

REPORT ON PROCEEDINGS BEFORE

PUBLIC ACCOUNTS COMMITTEE

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

At Macquarie Room, Parliament House, Sydney, on Monday 16 September 2024

The Committee met at 9:20.

PRESENT

Mr Jason Yat-Sen Li (Chair)
Mr Clayton Barr (Deputy Chair)
Ms Jenny Leong
Dr David Saliba

PRESENT VIA VIDEOCONFERENCE

Mr Michael Regan
Mr Anthony Roberts

* Please note:

[inaudible] is used when audio words cannot be deciphered.

[audio malfunction] is used when words are lost due to a technical malfunction.

[disorder] is used when members or witnesses speak over one another.

The CHAIR: Good morning, everyone. Before we start I would like to acknowledge the Gadigal people, who are the traditional custodians of the land on which we meet here at Parliament. I also pay my respects to Elders past and present of the Eora nation and extend that respect to other Aboriginal and Torres Strait Islander people who are present today or watching the proceedings on the web stream.

Welcome to the Public Accounts Committee inquiry into the assets, premises and funding of the NSW Rural Fire Service. I am Jason Yat-sen Li, the member for Strathfield and Chair of the Public Accounts Committee. With me today are my fellow Committee members, Mr Anthony Roberts, member for Lane Cove; Dr David Saliba, member for Fairfield; and Mr Michael Regan, member for Wakehurst. Mr Clayton Barr, the Deputy Chair, and Ms Jenny Leong will be joining us a bit later. We wish to thank the witnesses who are appearing before the Committee today and the stakeholders who have made written submissions. We appreciate your input into this inquiry. I declare the meeting open.

Mr IAN BROWN, Secretary, Independent Bushfire Group, affirmed and examined

Mr BILL SHIELDS, Acting Convenor, Independent Bushfire Group, affirmed and examined

Mr GREGOR MANSON, Member, Independent Bushfire Group, affirmed and examined

The CHAIR: Thank you for appearing before the Public Accounts Committee today to give evidence. Can you each please confirm that you have been issued with the Committee's terms of reference and information on the standing orders that relate to the examination of witnesses?

GREGOR MANSON: Yes.

BILL SHIELDS: Yes.

IAN BROWN: Yes.

The CHAIR: Do you have any questions about this information?

GREGOR MANSON: No.

BILL SHIELDS: No.

IAN BROWN: No.

The CHAIR: Would anyone like to make a brief opening statement before we begin the questions?

IAN BROWN: First, we would like to thank the Committee for giving us this opportunity to appear. The Independent Bushfire Group was formed after the Black Summer fires, bringing together experienced people who felt that change was needed in how bushfires are managed, especially as fires get worse because of climate change. This is about learning from what happened using analysis and evidence to inform change for the better. We have enormous respect for the emergency services, the volunteers and paid staff who worked through that very demanding season and so many others with selfless determination. What we are striving for is to make their efforts more effective, more rewarding and safer.

We have made many reports and submissions to inquiries and other processes. We have talked to emergency agencies and government, with firefighters, communities and the media. This has confirmed much of what we found in our very first review of the 2019-20 season. Our experienced perspective from outside government and day-to-day emergency operations is a useful one, enabling some issues to be seen more clearly. We have progressively focused in on the most critical advances and reforms for better fire management. The many issues around assets, premises and funding need to be considered within the bigger picture—that is, what is required to achieve clear objectives, putting fires out and protecting people, property and the environment. There is a vital need for more operational analysis, a strong learning culture and financial accountability coupled with independent oversight.

New South Wales lacks an overarching bushfire strategy. There is no statewide risk analysis to inform bushfire suppression and prevention. What are the priorities and how are they to be tackled? Such a plan would enable individuals and communities to see where they sit and plan their resilience strategies accordingly. The make-up of the aerial firefighting fleet is one example where a clear strategy is lacking. No analysis has been produced and, to our knowledge, the prerequisite raw operational data is not available. In support of a more strategic focus, we argue that New South Wales needs an inspector general of emergency management, like Victoria and Queensland, to provide assurance and accountability in the emergency sector. Such a role was also recommended by the royal commission after Black Summer. The inspector general would independently monitor data such as the number of professional standard strategic and action plans at the State and district level. It would ensure no blame after action reviews are being held outside of coronial processes and acted upon

There are other areas that need reform. The many diverse functions expected of the RFS should be reviewed to see if they are all achievable. We suggest, for instance, that local government is the natural and efficient home for building the bushfire resilience in communities. With regard to local bushfire facilities, a key objective of auditing and improving them should be to support operations as close to the fire as possible. Finally, the uncertain number of volunteers is an issue for all aspects of assets, premises and funding.

The CHAIR: Before we begin the questions, I wish to inform witnesses that they may wish to take a question on notice and provide the Committee with an answer within 14 days after receiving the question. I might kick off with a question. One of the focuses of our Committee is the practice of vesting the red fleet or firefighting assets with local councils rather than being on the books of the RFS. What issues have you and your members experienced with this particular practice? What would be your recommendations in respect of the RFS improving its asset management and operational strategies, particularly in relation to the councils themselves?

IAN BROWN: As is becoming clear through this inquiry, the current arrangements are very complicated and they're also variable across the State and from State to State. I understand in my area the red fleet is maintained by the council. Maintenance issues are dealt with by council rather than the RFS; it's different elsewhere. I'm not sure we have a firm view on how it should be managed, but it certainly needs rationalisation and improvement to streamline things so that it's much more efficient for the local brigades and so on to get their work done, and get their vehicles and so on maintained properly.

The CHAIR: Do you have any practical examples? Do you hear from your members of where the current arrangements really hinder their work?

BILL SHIELDS: Not really, but I know one of our other members, who's already spoken to the Committee earlier on, talked about the fact that the facilities, once you get into the more regional areas, are pretty poor. The fact that there are no toilets or one toilet, or no facilities for females et cetera. That in itself is pretty appalling. Certainly in the past when I was actively involved, and a captain, we would get support from the local council to do stuff but, like everybody, everybody's poor at the moment, particularly the councils out west. They don't have the funds and the further you get away from Sydney the less voice you have.

IAN BROWN: It would seem logical that the red fleet should be managed by whoever owns it. It probably should be the RFS, I would think. But we don't have a fixed view on that, as long as it's efficient and effective. The other aspect of it is that we're aware that one of the pushes for this inquiry came from local government, who were concerned about the costs that they're bearing without much say in how it's utilised. We have a slightly different view that we see council could take a bigger role in some aspects, not so much red fleet and day-to-day administration and management and that sort of stuff but more in the community resilience side of things.

The CHAIR: We were interested in that aspect of your submission. The bulk of the submissions that we've been receiving were from councils who have been very unhappy with the asset management or the vesting of the assets and expenses that they need to carry, often without a lot of warning, and their inability to include that in their budget processes in a timely way. I wonder if we could unpack a bit more that aspect of your submission around the greater role for local councils. What are your views about how that should be funded and the adequacy of the current funding arrangements?

IAN BROWN: The current situation is it's a fairly hit-and-miss affair. We know RFS does some work on community resilience in terms of community protection plans and that sort of thing. The Reconstruction Authority is entering that space as well. It's not quite clear how far they're going with that. A lot of the work that's going on at the moment on community resilience is coming from grassroots—local community members and groups supported by NGOs—and often Commonwealth funding. There are a couple of programs in my area—that's the Blue Mountains—which are supported by Commonwealth funding on building resilience. They're trying to build some models that they could export to other communities, some sort of ground rules and parameters and so on. It's not clear who has that accountability or responsibility at the moment. It's an area that we see as very important.

It's the other side of the coin. There's suppression and prevention of fires, then there's managing the impact of the fires on communities. If communities are empowered to build their resilience, their understanding and their processes for preparing for not just bushfires but all disasters, then that's a huge step forward. It does need some coherence. Obviously councils are going to be very reluctant to take that on. They haven't, to a large extent, because it costs them money. We all know councils are very pushed for funding. That's one of the reasons they don't want to be managing the red fleet. Ultimately it will have to be State funding, I would think, provided to councils in some form.

BILL SHIELDS: I think that council could act as a catalyst in this, in terms of encouraging communities. If we look at communities that are well organised and who have done stuff themselves—if we look at Kangaroo Valley, there were houses burned there, but there is a group there that had worked for a long while together. Every house they had someone at didn't burn. It was preparation, training and education, without the Rural Fire Service resources. The reality of life is that we're getting to a point where, if we have large fires, the expectation that you're going to have a red truck at your house is no longer there. That's why it's important we encourage people or communities to do more. As a group, it's much more effective. I come from Bilpin. People always say it's a terrible place for fires. In my lifetime—and I had 30 years as a captain and 16 years as a group captain—there have only been two houses lost there. Most of the houses aren't near the bush, but people are frightened because of what publicity goes on. The reality of it is that the only time houses have burnt in Bilpin has been the response of back-burns that shouldn't have been done.

GREGOR MANSON: In terms of the current fairly centralised model coming out of Sydney, or as a State agency, if you do an audit of all of the bushfire plans for each local government area and their action plans,

what you find is a very mixed bag of quality meeting the standards that you might want. I think that's a bit of a result of local government not really having that central coordination role for their emergency management in their patch. There are very good models nationally where you have a local emergency management office or officer in their council who coordinates all of the businesses and government agencies in that area to ensure that a competent plan is up to date and ready to go. Across New South Wales at the moment, I'm not sure of the exact number but there aren't what I would call functional, proper risk plans for local government areas. They are just not existent. It's quite strange, when you think that we went through the '67 fires, the '94 fires and 2013, that we're in that position. There's a responsibility. Perhaps the inspector-general emergency management would be the independent auditor of those things to report to Parliament to say, "Here's a the list of councils and they've got active, competent plans." For example—

Dr DAVID SALIBA: I've been looking at this. Obviously, you have this PPRR concept—plan, prepare, respond, recovery. In terms of the variance you're talking about in the risk management, which would probably form part of planning and preparation, can you explain why there is a variance in capabilities across different LGAs?

GREGOR MANSON: I think there are two things there. One is, if you go to the Blue Mountains, where they're aware of bushfires because it's something that has been happening for a long time, the national park, being the major landowner, for example, has a very competent risk-based planning instrument, and it works with local government and farmers to implement that plan. On the New South Wales South Coast, for example, that's very variable depending on the incidence of fires over the last 50 years. Some areas are very competent, other areas are not. What we're seeing with the variation in weather and climate, which has been well expressed by experts, is we're getting longer seasons and more fires. Many local government areas haven't stepped up and caught up with that challenge, particularly on the North Coast, where lots of farmland has changed with the demographic there. There are many more people living there. They're not farmers anymore, and lots of fires damage lots of houses because the preparation wasn't there when those probably unexpected fires hit the North Coast in 2019-2020.

Dr DAVID SALIBA: This is a very easy-to-read report that you've done as your submission. I have to make that comment because I'm only a new MP. I've read a whole bunch of submissions and this one was very easy to read. Thank you so much for that. Accountability and the delineation of responsibilities—we're talking about risk management and we're just trying to grasp this as well. What is your understanding about accountability measures pertaining to that? I'll prelude by saying that one of the major components of your submission pertains to the role of local government. In terms of the current state, what is it and what do you propose the future state should be in order to ensure that our firefighting capabilities are fit for purpose?

IAN BROWN: Currently bushfire risk management plans are prepared on a district basis overseen by the Bush Fire Coordinating Committee with the RFS taking an administrative role, and councils are a major player in those. But, as Gregor has pointed out, they vary enormously around the State. There is a new model being rolled out, which will hopefully install some more consistency in that. But those plans might primarily focus on what they say is risk management, which is suppression and prevention and so on, rather than the community resilience side of things, which gets less attention and that—understandably, to some extent. That's the current situation as it stands.

What the current system is for auditing those, I'm not sure. Perhaps the RFS can answer that. I think with the new plans they are rolling out an auditing process and checking whether those actions that are in the risk management plans are being done, and when and so on. But I'm not sure they're auditing the effectiveness of those actions, if you know what I mean. There's a difference between ticking them off as done and seeing, "Did they achieve what we wanted them to achieve?" That's the important aspect. Secondly, there doesn't seem to be any overall oversight on that at the moment, which is where we would suggest the Inspector General might come in in terms of overseeing that process. I am not saying a big stick, necessarily, but just an independent overview of whether that's working well, because it's left to the agency to assess whether they're working well, basically, now. There's no oversight.

Dr DAVID SALIBA: You're saying that right now you've got local governments that are meant to play a part in that process, and that's meant to be overseen by the RFS, and there are different variances across the different LGAs across the State. I guess that leads up to the next question. Another part of your submission pertains to Rural Fire Service volunteer numbers, and diversity and recruitment. Do you feel that there needs to be more work done in that space in order to mitigate what you're talking about in terms of risk management?

BILL SHIELDS: Definitely. While there appears to be lots of people on the books, if you talk to people in brigades, there are a lot who have been on the books for a long time who are either no longer there or moved or passed away. We can't get a handle on the number of active firefighters there are. While brigades don't need everybody being an active firefighter, I know certainly in my case, where I've come from—I don't know what the

numbers are in the brigade now, but 20 years ago we could run three trucks with two crews a day without any trouble at all. I suspect now they'd be flat out running two continuously. There's been a fair bit of disenchantment. People like me—I stopped being a group officer because I believed that my contribution wasn't valued anymore. I mean, 30 years of experience, managed major fires in Bilpin a number of times, and it got to the point where they'd start telling me what to do and not listening to my advice. I was concerned that one day I was going to be asked to do something which I knew was wrong. I think that's the problem.

Getting back to local government, I think local government had a bigger role when it was bushfire brigades before it became the Rural Fire Service, when the fires were locally managed by incident management teams or made up of local people and the Rural Fire Service was the person who supplied resources and left the management to the local level. This is part of the problem: In terms of expenses and costs of running the show, decisions made in isolation from the fire add to the costs. Some of the decisions add significantly to the costs.

Dr DAVID SALIBA: One of the biggest things that we're looking at—obviously, you've got the operational arm in terms of delivering that capability in the response phase and recovery phase, and the Chair alluded to it. One of the big things—we had a part hearing a couple of weeks ago about the logistical arm of it. You can't fight fires without the logistics and logistical capability being fit for purpose. The biggest pain point that we're seeing—or that's been expressed to us—is this red fleet, and the role of local government with the red fleet, or whether or not it should be centralised. On top of that, your submission now is about the aerial assets, which is a significant capability that will probably get even bigger and better as time goes on. Do you have any commentary about the logistical arm?

