



04 October 2024

The Hon Jason Yat-Sen Li MP
Committee Chair
Public Accounts Committee
Parliament of New South Wales
Macquarie Street
SYDNEY NSW 2000

Email: publicaccountscommittee.pac@parliament.nsw.gov.au

Dear The Hon Yat-Sen Li MP

Supplementary Questions - Inquiry into the assets, premises and funding of the NSW Rural Fire Service

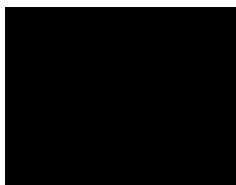
Thank you for the email from Ms Alison Buskens received 30 August 2024 attaching supplementary questions for Council to respond to regarding the Inquiry into the assets, premises and funding of the NSW Rural Fire Service.

Provided at Appendix 1 to this letter are Council's response to the supplementary questions raised.

Again, Council would like to thank the Public Accounts Committee for looking into this matter and we hope that a sustainable solution can be reached that is the most cost and time effective for all involved. We also appreciate the extension provided to allow us to collate the required information to respond.

Should you require further information in relation to this matter, please contact Mr Matthew Corradin, Unit Manager Environmental Compliance Services Unit on [REDACTED] [REDACTED] or via email at [REDACTED].

Yours sincerely,



David Farmer
Chief Executive Officer
Central Coast Council
Our reference: D16395419



Appendix 1 – responses to supplementary questions.

Supplementary Question	Response
<p>1. Can you outline the way your council spends and receives money for rural firefighting, including equipment, premises and hazard reduction. Please include flow charts and note if there are any out-of-pocket expenses.</p>	<p>The Rural Fire Service (RFS), via the NSW Rural Fire Fighting Fund (RFFF), provides allocations to Council which for the 23/24 Financial Year (FY) was as follows:</p> <ul style="list-style-type: none"> • Infrastructure Projects: \$593,618.00 (where this money is not held by Council but could potentially be claimed by Council for specific Infrastructure Projects), • Appliances: \$1,326,553.57 (where this money is not held or managed by Council), • Firefighting equipment and personal protective equipment: \$630,945.00 (where this money is held by Council but managed on behalf of the RFS), and • Maintenance and Repairs: \$796,450.13 (where this money is held by Council and used by Council to service all maintenance and repair activities undertaken on behalf of the RFS). • Total allocation to the Central Coast Local Government Area is: \$3,347,566.70. • Total contribution to Council's activities in serving the RFS is \$796,450.15. <p>The RFS, via other hazard reduction grant opportunities, granted Council about \$778,000 for hazard reduction activities. Regarding hazard reduction activities, the RFS does issue Council with hazard notices after undertaking a risk assessment of Council owned land following receipt of a complaint from the public or via other proactive assessment activities. These hazard notices require Council to carry out works to remove the bushfire hazard. Council also undertakes proactive hazard reduction activities. Any hazard reduction activities not covered by RFS grants are paid for by Council from its general fund.</p> <p>Note: at the time of writing, Council does not have process flow diagrams or similar in relation to the above subject matter.</p>
<p>2. Does your council experience any unnecessary administration, duplicate processes, confusion, or waste as part of its operations related to the assets, premises, and funding of the NSW Rural Fire Service? If so, can you provide specific example.</p>	<p>Yes.</p> <p>Provided below is a simple example of the duplicated and redundant processes that could simply be managed within the RFS to reduce time and resource wastage.</p> <p>For the RFS to order a figurative item of Personal Protective Equipment using the RFFF funds, the following is required to take place.</p>

	<ul style="list-style-type: none"> • RFS staff involved in purchasing must be given access to Council's IT network and purchasing system. This is done on an individual basis, so any new staff are required to be given access each time. • RFS staff must obtain internal approval prior to lodging a requisition (REQ) within Council's systems. • RFS staff lodge the REQ within Council's systems. • Council's RFS Liaison Officer function must monitor appropriate mailboxes or emails to service incoming REQs and requests. • Council's RFS Liaison Officer function, once the REQ is received, must review the REQ to ensure that it properly meets Council's purchasing standards and that the REQ aligns with the appropriate budget. • Council's RFS Liaison Officer function, where the above conditions are met, must approve the REQ. • The REQ is then sent to Council's Purchasing Team and the RFS. • RFS staff then purchase the item. • RFS staff then receipt the purchased item. • The REQ is then finalised. <p>This process, when multiplied over dozens if not hundreds of purchases, contributes to a considerable administrative burden where time and costs to Council (and likely the RFS), are not captured or accounted for, leading to unrecovered direct and indirect costs. The same principles outlined within apply across all of the functions required of Council, many of which are much more complex than the figurative example provided above.</p>
<p>3. What were your council's costs (direct and indirect) to maintain rural firefighting equipment and buildings for the 2023 and 2024 financial years?</p>	<p>The total cost to Council to maintain rural firefighting equipment and buildings was \$3,344,425.</p>
<p>4. How much funding did your council receive in the 2023 and 2024 financial years, for maintaining rural firefighting equipment and buildings?</p>	<p>The total contribution to Council to maintain rural firefighting equipment and buildings was \$2,347,224. This figure is broken down into the \$796,450.13 for Maintenance and Repair from the RFFF, which is the only direct monetary contribution, and \$1,550,774 form assets dedicated or donated to Council from the RFS. Council is being somewhat generous by including the monetary amount associated with the dedicated or donated assets.</p>
<p>5. For the 2023 and 2024 financial years, if your council was out of pocket for any rural</p>	<p>Council's out of pocket costs was \$997,201.</p>

