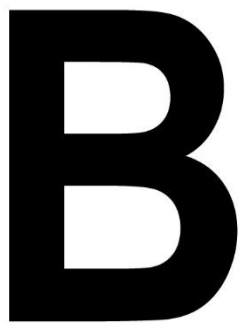


ASSETS, PREMISES AND FUNDING OF THE NSW RURAL FIRE SERVICE

Organisation: Bourke Shire Council

Date Received: 17 May 2024



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Our Ref: LB File:

10 May 2024

The Chair
Public Accounts Committee
Parliament House
Macquarie Street
Sydney NSW 2000

Dear Sir/Madam,

Submission to the inquiry into the assets, premises and funding of the NSW Rural Fire Service

I refer to the "Inquiry into the assets, premises and funding of the NSW Rural Fire Service" terms of reference, referred to the Public Accounts Committee 31 January 2024. Bourke Shire Council thanks you for the opportunity to lodge a submission.

Submission

1. C. Accounting for the ownership of Rural Fire Service assets and premises

Bourke Shire Council's (BSC) position regarding control of NSW Rural Fire Service (NSWRFS) firefighting equipment assets is that we do not control such asset and therefore we are not recognising them as assets in our financial statement in accordance with the accounting standards.

The Department of Planning, Industry and Environment (inclusive of the Office of Local Government) confirmed in the "Report on Local Government 2020" (tabled in Parliament on 27 May 2021) their view that rural firefighting equipment is not controlled by the NSW Rural Fire Service.

Council does not agree with the Departments position in regard to recognition of rural fire-fighting equipment.

In accordance with Council's Rural Fire District Service Agreement with the Commissioner of the NSW Rural Fire Service, Council has transferred substantially all the rights and obligations in respect of the operation of fire-fighting equipment to the Commissioner for the foreseeable future.

That Agreement specifically transfers to the Commissioner responsibility for operation, maintenance and control of the fire-fighting equipment during the term of the Agreement and Council plays no role in determining how such assets are deployed and has no right to use the assets.

The Governments blanket determination does not only not make sense, but it is inconsistent with the treatment of the comparable assets of other emergency service agencies such as Fire and Rescue NSW (FRNSW) and the State Emergency Service (SES).

Councils do not have any say in the acquisition, deployment, or disposal of these assets. Comparable assets held by FRNSW and the SES are not vested anywhere other than with the organisations that purchase, use, maintain and dispose of them.

This submission endorses the comments made by the then CEO LGNSW in correspondence to the Acting Deputy Secretary, Local Government, OLG dated 27 June 2023:

"LGNSW is perplexed as to why the NSW Government is now taking such a hard line in insisting that the assets be recognised as local government property. It is logical that RFS assets be treated consistently and in the same way as assets of other emergency service agencies such as the State Emergency Service (SES) and FRNSW, with ownership vested in the respective agencies.

It is the clear position of LGNSW that councils should not record RFS mobile assets in their financial statements and LGNSW will continue to recommend that councils continue to consider their own position on this matter.

It is especially disappointing that contrary to its previous position the OLG is now requesting so many councils across NSW to divert already strained council resources to provide OLG with further information on strategies to respond to the nonsensical position that the RFS mobile assets are not assets of the RFS. This diversion of resources will distract councils from their core work for the community and will not provide any public benefit.

Councils across NSW rely on the support of the OLG. I strongly urge the OLG to reconsider its current position on this matter and rightly recognise that the RFS mobile assets should be recognised as assets of the RFS for accounting purposes – In line with the independent experts advice OLG commissioned on the matter in 2018."

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

The current Service Agreement requires that Council provide financial services such as purchasing, accounts payable and management reporting to the Barwon Darling District.

Council provides these services at no cost to the NSWRFs. Council does not have any input into the preparation of the budgeting or purpose of this expenditure. The NSWRFs makes a contribution towards this cost, since 2018 the expenses have exceeded the income. As at 31 March 2024 the deficit for the Barwon Darling was \$16,000.

As a small remote Council with limit ability to raise revenue over expenditure by the NSWRFs has significant impact on an already strained budget. The issue has been raised with the NSWRFs on numerous occasions and we are told there is no ability to negotiate. Council has to pay for any over expenditure.

Councils should not be required to provide these financial services. The reasoning as to why Councils are required to administer the NSWRFs local branch accounts is not clear, when the NSWRFs head office has the ability, and appropriate controls, in place to do this.

Summary

The financial impact of councils being required to account for RFS assets, directly affects the affordability of services for all councils 'communities. Bourke Shire Council urges the Parliamentary Accounts Committee to reconsider the requirements for councils to account for RFS Assets.

Thank you for the opportunity to provide this submission and contribution to this inquiry.

Your faithfully

Leonie Brown

Leonie Brown
General Manager