BILL SHIELDS: Can I comment on the aerial stuff? I've looked at the aerial stuff in some detail. First of all, it's difficult to get information out of anybody in New South Wales. I asked for the cost of dropping retardant, and I was told they dropped 24 million litres. They were quite proud of that. The cold, hard reality of it is that nobody gave us what figures it cost to drop that. I suspect, depending on the aircraft, it's anywhere between three and eight dollars a litre to drop, so we're probably talking about \$200-plus million. When I looked at the complement of aircraft that were available during that 2019-2020 period, Victoria had 52 aircraft available and New South Wales had 31. The reality of it—one of our recommendations to other inquiries has been that there needs to be more quick-response aircraft available. If we look at the Green Wattle Creek fire—unfortunately, I was going to bring some photos of the initial fire. At 9.13 in the morning, after the lightning strike, we believe two medium helicopters and four blokes could have put it out and been home for dinner that night, but there were no resources available. There were fires everywhere and there were no quick-release resources available until late in the afternoon. Then it was too late.

What we're saying is—again, large aircraft aren't necessarily the answer to fires. In fact, you can fly seven or five or six air tractors—or Fire Bosses, which are water scoopers—for an hour for the cost of flying a 737. I looked at the fires at Hill End that were earlier in the year. If those aircrafts had been available, scooping out of the dam at Mudgee—it was about a 15-minute turnaround—in an hour, one aircraft could have dropped the equivalent of what the 737 was dropping. If there were two or three of them, then they would have tripled the amount of water that they got onto that fire. The other argument is that a 737 was designed to fly at 31,000 feet, not 200 feet off the ground down steep slopes, whereas these aircraft are very accurate in delivering their load. There is a whole lot of data that's available that I can show you, but nobody seems to look at. There has been a lot of work done in Australia historically, but nobody seems to want to look at it.

In terms of cost savings, that's one area that I think—say you put a helicopter in the air for two hours or three hours, or two helicopters at \$3,000 or \$4,000 an hour. To put that fire out, that fire ended up probably—who knows what that fire ended up costing, because it was the one that went down, crossed the Warragamba Dam, went through Balmoral, and burned all the houses. It probably cost millions of dollars just to drop retardant on it. During extreme fires, retardant is effective to about 2,000 kilowatts per metre of fire front. Beyond that, it will cross over it or burn through it. Effectively, in some of this country, we would have seen anywhere between 20,000 to 50,000 kilowatts per metre of fire front—so, effectively, why bother dropping it?

GREGOR MANSON: You asked the question about local government and that role. A couple of years ago we asked the question formally of the Rural Fire Service about how they triage fires—in other words, the risk analysis that they have as a basis across the State. That's impacted by the landscape, the weather of the season et cetera and right down to the weather today. The question we asked was how do you make the decision about where you put the resources? During my time with the Rural Fire Service Commissioner, Phil Koperberg, we quite often picked up the phone, and we had a big whiteboard in the Blue Mountains with all the lightning strikes. There was an intuitive and very knowledgeable group of people standing there saying, "That one is the most important to put out because it will create the biggest problem." You also do that on a statewide basis. For example, are the fires on the South Coast more important and damaging than the ones out west which might threaten a very high-quality genetic sheep flock?

I keep asking this question and no-one wants to give me that decision-making policy. I've given them one that I used when I was a commissioner of emergency management. But that goes to the heart of local government having that risk profile, so they know what is important, to let their local group captains and staff and forestry people and National Parks make that decision or advise them on that decision. You cannot do that from a remote office in Sydney on a computer screen. You do actually need some locals sitting around the table at a local government level. And that's where I see the strength in raising the responsibility of local government to do the risk planning, have a triaging policy, and being supported by the head office of the Rural Fire Service as a statewide coordinator of risk and triage.

But I think the Committee could possibly ask the Rural Fire Service, for example, where is their triaging policy mechanism. How do they record those decisions, to give it to a bushfire coroner or inquiry, so the public know, in advance, how resilient they need to be? If you have that risk map and how the decision is being made, as a community member, as a farmer or a national park manager or whatever, then you can decide how self-resilient you must be and how much money you're going to put into your farmhouse to have total protection, knowing that you're at the bottom of the risk ladder.

Dr DAVID SALIBA: Is there a baseline capability, though, in that regard? What I mean by that is, if you join the military, you're put through recruit training, you're then posted to, say, a battalion and there is a common set of training and a shared knowledge pertaining to risk management for a training activity. So with respect to these councils and the web of stakeholders, LGAs, emergency managers, the RFS and every other person who is out there, is there a baseline standard out there and we're pursuing that?

GREGOR MANSON: There is a baseline standard. It's used in medical. Fire and Rescue, particularly, and hospitals have the baseline theory. For bushfire management, yes, there is a baseline, but it's not evident and I'm not sure that it's being used proactively. In our studies of the 2019-20 fires, it is abundantly clear to us that that risk triaging process wasn't used as it used to be. I think, going forward, we need to go back to that, so that communities can understand, when it's really busy and hectic, "Am I going to get resources or are they going to go somewhere else?" That's just a fact of life in emergency management.

Dr DAVID SALIBA: The problem is you can't do that if you're not trained. My follow-up question is we have these local councils out there and, theoretically, as you put it, there is meant to be a baseline and people are meant to be aware of the risk management plan. I used to do risk management plans and I can tell you now, there is no point in a risk management plan staying in a folder on your computer when it's not promulgated and people aren't aware of the risks, the mitigants and the residual risks that are derived from that. It's one thing to have a plan; it's another to communicate it.

BILL SHIELDS: I think that having a good risk management plan means you can go into individual communities and say, "These are the risks, as we see it. What can we do as a community about it?" I think that's where communities can be supported in terms of doing a lot of fire mitigation themselves.

Dr DAVID SALIBA: It leads into the final point in your submission pertaining to learnings, after action reviews and tangible outcomes derived from those lessons. What do we do there, in your opinion?

BILL SHIELDS: Let's look at what happens elsewhere. The inspector general of emergency services in Queensland—within six or eight months after the Fraser Island fire there was a comprehensive report, warts and all. If you look at the Kangaroo Island fires, while there's no inspector general there, there was a report commissioned within nine months, warts and all. Here in New South Wales, we waited four years for a coronial inquiry which really didn't cover a lot of the operational issues.

The CHAIR: This has been very valuable. Before we finish, I want to clarify the thrust of your evidence today. When you say that there is a much bigger important role for local communities in bushfire management, you are really talking about the community resilience side, the risk management side, the role that communities and residents and councils can play in getting a community prepared for emergencies in a holistic way. That is quite distinct from the technical. We've heard a lot of evidence from councils regarding hazard reduction: they are not in a position to do the technical work—the machinery that's used—is expert, technical and dangerous, and that needs to be done by the RFS. You're talking about something very, very different here. When you speak about a bigger role for local councils, that is quite different from that bushfire suppression and bushfire prevention work.

IAN BROWN: Yes. Principally, that's right. Councils also manage land. The RFS isn't a land manager, as such, whereas councils and other agencies—Forestry and National Parks are the large ones—but councils also manage lands. They often just defer that management to the RFS locally. We think they should have a slightly bigger role in that, but we're primarily talking about the resilience side of things, which is like hard skills versus soft skills. Council is at the interface of the community. That's what they do. It's a grassroots level of government. That's their strength, and they know their community; we just had council elections prove that. So, yes, we're

talking specifically about that side of things rather than the technical. We're not expecting councils to take on more of the firefighting and equipment management sorts of things.

The CHAIR: Thank you very much for appearing before the Committee today. You will each be provided with a copy of today's transcript for corrections. The Committee staff will also email any questions taken on notice and any supplementary questions from the Committee. We kindly ask that you return these answers within 14 days.

(The witnesses withdrew.)

(Short adjournment)

Mr LEIGHTON DRURY, State Secretary, Fire Brigade Employees Union, affirmed and examined

Mr JONATHON WRIGHT, Senior Organiser, Fire Brigade Employees Union, affirmed and examined

The CHAIR: Thank you for appearing before the Public Accounts Committee today to give evidence. Can you each please confirm that you have been issued with the Committee's terms of reference and information about the standing orders that relate to the examination of witnesses?

JONATHON WRIGHT: Yes.

LEIGHTON DRURY: Yes.

The CHAIR: Do you have any questions about this information?

JONATHON WRIGHT: No.

LEIGHTON DRURY: No.

The CHAIR: Would anyone like to make a brief opening statement before we begin the questions?

LEIGHTON DRURY: Yes, both of us have got some very brief words, Chair, if that would be permitted. I am the State secretary for the Fire Brigade Employees Union, New South Wales. I am joined today by Jonathon Wright, senior organiser for the union. For context, the FBEU is the industrial body representing over 6,000 professional firefighters employed by Fire and Rescue NSW across New South Wales, from Tweed to Albury and Bondi to Broken Hill. I myself am a professional firefighter and have been for 25 years.

FBEU members take their work seriously, and we care deeply about protecting the communities that we serve. Our members work to the Fire Brigades Act and within specific jurisdictions established through boundary review committees. Outside of our areas, which are called fire districts, are our rural fire districts, and they are the primary responsibility of the RFS. Put simply, as a generalisation, although the RFS look after roughly 90 per cent of the State, we look after 90 per cent of the people and the risk.

As the Committee will be aware, last year the Auditor-General published a report which was highly critical of the RFS and their systems for managing assets and premises. These issues spoke to a lack of accountability and oversight from the RFS. Accountability and oversight are factors in demonstrating to the public the appropriate use of public money. One thing which the report did not speak to is the increasing scrutiny around the number of active RFS volunteers and the agency's capacity to respond to emergency incidents.

At odds with the national decline in volunteering, the RFS maintain that there is a stronghold of 70,000 volunteers across New South Wales. Meanwhile, every other State is in decline. RFS volunteers themselves are calling out these numbers as inflated. Some have given evidence in this very inquiry saying that the numbers could be as low as 20,000. The issue has been a constant feature of recent media and certainly of budget estimates. Unfortunately, we're none the wiser for these discussions, as the RFS continually ignore the requests for an audit of their numbers. The FBEU proposes to this Committee that an independent audit of the number of active RFS volunteers is highly relevant to this inquiry and can no longer be ignored.

JONATHON WRIGHT: I think we'll pause here to acknowledge something that sometimes comes up when unions representing professional firefighters speak, which is that we're here to acknowledge the dedication of RFS volunteers—we're not here to do anything but. Volunteers play a very important role and we're not here to undermine that. The reality is, though, that the emergency services sector is a world of risk, capability and capacity. On the worst days of the members of the New South Wales community, they want to know that they're getting a professional response of adequately trained first responders, with adequate numbers of first responders who are on the incident ground as soon as possible and ready to take action.

The truest indication of the RFS's capacity and their ability to meet this community risk is the number of their active volunteers. RFS training qualifications that the FBEU have obtained through GIPAA detailed that very few of the 70,000 volunteers that we've referenced are trained in some core competencies that the RFS set. That includes as low as 833 volunteer firefighters trained in advanced structural firefighting, and fewer than 4,600 trained in the use of a breathing apparatus. Those facts run at odds with the fact that the RFS are investing a 120 per cent increase in the number of urban pumpers—that is, fire trucks designed in particular for urban environments; structural fires, we might say—and this is deeply concerning. We're talking about postcodes that are getting these urban pumpers where there've been huge population booms, there are new dwellings and new infrastructure—there's greater risk—and yet these areas remain in the rural fire district. This is the sort of thing that keeps our members up at night.

In June this year the New South Wales Government released a review into emergency services and volunteering. The RFS were the only agency in this report that weren't able to provide any data about the tenure of their volunteers. We've had a look at data that icare have because with presumptive cancer legislation for firefighters, icare is budgeting for eligible firefighters for both Fire and Rescue and the RFS. A consultant's report—that worked for icare—identified that there was a large percentage of RFS volunteers that didn't even have a date of birth on the database, and some of them didn't have a start date either. eTendering data tells us that the RFS have invested in some pieces of work to help identify or look into this gap, we might say. There was \$1.6 million on an e-membership system that Deloitte worked on. There's another app called the RFS Active that considerable public money was spent on creating. But as Leighton said, we are none the wiser for these initiatives. Coming to the point for this inquiry, any assessment of RFS funding arrangements must assess the agency's capacity to respond when we need them to. We believe that starts with an independent audit on the number of active RFS volunteers.

The CHAIR: Thank you very much. Before we begin the questions I wish to inform the witnesses that they may wish to take a question on notice and provide the Committee with an answer in writing within 14 days after receiving the questions. It's clear from your submission and from your statements right now that you've raised a number of issues around the capability of the RFS to respond in the event of disaster and a range of management issues et cetera. What improvements, in your view, are required by the RFS to make things better? The focus of this inquiry is really on the asset management and funding arrangements and their impact on operational management, so maybe focus on those areas. What improvements do you think need to be made in these areas?

LEIGHTON DRURY: Around the operational side of things, there are obviously some core things that you need to do to move in and deal with an incident. One, you need to know the availability of what you've got. Two, you need to know that what is available can do what you need it to do and then, three, how far that is away from the incident that you're trying to respond to. Since the Tathra bushfires, what we've seen from the RFS, to catch up to where Fire and Rescue is at, because Fire and Rescue knows every single one of those key issues, which is why they send the quickest, most appropriate capability to any incident that they have to deal with—one of the things they have moved to, although there's still a lot of work to do, is the AVL, which is the automatic vehicle location of their appliances.

Operationally—and where I will get to in a second to answer your point more broadly, which I think the Committee should take into account—Fire and Rescue still doesn't have vision of the capability or availability of RFS. Under the Act, Fire and Rescue are to send firefighters to deal with these incidents and protect life and property. Outside of the fire district is the rural fire district. What we're seeing, and what we know through some of the stuff that we're getting out of GIPAAs, is that the RFS are sending resources further afield than Fire and Rescue to deal with the problem, only because of a boundary line rather than the quickest, most appropriate resources.

One of the recommendations that the Committee should make or consider is an amalgamation of the two services into one structural line and one incident control line. Obviously, having two services instantly creates problems—having two different responses and having to go between them. Having one agency dealing with all these multiple incidents—and Fire and Rescue now deals with not just fires but rescue, including flood, bushfires, hazardous materials, swiftwater, high-angle rescue, industrial rescue, you name it. We have a phrase: If you don't have to shoot it or put a needle in it, we do it. The savings in moving the RFS across to that, and the way that Fire and Rescue deals with a lot of its asset management, would probably fall in under that. One of the other benefits would be that you would stop seeing the duplication that is occurring across the two services, where they are competing, realistically, for different funding models out of government and different places to provide the capability to deal with incidents in the same patch. Obviously, the operational benefits would be quite significant as well.