<p>firefighting costs, how much was it out of pocket for these periods.</p>	
<p>6. The Independent Pricing and Regulatory Tribunal's (IPART) reviewed the rate peg methodology in 2023. Following the review, IPART has introduced a council-specific emergency services levy (ESL) factor. The ESL factor is intended to allow councils to fully recover the annual increases in emergency service contributions without diverting funds required to maintain service levels and infrastructure for their communities.</p> <p>• What is your council's opinion on this change and its effectiveness?</p>	<p>At this point in time, Council is not in a position to undertake a detailed analysis of this change and as such is not in a position to provide comment on its effectiveness.</p>
<p>7. Some councils have suggested a broad-based property levy as a replacement for the ESL. From your council's experience would this significantly change the financial burden on your ratepayers?</p>	<p>At this point in time, Council is not in a position to undertake a detailed analysis of this proposal and as such is not in a position to provide comment on its impact.</p> <p>Council does note that such arrangements do exist successfully in other states in Australia.</p>
<p>8. Does your council conduct a stocktake of 'red fleet' vehicles and a condition assessment of their written down value?</p>	<p>Yes.</p> <p>Council does undertake a random sample stocktakes of the red fleet where possible. Council is currently working with the RFS to look at how these arrangements can be improved to increase efficiencies.</p> <p>No.</p> <p>Council does not undertake a full condition assessment at this time.</p>
<p>9. If your council conducts a stocktake, does the NSW RFS provide the asset listing used for the stocktake? From your experience is the listing accurate?</p>	<p>The RFS does provide a listing from their asset register however it is not fully accurate as it does not properly account for the movement of plant and fleet items across the local government area/between brigades. Council is currently working with the RFS to look at how these arrangements can be improved to increase accuracy.</p>

<p>10. Has your council purchased or provided land for rural firefighting purposes. If so, how was the land purchase funded and was the council or ratepayer out of pocket for this? Please quantify if possible.</p>	<p>Since amalgamation, Council has not purchased land for the purpose of servicing the RFS. Provided below are further details about historic and current arrangements:</p> <ul style="list-style-type: none"> • There are approximately 30 separate locations at which RFS facilities are located on Council owned or managed land. • The majority of these RFS facilities are located on land that is owned as freehold land by Council with a small minority being located on Crown land that is managed by Council or on land that is owned by other state agencies but managed by Council (e.g., one site is on National Parks and Wildlife Services land). • In most cases, RFS facilities are located on land that was already in Council ownership at the time the RFS facility was built. • The land on which the RFS facilities are located were acquired by Council or its predecessor councils (Gosford and Wyong) in a number of ways as follows: <ul style="list-style-type: none"> ○ Council has purchased a number of the sites for local government operational purposes on the open market, or ○ Council has purchased the land from State Government at a non-nominal price, or ○ the land has been transferred to Council from the Crown, or ○ the land has been dedicated to Council as part of a private development (developer contribution) or otherwise. • We reviewed the history of a randomised six facilities and established that: <ul style="list-style-type: none"> ○ 4 out of 6 were purchased at a non-trivial price (Copacabana, Charmhaven Depot, Kilcare, Gwandalan) ○ 1 was dedicated via subdivision (Wamberal), and ○ 1 was a former quarry (Ourimbah) however the acquisition arrangements are unclear. • Typically, land has been acquired for another purpose and part or all of the site has been re-allocated for RFS facilities. • In all cases, the land could have been use for another community/operational purpose. • In all cases, the underlying value of the land is substantial. • In some cases, the site is entirely used for RFS purposes but more typically the site is part-used for rural fire activities, and it would be difficult in most cases to
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	extricate the RFS element from the other purposes (common utilities, common access, not suitable for subdivision etc).
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