective control.

Notably, the NSW State Coroner does not direct any recommendations at local councils.

Control effectively rests with NSW Rural Fire Service.

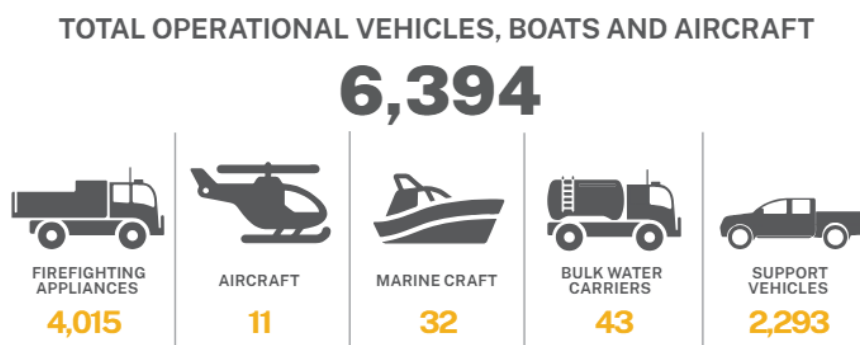
Council does not have the required information or specialist skills to record “red fleet” assets in its financial statements

Council does not have access to the records that identify the vehicles, their location and their condition. The vehicles are also of a specialist nature and require an appropriate level of expertise to assess their condition.

A list of 55 vehicles dated July 2022, provided by NSW RFS to Council in late July 2023, with no garaging address locations is insufficient to conduct an acceptable stocktake and evaluation process. In addition, informal verbal advice indicates that numerous vehicles do not have an appropriate NSW RFS storage facility and are actually garaged on private rural properties. Council operates in a tight fiscal environment and would be required to

reduce other valued Council services to enable funds to be allocated to attend sites, including private property, as well as a specialist resource to conduct condition assessments.

Interestingly, the NSW RFS has a clear understanding of the vehicles it operates and is prepared to report this in its 2022/23 Annual Report:



For detailed statistical information on incidents and vehicles, see the appendices from page 95.

Information and expertise effectively reside within the NSW Rural Fire Service.

Funding of NSW Rural Fire Service

Council does not have the financial resources to absorb continuing increases in the emergency services levy

Costs for emergency services have increased by an average 7.1% to \$532,649 in 2022/23. This is well above the IPART-approved rate peg that limits Council's ability to cover these increased charges. This leaves Council with no option other than to make cuts to infrastructure and services expenditure.

The current model disproportionately impacts rural and regional councils as they cover vast areas and have a larger RFS presence. These councils already have financial sustainability challenges and they cannot afford this impost.

Federation Council supports the development of a fairer, more transparent and financially sustainable method of funding critically important emergency services, that recognises the needs of all communities, the more limited financial resourcing that is available in rural and regional areas and the remarkable contribution made by the many volunteers that support these emergency services.

Financial resourcing for emergency management is more effectively managed by the NSW Government.

NSW Rural Fire Service premises

Council does not have the financial resources to create new assets

Councils currently have responsibility for providing NSW RFS with suitable premises. This is a significant cost burden on councils. Compounding this is the situation where the NSW RFS does not currently have a suitable premises. Federation Council has recently been approached to provide a premises given that one does not currently exist. This is likely to come at significant cost to Council, and therefore ratepayers; at a time when Council is seeking a significant Special Variation to general rates in order to maintain existing roads and other infrastructure.

Council would be willing to transfer building assets to the RFS to remove these costs on councils and enable them to be more strategically managed by the service that actually uses them.