JONATHON WRIGHT: I might add that we often talk about the emergency services sector as a pie of resources or funding. Our members at Fire and Rescue have got a section of that pie, and there's a great deal of scrutiny around the way that Fire and Rescue use money. We have members that have to be accountable for every bottle of water that is used on an incident ground. That runs at complete odds with the RFS, who are unable to even demonstrate the number of active volunteers or to have a definition of what "active" is. This is all public money in the one space.

LEIGHTON DRURY: To bring it back to your point, Chair, it's how many assets you would allocate and then have to look after. One of the steps that needs to be looked at is does council, or whoever is looking after these assets—it becomes a whole lot less if you go, "Hang on a sec. Have we duplicated or nearly tripled, sometimes, resources where we don't need them?" Therefore, is our emergency management set up well to deal with that? Mr Rogers, in budget estimates only recently, said that they've got some good coverage in some places

but they're very poor in others. I think that is one of the problems that this Committee needs to grapple with as well.

Dr DAVID SALIBA: We see that there is an operational task derived from it and there are logistical requirements in order to feed through in terms of that operational requirement. When we look at the RFS and Fire and Rescue NSW, can you please shed some light in terms of a delineation of operational tasks and capabilities required?

LEIGHTON DRURY: Mr Saliba, you come from an armed services background?

Dr DAVID SALIBA: Correct.

LEIGHTON DRURY: Your logistics come from where?

Dr DAVID SALIBA: Within our corps.

LEIGHTON DRURY: That's right. Interestingly, when we have an emergency, you might have the SES on the ground, RFS on the ground and Fire and Rescue on the ground, primarily doing a very similar job. But you then have three, if not four, logistic arms starting to come into those to deal with that. I go back to that one service because you then start looking at the army model. You've got your spear tip; everything feeds into the spear tip. You don't necessarily have to go outside of it. It all locks in behind. It becomes streamlined, and obviously it becomes a lot more efficient. I think across the agencies you would see a better outcome for communities, not only through operations but through, obviously, cost handling and the efficiencies that you would get out of that. I think you have a better trained not only professional force but volunteer force. I think capabilities would absolutely pick up in that model that I've suggested.

Dr DAVID SALIBA: I'm looking through your submission. What is your proposed future state in terms of firefighting in New South Wales? Noting, of course, that there are different firefighting contexts like bushfires, urban fires and the like, what is the proposed future state as it pertains to divisions of tasks and responsibilities?

LEIGHTON DRURY: I would suggest they would nearly stay the same. What would change is you would get rid of boundaries—lines on maps that determine response from either agency. You would have one agency. Where you would probably have most volunteers now, they would keep turning out. Where the professionals are, due to risk, incident type and all that sort of stuff, they would be very similar. Your surge capacity would follow quite seamlessly. Obviously a lot of the emergency management plans would stem out of coming out of one agency. I'd only see more benefits in regards to capability and delivering it, and probably even seeing an uptick in capability being that having one service, you may actually see a blending of different things going in different places rather than, I suppose, people holding onto their silos.

JONATHON WRIGHT: Could we just make the point too, because it's often missed, even from our side of the fence, that Fire and Rescue are the ones that guarantee a response. It's part of the fire brigade Act. It's not part of the RFS's remit. That's a very important thing. Like I said, on people's worst day they want to know that they're getting a guarantee of response. Whatever risk framework is developed to deal with the suggestion that we propose here, it has to build from that concept. Where there is greater risk, there is obviously a need for a higher tier of emergency response where it's guaranteed with the appropriate training and the appropriate resources.

Dr DAVID SALIBA: Can Fire and Rescue NSW—that guaranteed capability, is there a time frame attached to that?

LEIGHTON DRURY: Yes.

Dr DAVID SALIBA: Anywhere in the State? Is there like a golden hour?

LEIGHTON DRURY: Yes, metro has a time frame of we will respond within 90 per cent of whatever it is in the metro, and then regional has a time frame as well.

JONATHON WRIGHT: I might say too that there's a time frame because, in part, fire science says that it's important. Fire and Rescue released a report last year, peer reviewed by Monash Uni. It's publicly available. It talks about fire fatalities within structural fires. It notes the incremental risk to loss of life and property as seconds go by, minutes go by. Fire science hasn't changed a great deal. In fact, it's probably more important than ever given what modern homes are built out of—synthetic materials et cetera.

The CHAIR: Acknowledging that fighting fires in a rural context is really different from remote rural—it's a different beast altogether—are you suggesting that there should be guaranteed response times in remote rural areas?

LEIGHTON DRURY: Absolutely. Not to talk about the people that were just here giving evidence, they talked about that quick attack to some of these more remote fires to knock those things on the head. In a lot of ways, although they are different ways of fighting fires, Chair, certainly the concepts are very much the same. Fire and Rescue in an urban sense, one of their key parameters is confining a house fire to a room or one part of the house. Certainly Mr Rogers, who I know is giving evidence later on today, will talk about the sooner you can contain a grassfire or a bushfire to a small area, the better it is.

Obviously it exponentially gets to the point of total loss of either a house or a large area of bush the longer you let it go. Time frames and having not just a time frame to it but what is actually turning up—in a Fire and Rescue sense, we know that any urban pump we put on the road has four people trained to a certain level and they can do X, Y and Z. Unfortunately, in the RFS system—again, no disparagement on the volunteers—they don't know how many are on a truck and they don't know what they're trained in. In a lot of ways, they don't know where they're coming from, as yet. That's the biggest disparity to that.

Mr ANTHONY ROBERTS: Firstly, congratulations on a very good presentation, gentlemen. I take it that a centralised management committee or structure would be something that you'd be strongly supportive of?

LEIGHTON DRURY: Could you elaborate on that, Mr Roberts? Not to go through a very technical version of what happens in Fire and Rescue and RFS, but I would suggest that one agency should control emergency services in New South Wales. Certainly the way that Fire and Rescue delivers that on the ground is, in some ways, different to the RFS. Fire and Rescue obviously has a central communication point but, in a lot of ways, that is for receipt of calls and dispatch. They very much rely heavily on the incident controller on the ground to take care of that incident. There is not a lot of what I would unfairly put as the jockeying from Sydney to take care of individual incidents. If that was your point, I'm not suggesting that you see that overall command from Sydney taking care of incidents across the State, because that's certainly not the best way that emergency management is done.

Mr ANTHONY ROBERTS: I suppose what I'm asking is what does success look like for you?

LEIGHTON DRURY: I think what you would see is more firefighters and emergency responders on the ground, appropriately trained; response to incidents in a time frame going down; and, obviously, less loss of life, less loss of property, and less loss of vegetation and livestock.

Mr ANTHONY ROBERTS: Would that involve the creation of a body that is entirely responsible for it, or do we just, for example, have it running out of the fire service?

LEIGHTON DRURY: I think you would still need council and a couple of the peripheral agencies to feed in, especially around resilience, before and certainly after. I think what you would see with one merged emergency service is a lot more of the pre-work being done, certainly around hazard reduction and emergency management, community awareness campaigns, which is obviously done a lot by professional firefighters. You would still need the reconstruction authority. You would still need council and EPA, but I would suggest you could wind up a lot of other agencies as well, Mr Roberts.

The CHAIR: The previous witnesses recommended a coordinator-general of emergency services role that coordinates between the different agencies. Your recommendation is to go a step further and actually merge the RFS and Fire and Rescue NSW into one agency.

LEIGHTON DRURY: Yes.

The CHAIR: In terms of the management of that—I just want to clarify what you're saying—it falls under one agency. The delineation in the maps are removed, but not much else changes. There is, say, an overarching agency head and then, underneath that person, there's a group that manages Fire and Rescue NSW and there's a group that manages the RFS. But, because you've got it under one agency, there is much better coordination and sharing of resources and information, and you bring the RFS operations under the same accountability measures that Fire and Rescue NSW has. Am I describing your future State?

LEIGHTON DRURY: No. I would take that one step further, Chair. What you've described is the Queensland model—which they've just restructured back out of—where they put what I call the three pyramids under one pyramid, but they're all still three pyramids. I think the only way to make it work would be to mash the three pyramids—or two pyramids in this case—into one.

Dr DAVID SALIBA: Operational command under the one person?

LEIGHTON DRURY: Yes. Over time there would a loss in executive jobs, obviously, with one commissioner. You'd lose that sort of structure. But at a station level, you would obviously, over time, see an RFS station, and a retained station or a permanent station, either asset recycling, going to bigger and better facilities,

and becoming emergency centres nearly on their own. And, again, one incident control team, one line of purchasing and, again, only purchasing what you need rather than what each agency thinks they need.

JONATHON WRIGHT: I think we'd probably see a lot more agility too. In the suburban fringe areas of Sydney that we're talking about, the RFS are buying urban pumpers for an urban environment, but they don't have the training. They can't guarantee the response. We would also see a risk framework that said, "We need more professional firefighters there."

Dr DAVID SALIBA: When was this first proposed? Is this a revelation now or has this been proposed in the past?

LEIGHTON DRURY: I would suggest that it probably hasn't been—I think, coming off the 2019-20 bushfires, coming after a number of the floods that we've certainly had, that has highlighted a number of different things. One, getting to these things early—these large-scale events that turn into really large-scale events—still does work. Two, again, not disparagingly, volunteerism is slowly dying across the world. Relying on volunteer agencies to keep putting in, the way that they're doing—and, certainly, the report that the previous Government did, that was obviously reported by the now emergency services Minister, totally highlights that. There is this increase of work that is expected of volunteers, yet their numbers are absolutely declining.

Is it a revelation now? No, I don't think so. For the past 20 years, across emergency services, certainly, there has been discussion of merging the RFS and Fire and Rescue. I would suggest that it's the managers at Fire and Rescue and RFS that are the biggest opponents of this. If you go and talk to people on the ground, the furies just want to look after the communities that they serve, whether they be volunteers or permanents or our wonderful retained. I think it would be much better for those communities if maybe they were listened to, rather than some high-ranking senior executive service people.

The CHAIR: I am just conscious of time. I think there are a whole lot of additional questions that we have that we might follow up with you through supplementary questions, just to unpack your thinking around this a bit more. Thank you very much for appearing before the Committee today. You will each be provided with a copy of the transcript from today's proceedings for correction. Committee staff will also email any questions taken on notice today and supplementary questions from the Committee. We kindly ask that you return answers within 14 days.

(The witnesses withdrew.)

Mr BOLA OYETUNJI, Auditor-General of New South Wales, Audit Office of New South Wales, sworn and examined

Ms CLAUDIA MIGOTTO, Assistant Deputy Auditor-General, Audit Office of New South Wales, affirmed and examined

The CHAIR: I welcome our next witnesses. Thank you for appearing before the Public Accounts Committee today to give evidence. Can each of you please confirm that you have been issued with the Committee's terms of reference and information about the standing orders that relate to the examination of witnesses?

CLAUDIA MIGOTTO: Yes.

BOLA OYETUNJI: That's correct.

The CHAIR: Thank you. Do you have questions about this information?

CLAUDIA MIGOTTO: No.

BOLA OYETUNJI: No.

The CHAIR: Thank you. Would you like to make a brief opening statement before we begin questions?

BOLA OYETUNJI: I would, Chair. Thank you for the invitation to provide evidence in this inquiry. Over the past few months, I've been able to visit a lot of the councils—mainly the local councils and the regional councils—and the key reason for this is to find out directly from them what accounting and auditing issues affect them. I've heard that the red fleet issue is a significant one that is causing considerable distraction to their core business. I'm pleased that Parliament is conducting this inquiry. I'm hopeful that a resolution will be arrived at as an outcome of this Committee's work.

Since the Audit Office first identified that a large portion of the red fleet assets are not reported in the financial statements of either State or local government, we have consistently reported this in our financial audit report to Parliament. Also, we noted in our 2023 performance audit of the management of rural firefighting equipment that there is confusion of roles and responsibilities between RFS and local councils in relation to managing certain land-based rural firefighting fleet. It is important that this confusion is addressed, not just from an accounting perspective but to remove operational inefficiencies and ensure that these important assets stand ready to be deployed when the need arises.

The lack of cohesion in roles and responsibilities is further demonstrated by different views on the recognition of red fleet assets in the financial statements. This resulted in councils that provided no data about the fleet assets receiving qualified opinions as we were unable to determine whether or not the amounts unrecognised were material. However, for the 2023-24 financial year, for the first time, our RFS audit team will perform review procedures on the lease of the red fleet assets maintained by NSW RFS to help us overcome the previous limitations of scope in our audits. The Audit Office elected to undertake this additional work, and I anticipate most qualified opinions will potentially be removed. We do not comment on the merit of policy positions, but we're happy to take any questions you may have. Thank you, Chair.

The CHAIR: We will move now to questions from the Committee. Before we begin the questions, I wish to inform the witnesses that they may wish to take a question on notice and provide the Committee with an answer within 14 days after receiving the questions. I might kick off. We've heard a lot of evidence over the past couple of months from a lot of stakeholders, including councils. One of the things that the councils almost invariably raised is the tough financial impositions on those councils, often where it's difficult for them to budget. It puts a lot of financial strain on some councils. I wonder if you could comment on that and the adequacy of the current funding model, for instance, through the RFFF—the Rural Fire Fighting Fund—in respect of RFS operations and the role that councils play here?

BOLA OYETUNJI: I will comment generally but not specifically, because we have not audited that process. One of the things I've heard in my visits is more that, when there's budgets and there's funding to councils, what then happens sometimes is that the actual expenditure gets more than the budgeted amount that they've received, and most of the time it takes a while to either get the reimbursement or sometimes they don't. That's not an unusual situation, but we are not seeing that that is a significant discrepancy in terms of whether a budget is actual. But, as I think I've read in the transcript, one of the things that needs to be done is to optimise that process of the funding flow, because currently there is a lot of duplication that probably leads to inefficiencies.

The CHAIR: I have been trying to find the financial statements for the Rural Fire Fighting Fund. Are you aware if those financial statements are available and I'm just failing to find them?

BOLA OYETUNJI: The fund does not have a specific financial statement. The fund is a special deposit account that is reported within the NSW RFS financial statement.

The CHAIR: Do you have an idea as to the size of the fund? What is the annual income into the fund?

BOLA OYETUNJI: Not specifically, I don't. I can get that information later, but I know that at the end of—the financial statement for the last year there is a balance of \$139 million sitting in the fund.

The CHAIR: Are you aware of the policies or the customary practice that the revenue into the fund is pretty much entirely expended in any financial year to support firefighting efforts?

BOLA OYETUNJI: Well, that's the intention, because you have a budget for a certain amount for what you need for that financial year. More usually, lacking anything in there could be carried forward, but the intention is that there is a budget at the beginning for the amount that is required for that financial year, but usually it would be a bit more or a bit less over the period.

