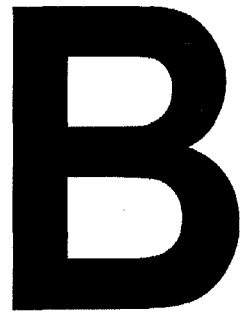


**Supplementary  
Submission  
No 75a**

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

**Organisation:** Bourke Shire Council

**Date Received:** 9 August 2024



**BOURKE  
SHIRE  
COUNCIL**

**BRIEFING NOTES**

RFS Meeting

Prepared By Bourke Shire Council

Friday, 9 August 2024

## **Mayor**

Cost shifting from State Government to Local Government continues to impact on Local Council ability to provide services to our communities. These impacts have increased over recent years particularly in relation to Emergency Services Levies and escalating costs.

## **Red Fleet**

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, albeit the total value of Red Fleet is not material in the scheme of Council total assets held.

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 was 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 basically transferred 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 the operation, maintenance, and control of the fire-fighting equipment during the term of the Agreement. Council plays no role in determining how such assets are deployed and has no right to use the assets.

The Government's 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.

Councils position reflects 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 is matter in 2018."

### Operational Management

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

The Barwon Darling District is made up of the Bourke and Brewarrina Shire Council area. The Councils provides these services at no cost to the NSW RFS.

Council does not have any input into the preparation of the budgeting or purpose of this expenditure. The NSW RFS makes a contribution towards this cost, since 2020 the expenses have exceeded the income.

RFS Section B and C Expenditure	Subsidy Received	Expenditure		Variance
2020/2021	\$138,760	\$154,509	-\$15,749	-11%
2021/2022	\$138,760	\$139,151	-\$391	0%
2022/2023	141,535.00	165,499.27	-\$23,964	-17%
2023/2024	144,365.90	265,710.88	-\$121,345	-84%

Council has consistently raised this over expenditure with the NSW Rural Fire Service, and below is an extract of the email received in response.

From: [REDACTED]

Sent: Wednesday, March 6, 2024 7:17 AM

To: [REDACTED]

Subject: STATEMENT - BOURKE SHIRE COUNCIL

[REDACTED]  
I have actually spoken to [REDACTED] re invoice 19134 and advised RFS will not be paying Councils receive an M&R allocation each year to assist with the costs of maintain RFS premises. If council overspend, there is no reimbursement. If council underspend, we do not ask for a refund

As a small, remote Council with a very limit ability to raise revenue, Any 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.

### Emergency Service Levy

The impact of increases in the Emergency Services Levy (ESL) in 2023/2024 without warning and not offset by a subsidy represents cost shifting at its worst. The levy is imposed on councils without any mechanism for councils to recover costs. The table below details the impact of the Levy on the Barwon Darling Councils

Emergency Services Levy	Assessment Notice	Subsidy	Total Payable		Variance
2017/2018	\$224,466		\$224,466		
2018/2019	\$218,013		\$218,013	-\$6,453	-2.87%
2019/2020	\$274,195	-\$50,150.00	\$224,045	\$6,032	2.77%
2020/2021	\$391,405	-\$122,306.99	\$269,098	\$45,053	20.11%
2021/2022	\$285,776	-\$12,441.42	\$273,335	\$4,237	1.57%
2022/2023	\$381,552	-\$116,749.00	\$264,803	-\$8,532	-3.12%
2023/2024	\$381,810		\$381,810	\$117,007	44.19%

Small councils such as Bourke and Brewarrina, cannot continue to absorb such large increases in their budgets. With each increase the service delivery to the community is impacted.

All councils support a well-funded emergency service sector and the critical contribution of emergency services workers and volunteers. However, it is essential that these services be supported through an equitable, transparent and sustainable, funding model.

**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 Government to reconsider the requirements for councils to account for RFS Assets and absorb over expenditure from the operational cost of the service each year.

## Points

- Emergency Service costs have escalated over recent years
- Small remote Councils do not have the capacity to raise revenue like our city cousins
- Councils Rate revenue is \$1.98M the rate peg limit of 4.5% increase was only \$81,500 for 2024/2025
- Emergency Service Levy in 2023/2024 increase by 44.19% amount of \$58,500
- Operations Management of the RFS – Expenditure exceeds income in 2023/2024 this amount was \$121,345 or 84% over the subsidy paid
- The operational management is managed by the RFS staff. The increase payments made in the subsidy are not keeping up with market forces
- Council cannot afford to continue to subsidizing emergency services to this level
- Services to our community have to be reduced as the payments have to come from somewhere
- Council does not own, maintain, control Red Fleet. With no control of the assets