The CHAIR: But there is no place where a member of the public or we, as parliamentarians, can see the financial statements of the fund, where we can have visibility of the revenue and expenditure of that fund?

BOLA OYETUNJI: Not to my knowledge, because it's not a GSF Act agency that requires a separate financial statement. But RFS would definitely have the details of the ins and outs for that fund. I can also take this on notice and check but, for us to sign off the balance at the end of the year and the notes to the accounts, we would have audited the ins and outs. We would have audited the income and the expenses for us to sign off on that balance in the notes to the accounts.

The CHAIR: As part of the Audit Offices' work.

BOLA OYETUNJI: As part of the audit of NSW RFS, yes. That's correct.

The CHAIR: We have heard evidence from witnesses talking about the difficulty of getting visibility around the expenditure by the RFS, specifically in respect of section 44 emergencies and what is being spent by the RFS on its activities. I assume the Audit Office has visibility of that expenditure.

BOLA OYETUNJI: For the financial statement audits, yes, that would be right, because we have to audit that process.

The CHAIR: That is reflected in your audit opinions in respect of the RFS's financial statements each year?

BOLA OYETUNJI: Yes, but just be aware we have an opinion on the overall set of the accounts, based on the materiality of the amount. If, in a particular year, the amount we're specifically referring to is immaterial, we would not necessarily specifically look at that.

The CHAIR: But, of course, as the Audit Office you audit—the financial audit will look at whether those accounts accurately reflect the financial state and the operations of the agency. Unless it's a performance audit, you are not making any comment about the effectiveness or the efficiency of the use of those funds?

BOLA OYETUNJI: We're not. The only time we will do that in any circumstance is if there is any reason to believe that we need to do a deep dive on a specific transaction because of risk. Then we can have a performance audit to look at that specifically, but otherwise we—we also think about what we sign off on. We sign off that the accounts have not been materially misstated. It's not signing off the accounts are correct and accurate, but that they've not been materially misstated. There's a technical difference in that point.

The CHAIR: Before I turn to other Committee members I had a specific—you might not have the answer in front of you—question in respect of the RFS's accounts. Would you know approximately how much per annum the RFS spends on new equipment—capex? I note that the agency financial statements are pretty aggregated. There's a figure of some \$300-and-something million for other expenditure which is non-employee related expenditure. Can you give us any sense of what proportion of that \$300-and-something million relates to, specifically red fleet related capex for that year?

BOLA OYETUNJI: I can take that on notice because we will have the information.

The CHAIR: Thank you. This was my read of the RFS's financial statements—that that red fleet related capex each year is fully expensed in the RFS's accounts.

BOLA OYETUNJI: That's correct.

CLAUDIA MIGOTTO: I could possibly add to that a little bit through the performance audit, if that's okay with you, Auditor-General? We do have some figures on annual expenditure and supplementary funding in

our 2023 performance audit but, again, we'd probably like to come back to you with this annualised in the more recent years, if we can. Up to 2019-20, the RFS was receiving an annual average of \$31.7 million for fleet renewal. That's fleet renewal specifically. Over that time, it refurbished around 170 fleet assets per annum with that expenditure. Then there was some supplementary funding in 2020-23—\$44 million additional funding—and in June 2022, \$105 million for new red fleet vehicles as well. That additional funding came as a result of business cases that were submitted following significant events and inquiries that suggested that the RFS needed to expand and upgrade fleet assets at that time.

The CHAIR: Do you have visibility of forward capex plans from the RFS?

CLAUDIA MIGOTTO: No, not through this performance audit. I don't think we do.

BOLA OYETUNJI: And usually in financial audits we wouldn't.

The CHAIR: Would it be fair to say the red fleet capex every year is not uniform—it goes up and down significantly—or is it pretty much a steady state? Looking at the other expenditure in the RFS's accounts—I only looked at a few years—it was a pretty steady amount there. I am curious as to whether fleet renewal—that capex every year—is reasonably consistent?

CLAUDIA MIGOTTO: I think we need to come back to you to confirm. There has been more activity in fleet renewal in recent years, so that might translate to increased capital expenditure. That has seen a reduction in the average age of vehicles, for example, since 2017, from around 20 years to—I think they're sitting at around 16 years old at this point in time. You might see more capex in recent times but we can take that on notice and see if we can provide more information.

The CHAIR: Where I'm driving at with this is, because of the arrangements now under the Rural Fires Act, new capex for red fleet assets are expensed the year of purchase by the RFS in full.

BOLA OYETUNJI: That is correct.

The CHAIR: They're then depreciated across a whole number of rural councils annually.

BOLA OYETUNJI: Effectively, yes.

The CHAIR: One of the lines of inquiry that would be really interesting to look at is, if the ownership of those assets were to go to the RFS, for instance, when new capex is purchased, it would no longer need to be expensed in full.

BOLA OYETUNJI: That is correct.

The CHAIR: So a line of inquiry that would be interesting is to look at whether the annual recurring depreciation would roughly equal the amount of new capex expense that's put through, such that they might offset each other and such that the overall impact on the RFS's accounts is less material. But we might raise that with you through a number of supplementary questions to the extent that you can answer.

BOLA OYETUNJI: Yes, that's correct. What would happen is once the capital for the particular year is capitalised in the balance sheet, the depreciation—because we're thinking about an average year of 15 years—would then be, as a proportion of that, the depreciation over the period.

Mr ANTHONY ROBERTS: From the Audit Office's experience, do you think that councils are appropriately equipped to own and control their rural firefighting assets, particularly those smaller and more remote councils?

BOLA OYETUNJI: Not currently, because if you look at the service agreement, they don't have the expertise to have the RFS doing the services for them. They don't have the expertise to actually carry out those activities. And that's what the service level agreement covers.

Dr DAVID SALIBA: The lead-up question to that is council's ability to stocktake. Is there any commentary about, one, are they capable of doing that; two, are there significant risks; and, three, is there stuff going missing that we're not accounting for?

BOLA OYETUNJI: One, they are capable of doing it. On the second question about the risk, some have told us they don't know where that equipment is because of the time lag between when they get information from RFS. For the councils, it would be good for there to be a very good relationship and partnering with RFS to make sure that, as you said, the only risk we had—and that's why we thought that those assets should be in someone's book—is that if you don't do that, when the assets go missing, in terms of accountability and performance of the assets, you may not know in good time to be able to resolve the issue.

Dr DAVID SALIBA: So they're capable of doing it. Another follow-up question is are they doing it?

BOLA OYETUNJI: Most are doing it. Some have taken the position of not doing it because they don't believe they control it. They don't believe it should be in their books. They don't believe they should depreciate it. So they've made a stance not to do the stocktake. Historically, from what I've heard—I've listened quite a lot—they get frustrated about not knowing where that equipment is. That is what, I think, led to why they've chosen. They've just lost control of those assets and they're not getting the right information from RFS.

Now, when we go to RFS, we know that every year there is a list that RFS sends to the councils through OLG. Sometimes some will try to reconcile those assets. One or two times they may find one or two missing, but I think that's not a reason not to do the stocktake because they may not be missing, actually. It might just be the timeliness of moving or deploying from one local government area to another, and that is where there may be differences. But, ballpark, they are reasonably consistent with what we're doing now. What we've done now is we've got all the lists from RFS and we're now working with councils to then agree on the list. Most of the time—95 per cent of the time—there is a reasonable agreement. There will be ones that will not be reconciled, but they're very, very small.

Dr DAVID SALIBA: In terms of these stocktakes, is it to an acceptable standard today? Noting the public interest and that sort of stuff, is it done to an acceptable standard?

BOLA OYETUNJI: I will put this: that the problem is from the fact that the rules and responsibilities are not defined in the Act. We have used the word "stocktake". Ordinarily, property plans and equipment in terms of auditing standards does not lend itself to stocktake because the equipment should be on your books, and you should know where they are, and should be able to do condition assessment on them. I think the concept of stocktake then came in because we have two entities having responsibilities within the Act. An entity buys it, an entity is vesting in another entity, and then you have to start the reconciliation. Part of that is part of the duplication, and purely a waste of taxpayers' money when you think about it, that lends itself to the problem we have. The reason why we have to change our own position to get the list from RFS this year is some councils actually just refuse to take the stocktake. The question then is what is the consequence for that? I don't know, but they just believe that because they don't control it, they don't know where it is.

Dr DAVID SALIBA: The problem there, sir, is that if you've got certain—I don't know how many LGAs there are, but there's an expectation for a firefighting response by that community. Councils are saying, "I'm not doing that stocktake." Is there a risk to community?

BOLA OYETUNJI: There is a risk, the risk being that they're not accountable for each of the assets. But what I believe currently happens because of what we call the fire control officers within those LGAs—they actually do know where that equipment is. If you look at the suppression—again, this is where it is all convoluted—the fire control officers report to the commissioner in the local government area. They definitely know where that equipment is. Whether they are now collaborating very well or partnering very well with the councils is a different thing. The risk of those assets not being appropriately deployed is low because someone in the RFS actually has an idea of where those assets are.

But I think, to answer your question, it is more that it has to be in collaboration because the councils understand the local terrain, the local environment. Having that partnership and collaboration is what will give you the optimal outcome once you have defined rules and set responsibilities.

Dr DAVID SALIBA: My last question is where would you like to see that go? Obviously, councils are saying, "We don't want it." What is the best practice here, and what are the disadvantages of the best practice state?

BOLA OYETUNJI: If you don't mind, I've got some things in my mind, but I just want to make sure I don't dabble into policy, which is not within my remit.

Dr DAVID SALIBA: Fair enough.

BOLA OYETUNJI: I must say, though, I have read the transcript of this inquiry and some of the lines of questioning that you have made, and I think you are on the right track to find a good solution to this.

The CHAIR: If I may, I've got a couple more questions. We've heard evidence from a bunch of the councils that the timing of the budgetary ask of them from the RFS is misaligned with their council budgeting cycle, such that they've already locked in their budgets before they get their ask from the RFS. If that is out of kilter with their estimate of their expected amount, they're left scrambling for money. I'm wondering if you have any thoughts or recommendations on how to better align those budget cycles. Question number two: I think it's plain that the direction of a whole lot of the council submissions is that the red fleet assets should be vested in the RFS. Would you be able to comment on any practical or financial challenges with doing that—impediments—whether they are taxation issues, accounting issues, or other things that might make that troublesome?

BOLA OYETUNJI: To the first point about the budget, I think it's probably just having an agreed timeline. That can be resolved easily. Some councils actually also start their budgets earlier than others, so I think in terms of collaboration that can be resolved. Again, on the point of vesting or not vesting, I will probably refrain from answering that question directly. You will just be aware that, if you look at the Rural Fires Act, if there's going to be any change, it has to be a wholesale change so that fixing one problem doesn't cause another, because they're different sections of the Act that give different obligations to different parties. You want to make sure that all those are aligned in terms of the review of the Act.

The CHAIR: Could you elaborate on that a little bit?

BOLA OYETUNJI: I'll give you an example. I think there's a bill that went through Parliament about moving the vesting from council back to RFS. If you did that, then it has not solved the problem because there's this section in the Act that requires councils to still have an obligation, so you have not really solved that problem. I think it needs to be aligned. Then, depending on how or where this Committee lands, I think the solution can be done when you have a good transition to fix the problem.

The CHAIR: That's a fair point; understood. There are no other questions. Thank you very much for appearing before the Committee today. You will each be provided with a copy of the transcript from today's proceedings for corrections. The Committee staff will also email any questions taken on notice from today and any supplementary questions from the Committee. We kindly ask that you return these answers within 14 days.

(The witnesses withdrew.)

(Short adjournment)

Mr ANDY HOBBS, Executive Director, Financial Stewardship and Public Reporting, NSW Treasury, affirmed and examined

Mr DOUGAL HORTON, Director, Justice and Emergency Services, NSW Treasury, affirmed and examined

Mr SAM TOOHEY, Executive Director, Delivery and Coordination Group, Premier's Department, affirmed and examined

Mr NATHAN VINCENT, Director, Emergency Management and Coordination, Premier's Department, affirmed and examined

The CHAIR: I welcome our next witnesses. Thank you for appearing before the Public Accounts Committee today to give evidence. Can you each please confirm that you have been issued with the Committee's terms of reference and information about the standing orders that relate to the examination of witnesses?

NATHAN VINCENT: Yes.

SAM TOOHEY: Yes.

DOUGAL HORTON: Yes.

ANDY HOBBS: Yes.

The CHAIR: Do you have any questions about this information?

NATHAN VINCENT: No.

SAM TOOHEY: No.

DOUGAL HORTON: No.

ANDY HOBBS: No.

The CHAIR: Would anybody like to make a brief opening statement before we begin the questions?

SAM TOOHEY: I think we're happy to proceed to questions.

The CHAIR: I might kick off then, if I may. I don't know the extent to which you've seen the submissions to this inquiry. Most of them are from councils, and I think it's fair to say the thrust of those submissions is that local councils are very unhappy with the current arrangements in respect of the vesting of red fleet assets with the councils, the complexity of the management of the arrangements under current practice to fit with the Rural Fires Act, and the duplication in resourcing. I want to hear, from the Treasury and from the Premier's Department, your reflections on this. I think it's fair to say we haven't heard a lot of arguments about the merits and the benefits of the current system and, specifically, why those assets should continue to be vested across the local councils. It would be great to hear your views on this issue.

ANDY HOBBS: I can pick up on the accounting process to start with. That's relevant to my part of Treasury. We prepare the State's consolidated financial statements and we have an accounting policy and advisory team that, ultimately, were the people who made the decision on the accounting here and, by inference, then made the decision that the councils should be the ones recognising the assets. So, I suppose, to the point of your question, it's not necessarily something that Treasury has chosen or necessarily has a policy view in supporting. The way that the accounting works, it strives to be, as far as possible, an objective judgement based on the facts in question and the accounting standards. So all we've done, simply, is to take the guidance that's available to us in the accounting standards and then look at what the Rural Fires Act says in terms of the rights and obligations of councils, the RFS and so forth.

Weighing up all of that evidence, it's our professional view that the accounting standards require the councils to recognise those assets or, perhaps more specifically for us, that the State shouldn't be recognising them. So it's not that we have necessarily seen the merits of that, simply that's just what the legislation and the surrounding arrangements require under the standards. Obviously, ultimately, the Audit Office have agreed with that assessment. They've accepted that in the past few years. We've periodically reviewed that, but nothing has changed in recent years. So that will continue until and unless the legislation and/or other things change.

The CHAIR: We've heard a lot of evidence about waste duplication, complexity, the risks associated with that. Has Treasury done any work to try to quantify that duplication and waste, to try to quantify any synergies that might come about if the situation were to change?

ANDY HOBBS: Certainly not in my part of Treasury, no.

DOUGAL HORTON: It's not work that Treasury has done. I understand the RFS may have had an initial attempt at working out potential costs of changing the arrangements. That's probably more of a question for RFS. To confirm, Treasury has not produced any such information.

The CHAIR: Does Treasury have a view or any line of sight as to, if the assets were to come across to the RFS, what the aggregate annual depreciation of those assets would be? What might that figure be?

DOUGAL HORTON: Again, no. From my team, Treasury has not produced that information. That's something that RFS would need to produce based on the assets that are on hand, and that would get transferred to the RFS.

ANDY HOBBS: We can possibly take that on notice if RFS don't have it. If you don't get it in later evidence, we can probably establish that.

The CHAIR: Yes, that would be good. Are you also across the annual amount of red fleet related capital expenditure that the RFS spends on new capital purchases each year?

DOUGAL HORTON: RFS only has a small capital budget for themselves. Any assets that are produced are vested to local councils. They have what we call a recurrent or capital grant budget that they allocate to local councils upon completion of works. But, again, RFS would probably be best placed to answer any specifics on the breakdown of their budget and how that's allocated to local councils.

The CHAIR: So Treasury doesn't have any visibility as to the amount of capex that's being expensed annually through the RFS's books? That does impact the State's accounts directly—the expensing of that capital expenditure in the year of purchase.

DOUGAL HORTON: I don't have the information at hand. I'm happy to take it on notice. However, RFS would be able to answer that question, probably immediately.

The CHAIR: Does Treasury have any view as to how the funding model for the RFS, as it relates to councils, might be able to be improved or streamlined?

DOUGAL HORTON: A policy question doesn't really sit with ourselves. As you are aware, the Government has announced a reform process into the emergency services levy and funding more broadly. I'm happy to take any questions on that on notice but, right now, arrangements adhere to current legislation. Similar to the accounting, until that legislation changes it wouldn't be appropriate for us to put forward a view on alternative policy arrangements.

The CHAIR: Referencing that review on the ESL arrangements, are there any preliminary insights or findings that you might be able to share with us at this stage?

DOUGAL HORTON: That's a different area that manages this process. Again, that would have to be a question that we would need to take on notice. I apologise.

The CHAIR: I notice I've directed all of those questions to Treasury. I don't know if the Premier's Department has any comments to make on those questions.

SAM TOOHEY: Like our Treasury colleagues, we don't have independent views as to how things could change or not change. We are involved in assisting the agencies through the budget process, through the setting of funding targets. We have experience dealing with this issue. We're happy to assist the Committee in practical matters, but less so on opinions around what could change or not change.

Dr DAVID SALIBA: On that, though, you don't have independent views, but surely there are views in terms of strengths and weaknesses of the current approach.

SAM TOOHEY: Certainly. We have a quite substantial system of emergency management in New South Wales which relies on multiple agencies dealing with different hazards, and the coordination of that is a major endeavour.

Dr DAVID SALIBA: When we look at, for example, the funding governance arrangements surrounding this, councils are saying, "We're not equipped to deal with this because of a whole bunch of factors." I'm sure you've seen some of the submissions that have been made. I'm not asking for a view. I'm asking from an objective standpoint, given that the Premier's office and Treasury—in terms of the funding arrangements there. What are the weaknesses? Does what they say resonate? Is it objectively a fact or is it not so much?

SAM TOOHEY: In terms of the RFS assets, it's been a longstanding issue of concern to a number of councils but, from our point of view, the management of the depreciation of those assets is offset by the recognition of the value of the assets on the books. So it is fundamentally an accounting issue rather than—

Dr DAVID SALIBA: But it becomes broader than that because, for example, stocktaking—assets and resources required with respect to stocktaking and there's a residue about some councils aren't stocktaking. There are issues pertaining to the service agreements; the service agreements haven't been updated in a decade plus. Then there is a residual amount councils have submitted, saying, "Yes, we get funding, but we have to cough up from our own accounts to meet excess requirements with respect to maintenance." I guess there are those sorts of things.

DOUGAL HORTON: I think that is straying towards policy, which we are not able to comment on.

SAM TOOHEY: I would note that the RFS does have a service delivery agreement new model that it is holding back from rolling out for consultation until it has the benefit of this Committee's findings. I guess that's an acknowledgement that those standard template SDAs are due for updating and refinement.

Dr DAVID SALIBA: I accept what you're saying, but it's not so much a policy issue with respect to the aspect of funds being expended. From Treasury's perspective, councils are saying that they're spending funds outside of what they've been provided for the upkeep and all the other associated management of it. I guess that is an accounting question. Is that true or not?

SAM TOOHEY: I might answer, which is to say, local governments have responsibilities under the Local Government Act and various other Acts of Parliament. The State Government provides assistance, but it does not ensure local government the full amount of costs across their broad range of responsibilities. There are arrangements in place for local government to raise funds to acquit its obligations under a range of Acts.

The CHAIR: The weight of the evidence in this inquiry so far is that the assets should move, and I guess we're looking for a government view, from Treasury and from the Premier's Department—there's a whole-of-government submission looking for a view as to why that shouldn't be the case. We are looking for the opposing view, because we haven't heard the opposing view.

DOUGAL HORTON: I'm just not sure whether it's appropriate for us to present an opposing view.

Ms JENNY LEONG: We're trying to ask it in a way that potentially allows us to rely on your expertise around this. If a recommendation was to be made that that transfer was to happen and the legislation would change and the State Government would take control of that, what steps would need to be taken to do that? In doing that—and I appreciate this might need to be taken on notice—what would we be looking at in terms of the potential cost for the State Government in relation to making that transfer?

DOUGAL HORTON: On the costs, as I said, Treasury has not estimated the potential cost to government of those assets being placed on government balance sheets. As I said, RFS would probably have to do a fair bit of work in that space based on their asset registers. There would obviously be depreciation charges. I understand there'd be impacts on insurance. There'd be maintenance costs. But that's probably a question that RFS would be best placed to answer.

Ms JENNY LEONG: Then, in relation to what steps would need to be made—recognising, Mr Hobbs, you said that you're going through the process as it is set out in the legislation and what is required—from a Treasury perspective, if there was a desire of this Committee to listen to the local councils, shift that and remove any responsibility for local councils in relation to these assets, what are the current guidelines and what are the bits of legislation? What would need to be changed to make a complete transfer over?

ANDY HOBBS: I probably can't speak to the hypothetical, because it's for government to choose what legislation is put forward but perhaps a couple of broader points. I would always say this: we would advise always against legislating or taking other action solely to achieve an accounting outcome. What we should be trying to make changes for is for benefit of the people of New South Wales. If, in doing so, we can sort out the difficult accounting issues that councils have obviously represented to you that they're not happy with, that's fantastic but that shouldn't be the principal part. In the current assessment that we're making—

Ms JENNY LEONG: Sorry, Mr Hobbs, can I jump in there. I'm 100 per cent on board. The idea that we're dealing with accounting principles that is causing these problems on one hand is an issue. But if we take a step back, in the real world we've got councils that are accounting for things and having to do stocktakes and audits of things that they have no control over and that they don't have the keys for. They can't determine whether or not they should get more or less of them. They're instructed what they need to do with it. In a sense, we are already in an accounting anomaly where we're saying that there is a level of ownership over these asset for the council when actually any real-world definition of ownership would mean you would have some control or ability to go and use the keys to move the truck or allocate it to a different location—none of which the councils get to do.

Where I'm at is, what are these accounting standards and the bits of legislation that Treasury is relying on? They seem to be saying, "This should be the way we're going." At the moment it feels like an anomaly with what is happening on the ground. We've got accounting standards or legislation that is saying, "This is how it should be accounted for," but in actual fact, any real-world example of this, for the benefit of the people, is that the assets aren't controlled by those local councils anyway.

ANDY HOBBS: To try and be as helpful as possible, I can talk a little about why we've come to that current judgement around the accounting at the moment. Certainly the part of the Act that provides the vesting of the assets is the obvious part and I think it's already been the subject of a bill so far. That is a part of it. That's something we've looked at to say that legal ownership is usually a pretty strong indicator of control of an asset, so that's a good starting point. To my broader point about the benefits of this, we're also looking at the responsibilities, as my colleague said, of the local councils around bushfire management. They have statutory powers and obligations around the management of smaller fires and the prevention of fires and things. I would encourage it to be the case that if the legislation is to be changed, there would need to be thought to given to how councils can have those obligations and powers in an Act using some assets that, in your hypothetical, we're saying were transferred to the RFS.

I think that needs to be very carefully done because while at the moment we have enormous sympathy with councils, as you said, expressing worry about assets they don't feel they have real-world control over yet are being required to account for them, equally I think one could imagine that having statutory obligations that can only really be discharged through the use of these assets that they don't actually own them and still don't have the keys to, and in law don't have the keys to, could be challenging as well. I think there's a need to think about not only the parts of the Act that provide specifically for the assets to go somewhere but also what is being expected of the councils. As I say, there's a risk of us straying into giving advice and I'm certainly not a bushfire expert, but I think those two things need to be thought about together.

There are other parts of the Act, for example, that restrict the ability to move the assets outside of the local area except where there's a section 44 fire. There's some very careful work that would need to be done to make sure that if the Committee is recommending change and if Government chooses to move forward with it, that we're making sure we don't just change the most obvious part of the Act that's causing trouble here but we look more broadly to say, actually, what are we asking of these councils in the day-to-day bushfire, outside of section 44 and in section 44, to make sure that the councils can provide the services for the local people with those assets in the right way and that we don't unintentionally create a different problem by making some more targeted changes to the legislation. I think it needs to be thought about together. Is that a fair point?

DOUGAL HORTON: Yes.

Ms JENNY LEONG: I appreciate that this is an accounting situation or it's costing councils real money, but it seems to be that, depending on who you ask, we get a very different response. It would be great to get your views on that because there seems to be that, on one hand, we're hearing particularly from the country mayors and from mayors that are having to depreciate these assets and have them on their books that it's costing them a whole lot of money, as the member for Fairfield raised. But then, at the same time, we keep getting the response back that this is an accounting thing and those assets would have been put on the books in the first place. It's not actually costing anyone any money; it's just an accounting situation. I'm struggling to do this. I'm not an accountant. We seem to be getting two very different pieces of advice from people that are looking at this in a lot of detail. I wonder if you have any reflections on that.

DOUGAL HORTON: On the opposing views—that councils say one thing and then the RFS has a different view?

Ms JENNY LEONG: Yes.

DOUGAL HORTON: Again, all we can really answer is that this is in line with accounting policy and the existing legislation for the Rural Fire Service. I acknowledge that there are different views between the RFS and councils. I know you won't like me saying this but that's, to be honest, a question to put to councils and to the RFS to answer. It's not for Treasury to provide a view on differences of opinions between—

Ms JENNY LEONG: I'm sorry if it came across that way. I'm certainly not asking for an opinion in relation to their views. What I'm curious about is, given your expertise in Treasury and given we're talking about an accounting issue on one hand but real-world assets on another, we have an opinion that says this is costing real money. And we have another opinion that says this is not about real costs; this is about the way that we're accounting for assets. While I'm not trying to get you to take a side in relation to this, I'm trying to get you to provide to the Committee, rather than an opinion, any insight into unpacking how we are in both of these situations. It's a method of accounting and it's not something to worry about, or it is a genuine cost-shifting

exercise. It's hard to reconcile those two things. From a Treasury perspective, with your expertise in this area, do you have any insights you can offer in relation to that?

ANDY HOBBS: I'm happy to have a go from one angle. Do you want to go?

SAM TOOHEY: I was going to suggest that in pure terms of the depreciation of the assets, that's a non-cash budgeting accounting expense. That's not to say that councils don't contribute to the operations of the RFS. The RFS provide councils grants to support operation of the assets fleet et cetera. That's not necessarily 100 per cent of operational costs. Councils do contribute in kind or otherwise to support those assets.

ANDY HOBBS: Building on that, the reporting framework under which councils are obliged to report is the same as ours. They have to follow Australian Accounting Standards. That's an accruals-based framework, so it doesn't work on just cash. That brings in the depreciation charge. For a council, that depreciation charge is, in a sense, as real a cost in their books as it is for anything else. Helpfully, it's not cash so it doesn't affect their cash management. But if a council is looking at trying to achieve a balanced budget at the end of the year or trying to achieve a surplus, it has to bring in that depreciation. So I certainly would understand, from a council's perspective, that that feels like a real cost that they need to recognise in their books. And if that's not something they're supportive of, we have sympathy with them.

Ms JENNY LEONG: And we don't have a picture of that across the State in terms of what that make-up of the difference would be—or that's what you were suggesting, Mr Horton, would need to be directed to RFS?

DOUGAL HORTON: Are you talking about what the council says is the gap?

Ms JENNY LEONG: Yes.

DOUGAL HORTON: No, we wouldn't have that information.

ANDY HOBBS: Off the top of my head, it is, in total, something like low tens of millions of depreciation charge. We'll take this on notice and give you the proper answer but, in the interests of being helpful, I think it's something like \$1.5 billion in assets in total across the State, and the depreciation charge is in the \$20 million, \$30 million, \$40 million or \$50 million range in total. Obviously, that will vary greatly according to what assets are in which council and how big they are.

The CHAIR: This is probably a question for the Premier's Department. Does the State have a risk management framework specifically when it comes to loss of life and property? Is there a risk management framework?

SAM TOOHEY: I would offer you two points in answer. The Government has recently launched, in compliance with the NSW Reconstruction Authority Act, a State Disaster Mitigation Plan. That plan is built on a State-level risk assessment of natural disasters. In addition to that State-level view, the New South Wales emergency management plan, which we call the EMPLAN, requires risk assessments to be done at the local regional level. We're certainly in the early stages of trying to uplift the guidance to local emergency management committees about how those risk assessments can be done, and be done better.

The CHAIR: In addition to the local risk assessments, do those risk management plans or emergency management plans look at the risks associated with operational management across the State? For instance, would any of those plans, whether at the local level or at the State level, look at the risk of operational failure of one of the main response agencies?

SAM TOOHEY: I guess what I would mention is that the State Emergency Management Committee, which is established under legislation to coordinate across government agencies and non-government agencies for planning for emergencies, has just endorsed the progression that sits above both the Premier's Department and the Reconstruction Authority to do a State-level emergency risk and capability assessment—so not just an appraisal of risk, but reviewing the capability of agencies not just emergency response agencies—to meet those and address those risks. That's an iteration of an earlier State-level risk assessment that was done, I want to say, in 2017 or 2018.

NATHAN VINCENT: I think it's both.

SAM TOOHEY: This is the next version, but it will go broader—not just have a narrow risk focus, but address that issue of capability as well.

The CHAIR: This is a work in progress at the moment?

SAM TOOHEY: We just got approval to kick off last Thursday.

The CHAIR: What is an approximate time frame for that to be undertaken?

SAM TOOHEY: I imagine it will take us—I might take that on notice to get you the right answer, but it will take nine to 12 months.

The CHAIR: It may not be directly relevant to this, but does the State, through the Premier's Department or another agency, have a statewide risk management framework? Do we look at statewide risks? Is there a Government view as to appetite and tolerance for those risks—this might be a pipedream—where it flows into the budget process?

SAM TOOHEY: I suspect you're asking from a broader lens than what we would answer, which is very much focused on risk assessments for emergencies or hazards as opposed to broader accounting or Treasury risk, which encapsulates a lot of greater matters around money markets and borrowing rates and things like that.

The CHAIR: My experience with large, complex organisations is that there is generally an enterprise-level risk management approach: You look at a range of enterprise risks and there is an assessment of tolerance and appetite for those risks. In well-managed organisations it flows into the allocation of resources to address those risks—how much you are willing to mitigate those risks. I was interested, from a government level, in the question around the risk maturity of government generally.

DOUGAL HORTON: Each department has their own risk management plan. I know Treasury has a risk management plan. I don't think we really go to the sorts of questions that you're asking, though. Of course, if you're talking about budgeting, a whole range of risks are considered when annual budgets are being set. I don't think that's really answering the question that you're asking, I'm sorry.

The CHAIR: That's okay. Are there further questions? No. Thank you very much for appearing before the Committee today. You will each be provided with a copy of the transcript of today's proceedings for corrections. The Committee staff will also email any questions taken on notice from the day, and any supplementary questions from the Committee. We kindly ask that you return these within 14 days.

(The witnesses withdrew.)

Mr BRETT WHITWORTH, Deputy Secretary, Office of Local Government, Department of Planning, Housing and Infrastructure, affirmed and examined

The CHAIR: Thank you for appearing before the Public Accounts Committee today to give evidence. Can you please confirm that you've been issued with the Committee's terms of reference and information about the standing orders that relate to the examination of witnesses?

BRETT WHITWORTH: I have.

The CHAIR: Do you have any questions about this information?

BRETT WHITWORTH: No.

The CHAIR: Would you like to make a brief opening statement before questions?

BRETT WHITWORTH: The issue of the rural firefighting assets has been one of those very contentious issues that I've dealt with in my time since becoming Deputy Secretary of the Office of Local Government. I've been Deputy Secretary since about January 2023, and it has been an ongoing issue since that time—and, in fact, before that time. What has always characterised the issue for me has been a question as to where the Office of Local Government sits, between the expectations of councils, the expectations of the State Government in terms of its broader policy, and the expectation of the Auditor-General.

There were a number of very critical reports from the Auditor-General, both in terms of a performance audit of the Office of Local Government, as well as the 2022 report into local government, where the Auditor-General effectively said the Office of Local Government needs to take a stronger stance on the identification of rural firefighting assets as part of the accounting code. It was as a result of that that I made the call to see a stronger and more unequivocal position about the accounting code. I think in terms of the why of rural firefighting assets being an issue that we need to consider as being within the control of councils, I suppose—and I come at this as a planner, not as an accountant. I see Mr Roberts is laughing, because we've got a long history together. I come at this as a planner and not as an accountant, so I won't go into the accounting elements.

What appears to me to be critical is three things. Firstly, there is State legislation that specifically vests the rural firefighting assets in local government. As a consequence of that, those assets are not vested in the State Government. The second is a question of control. I know that control is an important issue in accounting. I appreciate that there have been various reports. There is the gap report, which talks about councils not having control. At the same time, I look at the question as to whether that control was effectively delegated to the Rural Firefighting Service, the RFS, as part of the district fire service agreements that councils had signed. I know that will be quite contentious, and a number of councils say they're old documents that haven't been renewed. The third element that I raise is the economic benefit. This is, I suppose, where I come at it from a planning perspective.

Looking at bushfires—and I've been involved with a planning response to bushfires since 1993. I was actually sent out in 1993—effectively, by the director general at the time—to look at where fires had impacted in Helensburgh, because we were contemplating a commission of inquiry into a residential development in Helensburgh. I've since been involved in subsequent iterations, and even been an executive who had responsibility for signing off planning for bushfire protection in some of its earlier guises. So I appreciate the importance of a precautionary approach to the protection of communities from the spread of bushfire, and recognise that, with public land, that is quite a critical role that councils take.

As one of the largest landholders in New South Wales, councils effectively gain an economic benefit from not having the spread of fire, because those lands that they own are being managed—from a firefighting and a fire suppression, maintenance and protection perspective—by the Rural Fire Service using the very assets that have been vested to them by the State Government. Having said all of that, I can appreciate that this is an issue that requires consideration as to whether the system is working to achieve that outcome. I'm more than happy to take questions from the Committee, and would be guided by the recommendations of the Committee in subsequent advice that I'll provide to the Minister for Local Government and to others.

The CHAIR: Thank you very much, Mr Whitworth. Before we begin questions from the Committee, I inform you that you may wish to take a question on notice and provide the Committee with an answer in writing within 14 days after receiving the question.

Dr DAVID SALIBA: Thanks very much for your submissions and the work that you do. On that last point that you raised, my question is, from a public goods perspective or a public service perspective, in terms of the economic benefits going to council, what differentiates that from other public goods and services derived from the State and Federal governments to LGA areas?

BRETT WHITWORTH: What differentiates it?

Dr DAVID SALIBA: Yes. In terms of the argument being made that the Rural Fire Service's assets be vested in council, so to speak, because there is an economic benefit derived from them being landholdings, what about other government services that are held by the State—for example, the SES or the police or health?

BRETT WHITWORTH: Yes, and I think the SES is a good example because the SES is, obviously, vested in the State and there was a process to transfer. Originally, assets were owned by councils and there was a process to, effectively, transfer them back. It is a policy issue. But I suppose what differentiates between the SES and RFS, and between the sorts of issues that they deal with—and it's not black and white—is the SES deals predominantly with floods, major storm events and emergency situations, whereas the RFS deals with bushfire and the spread of bushfire from one property to another. The structure of the Rural Fires Act is such that there is an incentive for landholders not to have fire spread from their property to another property. In fact, it's an offence.

So councils therefore have not just an economic benefit but an obligation to manage that, whereas the flooding issue is not something that you can manage in the same way. But my analogy also tends to fall down a little bit because during a storm event, trees fall down. If trees fall down in a public park and they injure or impact someone, as tragically happened over the weekend, there is a question as to who has the liability for that as well. This is the problem, I think, with this issue: It's not clear-cut and it's not entirely black and white on either side.

Dr DAVID SALIBA: I'll be blunt: I think there is conflation in every aspect of public goods and services. I can't remember my economics studies about what the definition of a public good is in terms of the features of it, but you can apply that with policing. For example, in America a sheriff is in charge of a town and is paid for by the town. Here we have a State-based approach, because crime can traverse between property as well. I'm just trying to think about what differentiates it. That's a question that we probably won't answer today.

BRETT WHITWORTH: I suppose, though, without again wanting to raise another particularly challenging issue, the concept of councils having a role in providing a contribution for the emergency services levy is a reflection of the fact that public order and emergency services were once local and municipal services that were provided, and a decision was made to aggregate those services to achieve better economies of scale, better delivery of service. But the funding of that still derives back from councils and the landholders as well. So, in a way, the police are providing services partly funded by the State but they're also partly funded through the emergency services levy. Fire brigades are another example.

Dr DAVID SALIBA: Yes, every public good is funded by the public—

BRETT WHITWORTH: Yes.

Dr DAVID SALIBA: —when you think about it, in terms of some source of revenue: income tax, company tax, stamp duty and the like. Sorry, Jenny, do you have questions?

Ms JENNY LEONG: Yes. Mr Whitworth, I'm keen to get a sense from you about how much of a problem this is, from the Office of Local Government's perspective, in terms of the risks to safety and fire response. Leaving aside the accounting standards or otherwise, there is a nervousness that I have in the evidence that we've heard where there are councils who believe that they don't have control of these assets that they're required to account for. But they have a role to play in maintaining them, arguably. The RFS is aware of where these assets are, on the advice we've been given, but there is a need for a local response that ensures that people know where those assets are, and then they can respond accordingly.

I'm keen to get a sense from the Office of Local Government's perspective, hearing your comments as a planner and how we're doing this response better. Is there a risk that because no-one is feeling completely responsible—or, arguably, too responsible—for the assets at the moment, in the process, we're putting the community at risk because we don't know where those assets are, if they are being maintained adequately and how that works? Does the Office of Local Government have a view on how we could navigate through this to capture some of your elements, which is keeping the councils involved in this local response versus an accounting problem, which seems to be the focus of this inquiry?

BRETT WHITWORTH: From an Office of Local Government perspective, I have quite narrow parameters around the financial health and sustainability of councils and the delivery of their services. As a planner, divorcing myself from the Office of Local Government perspective, I think we've seen with various inquiries—the O'Kane inquiry into the 2019-20 bushfires, where Professor O'Kane argued for a more strategic approach to bushfire management and protection. Rather than saying, "There's residential development. There's the hazard, which is the bush, and we'll have 100 metres separation," it was a case of saying, "There are some areas where you just cannot manage the risk away," in that sense. Getting that more strategic approach then ties into an operational response. There are some areas in the State that will have a greater bushfire risk than other

areas, naturally. Ensuring that they're recognised on a locality basis comes back to the importance of having local brigades that can know and understand where those risks are and how to address them.

Ms JENNY LEONG: There would be, I imagine, a lot of examples where councils are responsible for having an input on that locality based in the local perspective where they're not also having to have assets of that particular service on their books. What I'm saying is that there are other ways to involve local responses and local councils rather than needing to—

BRETT WHITWORTH: Absolutely, there are. Again, it's going to be a matter for the Government to make a policy decision on whether the vesting, which is probably the key point, should remain. If the Government makes that choice to change that, then it'll be akin to the State Emergency Service change. It's not going to be as simple as we change a line in the legislation. It's going to have to be a comprehensive response to understand how those local brigades will maintain authority over their areas and will be able to work with RFS, and that the council will be able to be involved, to ensure that it marries in with their other land owning and land management responsibilities, their community service obligations and those broader obligations that come when there is a bushfire emergency.

Ms JENNY LEONG: From your perspective, then, if that was something that the Government were to take up and the Committee was to recommend that way, given the complexity around that, who would you identify would need to be the people involved in that process? Obviously the RFS and the Office of Local Government, but what do you see as the scope of who needs to be involved in making sure that is actually delivering on community safety?

BRETT WHITWORTH: Firstly, it'd have to be led by the RFS. The Premier's Department, and the emergency services role and coordination role and policy role that they provide, would be critical. We would obviously be there to assist from a financial perspective and an accounting perspective for councils. Whilst there are about 36 to 38 councils that don't have these on their accounts, there are also an equivalent, if not a larger number, that do have them on their accounts. We'd have to make sure that there's not a sudden shift of assets from one point to another point. We would obviously need to be there. It would be quite a broad church, I would imagine, but led by RFS, and the involvement of the sector—the councils themselves—would be critical as well.

Mr ANTHONY ROBERTS: Let's bring into the room here your extensive experience throughout the government sector, and I thank you for that. I thank you as a public servant who, without fear or favour, gives very frank advice. Moving aside from the operational perspective, if the red fleet was transferred to the NSW Rural Fire Service, what are the financial implications for local government? If we just keep operational out for the time being, what are the financial implications? Healthy local governments are important in New South Wales, so can you give us a bit of an outline as to those implications?

BRETT WHITWORTH: I think there are probably two sets of implications. The first set of implications is the extent to which councils are relying on assets in other ways, if they have aggregated those assets as part of a broader loan package. I am not saying that there would be a lot of councils that would do that but, if there was a sudden shift of those assets out, it would reduce the council's asset base. That said, I suspect that the size of this would not be a material impact, and I think that is where the Auditor-General has been going with the questions about the materiality of the extent of the red fleet. When you start breaking it down to council by council, it starts to diminish in size.

In terms of the impact on the council's individual financial statements, the depreciation is obviously the key thing because these trucks are, effectively, being dedicated to the councils. So it is the depreciation. That depreciation is obviously a non-cash depreciation, so it has no impact on the council's cashflow or their ability to deliver services, but it does impact on the performance ratios and it does impact on the bottom line of their budget. We are commencing a process of review of the performance ratios for the very reason that councils have been saying the extent of depreciation can take what is a well-operating, highly functional council with a lot of cash reserves and make it look like it is actually not—

Mr ANTHONY ROBERTS: It is a basket case.

BRETT WHITWORTH: Yes. It can actually have that impact. So we want to shift the performance ratios and the operational ratio to what is called an EBITDA model: earnings before interest, depreciation, tax, and—I can never get the A. So move to that EBITDA model and to start shifting the conversation that the performance of a council isn't necessarily whether, from an accounting perspective, they have achieved a positive bottom line. It is what are the services that they have provided, what cash do they have on hand, what cash reserves do they have available, and what are the assets that they are utilising for public good and public value.

The CHAIR: Mr Whitworth, if I could follow up on that, I think it makes a lot of sense if councils report on an EBITDA basis. It strips out the depreciation side and it is much more an operating measure. My

question is related to the actual cash impacts on councils. We have heard a lot of evidence from a lot of councils. Some have said, as a rule of thumb, the reimbursement that they get for repairs and maintenance is one thing, but it really only covers two-thirds of their actual costs. So they are basically leaking one-third of the repair and maintenance cost, which is essentially picked up by taxpayers. From OLG's perspective, do you have any views as to the current funding arrangements and how you think that might be improved? Do you have a philosophical view?

I try to unpick it in my head—the fact that, where something is funded by the State, it's essentially funded by taxpayers. That's hit number one. Then you've got the ESL, which is 70 per cent funded by insurance companies—in other words, people taking out insurance premiums—and the 11 per cent from councils, so it's the ratepayers in the council areas that are hit a second time, and then there's a contribution from the State. If ratepayers are hit in some way a third time, the whole thing seems inequitable and random, the way the cash flows through the system. I'm wondering, from OLG's perspective, if you have a view as to the funding model and how that might be improved?

BRETT WHITWORTH: We don't have visibility over the maintenance funding for councils of the rural firefighting assets. My understanding is that's done through the individual agreements, and then there would be, I'm assuming, subcomponents to those agreements. From a philosophical perspective, the view about maintenance would've been, if it's mechanical repairs for the trucks and so on that that's part of a council that has an operating depot and it has its own fleet and it has its own mechanics and so on. Unfortunately we're seeing less and less of that. We're seeing an increase in outsourcing, which is one of the reasons why the State Government is investing in trainees and apprentices to overturn that shift towards outsourcing.

I really don't have a better answer for you other than I don't have visibility over it. I believe that that's an issue that RFS really needs to—not really needs to answer, but that's a question for RFS. Because I just don't know how they're managing their asset management approach, how they identify what trucks need what sort of maintenance or the extent to which the local brigades are involved and driving some of that. I just don't have that understanding or knowledge, and I'm not in that operational space either.

The CHAIR: Are there any other questions?

Ms JENNY LEONG: No, I'm good, thank you.

The CHAIR: Thank you for appearing before the Committee today. You'll be provided with a copy of the transcript of the day's proceedings for corrections. The Committee staff will also email any questions taken on notice from today and any supplementary questions from the Committee. We kindly ask that you return these within 14 days.

(The witness withdrew.)

(Luncheon adjournment)

Commissioner ROB ROGERS, Commissioner, NSW Rural Fire Service, sworn and examined

The CHAIR: I welcome our next witness, Mr Rob Rogers, AFSM, from the NSW Rural Fire Service. Thank you for appearing before the Public Accounts Committee today to give evidence. Can you please confirm that you've been issued with the Committee's terms of reference and information about the standing orders that relate to the examination of witnesses?

ROB ROGERS: I have.

The CHAIR: Do you have any questions about this information?

ROB ROGERS: No.

The CHAIR: Would you like to make a brief opening statement?

ROB ROGERS: Thank you for the opportunity to give evidence in the inquiry into the assets, premises and funding of the RFS. The RFS is the largest volunteer firefighting agency in the world. We have more than 70,000 volunteers in almost 2,000 brigades, who provide fire and emergency services to 90 per cent of the land mass of New South Wales. These services include responding, attending emergencies and activities, bush and grass fires, house and structure fires, storm damage, search and rescue, motor vehicle accidents, community education, bushfire mitigation and assisting in medical events.

There's a long history of cooperation between the NSW RFS and local government in the provision of fire services. This dates back to the municipal institutions Act of 1858, which allowed municipalities to make laws for preventing and extinguishing fires. This was the case for more than a century, with responsibility for bushfire management vested largely in councils, supported by different parts of legislation. Vehicles, firefighting apparatus, fire stations and fire control centres have been vested in councils under the terms of the Bush Fires Act 1949. Councils were responsible for the maintenance and repair of equipment and the building, and employment of fire control officers and associated staff. While this approach had a number of benefits, including a deep understanding of local needs and community connection, it resulted in more than 200 separate firefighting agencies operating in New South Wales, with no overall chain of command.

After the 1994 bushfires, the New South Wales deputy coroner recommended a single agency be established to manage these services in New South Wales. The Rural Fires Act came about in 1997. It established the RFS and set out the role of its commissioner, who is responsible for operational aspects of the RFS. The Act also recognised this history and the fact that councils still had a role to play. In fact, some councils wanted to maintain that role, particularly in relation to assets, so they were left vested in council, but the use of those assets was very much vested in the new RFS. Under section 112 of the Act, ownership of RFS assets is vested in the local government authority that contributed to the funding of their purchase. This includes the red fleet, brigade stations and fire control centres. To manage these assets, the RFS and councils enter into an agreement known as service agreements. These include confirmation of the right of the commissioner to use the assets vested in the councils to carry out the functions of the RFS. The RFS recognises these agreements need to be streamlined and modernised and has drafted a model draft agreement for consultation, pending the outcome of this inquiry.

In 2001 all dedicated council employees that were part of the RFS were transferred to State employment. There has undoubtedly been a substantial shift over a number of years in the operations of the RFS. This evolution has been driven to a large extent by the rising intensity and duration of fires, as well as findings and recommendations from coronials and independent inquiries. The future direction with regard to things like asset determination, and whether that's the next evolution, is obviously the role of this Committee and government to finally determine.

The CHAIR: We will now move to questions from the Committee. Before we begin the questions, I inform the witness that they may wish to take a question on notice and provide the Committee with an answer in writing within 14 days after receiving the questions. You gave a very good outline of the history of the Rural Fires Act. I wonder if you could outline for us where, in your experience, current practice on the ground has departed from the provisions of the Rural Fires Act.

ROB ROGERS: If you look at the Act, the firefighting effort itself is very much with the service and mostly with the staff that are employed, as well as the brigades. The Act and the regulations clearly state that, ultimately, councils are responsible for the brigade management component of it, as well as the assets, both fixed and mobile. I think what we see nowadays in the service agreements is that councils refer the management of the brigades back to RFS, and obviously the management of the appliances in an operational sense back to the RFS. But you've still got councils that to a large extent are providing the services for those vehicles as well as looking after the stations. But certainly, I guess, if the practice was consistent with the legislation, you wouldn't need the

service agreement. Obviously there are things that are in place between councils and the RFS that have gradually changed. Certainly things like hazard complaints used to be originally with council. Progressively—in the early 2000s—that was moved to the RFS rather than councils. There have been successive small legislative changes that have occurred that have ended up putting more responsibility on the State through the RFS, and that has gradually seen a change. Therefore, if you go back to 1997, it's a very big change to what we're operating in now.

The CHAIR: Specifically, the Act says that where red fleet equipment needs to be moved out of one district to another district outside of a section 44 emergency, the RFS needs to ask for the permission of the local council. The evidence we've heard is that that doesn't actually occur. Would you agree with that?

ROB ROGERS: No. Mostly that's covered under the service agreement, that part of it. The council, in the execution of the service agreement, acknowledges that the commissioner has use of those vehicles. That use extends to moving it outside of the local government area. Indeed, if you look at contemporary practice now that we're dispatching on a computer-aided dispatch system, it doesn't look at local government areas; it just looks at what's the quickest fire truck to get to an incident. It ought not matter what local government area. I don't think people on the ground would care what local government area they're from. They care that there's a fire truck coming to help them as quick as they possibly can.

The CHAIR: That makes sense.

Mr CLAYTON BARR: Commissioner, I guess the base for this particular inquiry is around what we call red fleet, but certainly in our journey we've been exposed to the sheds and stations and stuff like that which then will obviously—whatever we do with red fleet in this inquiry, that's going to be the next question, one way or the other. We're getting more aerial appliances. Is that correct?

ROB ROGERS: Yes.

Mr CLAYTON BARR: They are centrally controlled, entirely. Is that correct as well?

ROB ROGERS: Correct.

Mr CLAYTON BARR: I'm interested in your view. Are they becoming one of the main weapons in firefighting in bushland?

ROB ROGERS: They're certainly becoming more and more important, particularly as fire seasons change. I might just give you a couple of examples, if I can. We have now what we call predetermined dispatch. If an area has got an elevated fire risk, at the time of sending a fire truck, sometimes we will also send a plane at the same time. The idea being that because of the risk of the day, we want to do everything we possibly can to hit that fire hard before it takes hold. That means that we just send an aircraft as well. That comes obviously with a cost, but we believe that it's worth it if we can stop these fires becoming major fires. That's one area where they're becoming more and more used. The other area is you see a lot of lightning strike fires, particularly in the mountain ranges. Those mountain ranges, the Great Dividing Range—they start there because they're the most elevated parts, so lightning is attracted to them. Often there are not a lot of trails there, so we use helicopters as well as—National Park does the same thing—winching firefighters into those areas when those fires are still small to try to, again, stop them from taking hold.

We saw, back in the 2019-20 fire season, a number of those lightning strikes start in the southern part of the State, but basically the rest of the State was alight at that point and we just didn't have enough resources to be able to put on those new starts. Ultimately, they became the very fires that destroyed large parts of the South Coast. Putting aside that particular fire season, if that occurs—and it does occur—and we're nearby, and we have these resources deployed—for example, we have one in the south in Cooma. We would fill it with firefighters, winch them in and do our very best to get those fires out as quickly as possible. Aerial firefighting has become a really important tool in the arsenal to deal with fires in this modern century.

Mr CLAYTON BARR: Our service level agreements—and, to be fair, I think in proceedings we've heard that they're quite old and haven't been updated in recent times—I can only assume they wouldn't have contemplated in any great focus aerial firefighting et cetera.

ROB ROGERS: No. Indeed, aerial firefighting assets are capitalised; they're actually owned and depreciated by the State, so they're not part of the vesting arrangement. There's a very different way we buy those. The things we're buying for council are purchased using opex money as opposed to capex. We use opex money to reimburse things that are vested in council. Where we're buying, say, an aircraft, that's a capital allocation just like any other government department has; we depreciate the assets and all the rest of it. Councils don't have any role in that side of it.

Mr CLAYTON BARR: To clarify in broad terms: If it's got wheels, we vest it?

ROB ROGERS: Sort of.

Mr CLAYTON BARR: Versus, if it goes in the air, we don't?

ROB ROGERS: It's even a little more complex than that. For example, the vehicles that our staff drive—they're not vested either. They're capitalised vehicles because, again, we employ the staff, so that's not something we would vest. The best way to determine what's vested and what's not is what's registered. If it's a vehicle that's registered, it's mostly with us. If it's unregistered, it is a vested vehicle and it becomes a fire truck. Even our mitigation crews that we employ—they have some fire trucks, but we own those fire trucks; they're not vested ones. I know this is complex.

Mr CLAYTON BARR: This is why we're doing the inquiry. Where the line is maybe underlines the need for the inquiry and maybe a different solution going forward. I'm not really sure.

ROB ROGERS: If I may add, it's about volume as well. You're talking about a couple of hundred of those things versus thousands of the vested assets.

Mr ANTHONY ROBERTS: Based on your previous comments, what—if any—are the practical benefits to the RFS of that firefighting equipment actually being vested in local councils? Is there any practical benefit?

ROB ROGERS: I think originally councils were a big player in rural fire affairs. As time has gone on, that has changed. That's not to say that councils don't care about it; they do. They value their RFS membership, but I think it's changed. As the staff who were originally involved in it have obviously moved on and new people have come into a different environment, I think there has been a change in the way they view those things, which I understand. Obviously it's not my role to say what should happen in things like this, but I don't think that there's anything materially there for local government as far as how they view these things now being vested in them. Those benefits have just changed. I guess we've been on a bit of a journey since 1949, 1997 and the staff transfer. I think we're probably at that juncture now where it's obviously up to this Committee and the Government to decide where that goes from this point on.

Mr ANTHONY ROBERTS: Just following on from that, from an asset management point of view, are you confident with the scope of your oversight of the red fleet? Do you know exactly how many red vehicles there are in the fleet and where they're at?

ROB ROGERS: Yes, absolutely. I know there has been some commentary about the report we give to local government through the Office of Local Government. I think the point is, at the time of us running that report, that's accurate, but things will happen subsequent to that. You have to remember, this takes months. We give a report, it goes to Office of Local Government, it goes to councils, ends up with the right person and then someone, three months later, decides "I want to see where this thing is." Things could've happened in that time. We replace 100-and-something vehicles every year of that red fleet and, inevitably, that means some being disposed of, some being moved to different areas to make sure that we're giving the right appliance to the right brigades as they're dealing with risks. It's a moment in time, but I do believe that if someone asks us where is X, Y, or Z appliance, I'll be able to provide where that appliance is.

Mr ANTHONY ROBERTS: Just following on, and this is my final question, currently you run—let's call it the white fleet. You would have processes there to run that fleet for your employed staff. Would it be onerous to take over the management and the running of the red fleet in council?

ROB ROGERS: When you say "onerous", only from a quantity point of view. There is just the sheer volume of 6,000 vehicles in total that would suddenly come onto our books. So, individually, it's not difficult, but I think to get it all on and then making sure that we're managing that properly would be a challenge. Obviously, it's about resourcing and making sure we have the right resourcing to do it. It's something that can be done, but it's certainly something that would take a concerted effort. If the Committee were to make recommendations along that line, then I think it would be beneficial from an RFS point of view to have, for example, it staged between fixed assets and mobile assets.

Mobile assets are the most important thing at the moment for councils, I would suggest. Fixed assets could maybe come at a little bit later date if that were, again, something that was to be mooted. The only thing I might add—and I think that it's probably been mentioned to you before—is that the State, through the RFS, will give a grant to local government to assist them in the maintenance costs for carrying out the maintenance of fire stations and/or fire appliances. We don't cover the entire cost of that, so if those came onto RFS's books then that's going to be an issue for us from a financial point of view. I think, on average, we cover around two-thirds of that cost.

Mr ANTHONY ROBERTS: Thank you for your service.

Dr DAVID SALIBA: As we move forward and as the years go by, particularly in the high-risk weather season, this seems aggravating. What do you see as the proposed future state with respect to these assets and the way that they're managed? What should the Government be doing?

ROB ROGERS: As far as what should happen with them?

Dr DAVID SALIBA: Yes.

ROB ROGERS: If I look at it from an RFS point of view, I think the system is there. It works for the agency. But I can also understand things from a local government point of view, and I do understand their frustration, particularly for someone who has come in that doesn't have the history. They're just looking at the things in front of them now. I can certainly understand and appreciate why they would want to move it. I guess it is the next logical step to move things forward. But as far as the timing—there are factors beyond RFS considerations, of course. At the end of the day, it's a matter for government, but I can see the logic in it being the next—

Dr DAVID SALIBA: What about the everyday New South Wales citizen? RFS have their interest, because without that maintenance aspect you're able to forward lean on other operational duties and what have you. Council have their own interest. We don't manage these assets. We get a value from it, as the Office of Local Government has put forward, in terms of the services provided, but we don't have this. It enables us to have freedom of action to do other stuff. For the normal punter out there, for the New South Wales person, where should this go?

ROB ROGERS: Absolutely. For example, if assets were to move to the State, there are probably a number of parts of the legislation that would need to be tidied up at the same time.

Dr DAVID SALIBA: If this were to happen, what time frame for this transition—I'm acutely aware that transitions take forever because they're never perfect. Are we talking years or months?

ROB ROGERS: I think the quickest you could do it—let's say you made a decision this month. The end of next financial year would be a logical point to transfer the mobile assets. But as you get closer to that financial year, it may end up being a subsequent year because there's going to have to be new legislation. There's going to have to be appropriations and making sure the systems are right to manage those things. When you bring things onto State asset, they must work in with things like the TAM plans and making sure that everything sits in the right format and that government is fully aware of and across all the assets that it holds. That will all take some time. Again, it's given the volume. I think you would need a full year to implement it, and maybe it happens at the end of that financial year.

Dr DAVID SALIBA: What staff footprint increase would have to happen? And a physical location footprint increase, has that been factored in yet?

ROB ROGERS: I don't exactly know the numbers, for example. I think our estimation was that it's around an \$18 million a year transition cost, but that includes the money to make up the difference between "local government pays for maintenance" versus what is actually cost. I think it was all up, and it was something like a \$10 million one-off thing to make sure the systems were right. But I think it's around \$18 million a year that we estimate now. A lot of that is not about people; it's about the physical work being done. If it were something that were to be considered, what we would do is look at, say, the NSW Police Force, which has a lot of assets, and say, "How do you do this? What's your resourcing?" We'd probably leverage off someone like them. They're obviously better at doing that and have been doing it a long time. We would seek their advice.

The CHAIR: Apparently the SES has moved a large number of assets across, we've heard, as a potential model.

ROB ROGERS: Yes, they did, but they don't have—I'll stand corrected, but I think they have three or four hundred vehicles versus our 6,000. The scale is the big problem for us. It's that scale factor.

The CHAIR: Commissioner Rogers, those figures that you quoted, the estimates were \$18 million, \$10 million. Is there an internal piece of work around how this would happen and the approximate cost? Would you be able to provide us with that or, at least, a summary of that?

ROB ROGERS: I'll do my best. I just know that was something we'd looked at previously. I'm not sure what form it's in, but I'll certainly try to find that for you.

The CHAIR: I think that would be really helpful. Before I throw to Jenny, could I ask a number of other detailed questions about numbers? How much would the RFS spend on new red fleet capex each year?

ROB ROGERS: Are you talking about for fleet?

The CHAIR: For fleet or any of the red fleet. What would be its capex?

ROB ROGERS: For the red fleet, it is around 60—so we have a recurrent funding budget. Before the bushfire inquiry, we spent \$32 million a year. But then we've had supplementation because there were 2,300 trucks at the time of those major fires that didn't have the latest safety equipment. So there has been a concerted effort to try to replace those. We are still not there; I think we've still got more than half to go. The year's allocation is a bit difficult because a lot of it is about carry-forward money but, on average, it is around another \$30 million boost that we had each year to try to get those fleet numbers sorted. I think we are now left with around 1,500 that don't meet the standard, so we still have a lot of work to do. But it has taken a while for body builders in New South Wales to scale up to start pushing those trucks out. I think, between new and refurbished trucks—if they've still got a 10-year life span, we would refurbish them, put on the latest protection sprays, make sure the truck is okay and then send them out again. We are doing around 160 of those a year.

The CHAIR: You think it is roughly about \$50 million to \$60 million a year of recurring capex on a sustained basis moving forward?

ROB ROGERS: Yes.

The CHAIR: The reason behind that question is, we are trying to work out what the impact is, ultimately, to the RFS accounts if the assets were to move across. Right now, if our read of your financial statements is correct, you expense the full amount of the capex in the year of purchase, right?

ROB ROGERS: Yes.

The CHAIR: But if you capitalise that and if we move to a depreciation model, theoretically, if the amount of the annual depreciation is roughly about the same as your new capex, the two balance each other out, so it shouldn't have a material impact on the RFS's bottom line and thus the State's bottom line. Then there are the figures you mentioned around the repair and maintenance costs, where one-third is met by councils now. That will need to go up. It would be interesting for us to—back of the envelope and roughly—try to work out what is the financial impact of the movement, and that is leaving aside all of the savings in terms of efficiencies, elimination of waste and duplication, and all of that. It would be interesting to work out what the final numbers would look like.

ROB ROGERS: Definitely, and whilst you have that efficiency side of things, part of the other thing that we would have to balance in realising the assets moving to RFS's books is that, in some smaller councils, if you took the RFS maintenance away from that workshop, they may not even be sustainable any more. Then that has flow-on effects for that community, for that council and for the ratepayers. Because of the footprint we have, we also have to be responsible in the way we manage that, just to try to make sure we don't cause any unintended consequences in the way that we manage them. Where we could manage it still using the councils, I think it would be desirable, from a community impact point of view but, obviously, we would have to make sure that we have the appropriate standards in place, just to make sure that taxpayers were getting the value for money.

The CHAIR: Yes, and that might be the new iteration of the district service agreements, where those service agreements become almost outsourcing agreements or commercial agreements with councils, where they play a continuing role, whatever that role is.

ROB ROGERS: Correct.

Ms JENNY LEONG: Thanks, Commissioner, for coming in. I appreciate your insights into where we are at. I wonder, from the bigger picture mission of the RFS and what all of the local brigades, the local councils and the RFS would want in terms of community safety and response, what do you think is the best way forward to ensure that that is actually prioritised in terms of this?

Leaving aside the potential for risks around costs, where those costs might be made or currently who's covering for them, what do you feel is the best approach in terms of ensuring community safety and meeting the objectives of the RFS?

ROB ROGERS: Obviously our firefighters—again, I don't presume to speak for all of them because I'm sure they don't all have the same opinion as me—value a local government connection, they really do, because that is their local politicians, as such. But the main thing that they want is the right equipment, the right standard of station and the right fire truck. In these days they want fire stations that are built to appropriate standards—for example, reducing the amount of firefighter residue that gets carried through fire stations because of the acknowledged risk of cancer, and we've got the presumptive legislation that covers that. I think that, irrespective of who's managing and who owns things like fire stations in the years going forward, there's going to be considerable work to try and retrofit those stations to try and make them as safe as we can for our volunteer firefighters.

I know for our colleagues in Fire and Rescue, they're grappling with that same issue as well. It is a real challenge. I think our people just want to see those things and things on the ground. From a simplicity point of view, I think we had discussions before, where the average person—and this happens to our firefighters as well—the Minister sets the fund, the councils and insurance companies contribute to that fund, the RFS then gives money to the council to manage some of those assets that they technically own and then they do an agreement back to us to manage the assets. For an average person on the ground, if you explain that to them, they just shake their head and think, "What does that mean?" It sounds like an episode of *Utopia* that someone would come up with.

Ms JENNY LEONG: You said it, Commissioner!

ROB ROGERS: I guess that's the legacy of the progressive changes that we've seen, rather than a wholesale look and say, "Well, what's in the best interests of the people, the State, the councils and the RFS members?" I get it. It would be silly to sit here and try to say it's a wonderful system, because it's clearly complex. I know that members of this Committee have really done their best to try and understand it, and it is quite a difficult thing to try to get around. I've got to say sometimes I struggle to understand some parts of it and I have to keep going back to the legislation and make sure that I'm on the right path. When you have something that has that level of complexity, you come to a conclusion it ought not to be that complex. It ought to be fairly simple, who's responsible for what and when. When you combine that with the fact that the Government is looking at that whole ESL review itself, then obviously, to coin a phrase, some people may say, "It's time."

Ms JENNY LEONG: Commissioner, in relation to the current state of the stations and other things, I'm keen to get a sense of it. Do you, as the RFS, have minimum standards and requirements for what happens to those assets and what is available for those assets there? How are you able to ensure that that is done across the board in a scenario where you're not actually responsible for those assets? That's the other side of it. By having all of those councils involved in the management of those assets, whether they are the static or the moving ones, there's always a risk that there's not a minimum standard of what is required, all of those, whereas if you have a central responsibility with RFS, then there's a need to have a certain standard on each. It sounds like there are many other ways, as we've heard throughout this inquiry, of having local council involved in what is the localised provision of it that doesn't require them to actually be putting the assets on their books. I'm keen to hear about that perspective as well.

ROB ROGERS: For tankers we will only accept—councils used to build trucks, going back to the late '90s, and it didn't work that well. We made a conscious effort that any State money can only be used for standard builds that the RFS agrees to. That has been very much accepted around the State. With fire stations, we've had a standard in place for some time. That standard has changed, particularly with things like those clean and dirty areas. Our modern stations have that prescribed in them. That's as we go forward building things, but there are probably 1,700 or 1,800 stations that aren't built to those standards. They're ones that we have to go back and retrofit. Indeed, we've done some different programs along the way where we've said, "Who doesn't have amenities?" Then we've tried to put money into amenities. Then it's about how we want to get more females involved in the RFS. Do we have female amenities? That's a work we're doing at the moment. That's the level where we are trying to get basic things into fire stations.

I think it is fair to say as well that some of the fire stations are just a shed to park a truck. For example, it might sit on some farmer's land, and they don't want anything more than somewhere to house the truck. If we tried to put more amenities in there, they'll say you're wasting money. Until such time as that brigade evolves to a different level, they want to stay where they are. But there are many brigades that need more facilities to attract different demographics and to make sure that the people who are seeking to join the RFS are looked after. We look after their health as best as we can.

Ms JENNY LEONG: In that scenario, the truck is in a shed on someone's property. The local brigade says, "We don't need any additional amenities." But there's obviously a safety risk associated and a reason why additional amenities are put in. Is that because that truck is only stored there but it goes somewhere else to do that work?

ROB ROGERS: No.

Ms JENNY LEONG: So what role does the RFS have to play in saying you can't have an RFS shed until you have these basic safety and other amenities in them?

ROB ROGERS: There's a cultural thing that we have to work through with some of our people that don't necessarily accept that eating smoke is okay to do. That's something that we're working through with our people. I've got to say that the busier brigades and the younger people are very attuned to the health issues. But some of the people that have been doing this for decades have the view, "I'm okay. It hasn't affected me." That goes beyond just that. It goes to things like PFAS. There is a whole host of contemporary things for which we

expect to provide a better standard to our people. But in some cases, we also have to make them understand the risks that we're trying to address. That's never an easy thing. But, again, it's all relative to risk. Often those ones that sit on those farmer sheds are just there to deal with local grassfires when they start. They start, they're quick and they get there. Where you get brigades that do, say, structural fires or motor vehicle accidents, there are more toxins there. It's not to say there isn't any risk with the grassfires, but there's more risk when it comes to non-natural things burning.

Mr CLAYTON BARR: Commissioner, can I put to you some of the things that we heard so that you can respond? One was about—if we use the term—the white fleet. I think there was a suggestion somewhere along the way that there are 1,000 white fleet vehicles but only 200 employees or something like that. Could you clarify for us?

ROB ROGERS: I did hear that, and I've got to admit I did have a chuckle. The white fleet, as they're called, is also for all the group officers. The volunteer group officers around the State—and you might have six, seven, eight of those in each area—all get those vehicles. You'll find most of those vehicles are to volunteers because they're the coordinators. When there's a major fire they go out, and where there are multiple brigades they coordinate the activity of those brigades. They look at making sure everybody is working to the same plan on how we are going to attack that fire, what communities are at risk and all of those things. Unfortunately, it's sort of ill-founded comments like that just don't have any basis in reality. I'm happy to get you details of how many staff have vehicles, how many volunteers—no problems at all. We have all that data.

Mr CLAYTON BARR: I don't think we need that data—I think just clarifying that it's not just the 200 employees.

ROB ROGERS: No, it's not; it's the senior volunteers.

Mr CLAYTON BARR: In a similar vein, it was also put to us that sometimes the assets are divulged back and taken away and on-sold, but that RFS has no way of keeping track of all these assets, and sometimes they just disappear from a local brigade.

ROB ROGERS: No. I don't know the circumstances that someone was talking about, and I can't guarantee that there hasn't been an error somewhere, but we have a system that when a new vehicle comes, we expect an old vehicle to go. That sometimes means that brigade A gets a new vehicle, but brigade A's vehicle has still got a little bit of life and it's better than brigade B's, so we send it to brigade B for a little while, and brigade B's vehicle then gets disposed of. We've got a process for that. They go to auction. It's government policy. We send them to auction. The proceeds of that all feed into the levelling of the fund at the end of the year. It's about what income we got from selling assets, and obviously the Government is made aware of that and Treasury is aware of that. It's quite a known process. There's no mystery to it. There's no leg of a frog, wing of a bat that happens there. It's all pretty boring stuff.

Mr CLAYTON BARR: I wanted to give you the chance to clarify that stuff.

ROB ROGERS: Thank you.

Mr CLAYTON BARR: You just gave the example where sometimes an asset will go to brigade A and then it might later get rolled out to brigade B. I think we heard from one of the local councils that in some regards that has got to do with the financial capacity of that council, who might not be able to afford to depreciate a brand-new asset, but if something is halfway through its life, then they might be able to more afford that and let another brand-new asset go to a richer council. Is that somewhere along—

ROB ROGERS: I'm actually glad you brought that up, because prior to 2017 that was exactly the way it used to work because it was based on the council's ability to fund. What we did in 2017 was we amortised councils' contribution over a 20-year period and we locked that in. Their percentage that they had, on average, given over 20 years, we locked that in. Whatever the size of the fund, they will always have that same percentage. What that enabled us to do is instead of sending all the brand-new gear to city areas that could afford it and then sending all their stuff out west, we started sending stuff directly out west. I'm proud of the fact that there are a lot more new trucks now you see out in the west of the State because of that. From our point of view, we very much tried to work within the legislation to ease the burden on councils as much as we could whilst keeping within the intent of the legislation. We looked at and we sought legal advice that there was no reason we couldn't amortise the contribution, and that's very much the way we've done it from there. That means that we don't have to worry about an individual council's ability to raise money for new vehicles. They just keep paying the percentage they've been paying.

Mr CLAYTON BARR: Thanks so much, Commissioner, for clarifying that stuff.

The CHAIR: I'd like to follow up on Clayton's line of questioning, giving you an opportunity to respond to things that have been put to us. It was also recently put to us that the RFS doesn't have a good understanding of its volunteer network—for instance, how many are really active, the level of capability within, the level of training or precisely how many volunteers are trained to operate certain pieces of equipment or breathing apparatuses et cetera. Would you like to respond to that?

ROB ROGERS: Yes, there's a system that we have. It's a SAP system. We share it with Fire and Rescue and SES. All of our members' details are kept on that system: all of their training qualifications—every course they attend is on there. I can see, from when I was a volunteer in the 1980s, what course I attended. I can go onto the system and I can see it. So I reject that. We have the capability of looking at that. We can see what membership positions—someone has been a captain, someone has been a field officer. That relies, obviously, on our people keeping it accurate, but we have a system and it's there, so I'm not quite clear what people would be talking about. Again, we provide the equipment that people need. We look at what types of jobs they're going to. In some cases, where they're attending a lot of house fires, we might talk to them and say, "We think you need to have breathing apparatus", so we'll talk to that brigade. "Are you comfortable doing that training?" Then we'll go through a process of getting them the equipment, getting them the training and making sure that they're comfortable with that. We can't dictate to people. We would say, "This is what we see as your risk. Are you comfortable doing that?"

It's very much the same as what we've done with rescue units where we've been asked to provide a rescue capability in the area. We go to the local brigade and we say, "This is what has been requested. What do you say to that?" Again, most of the time they go, "Yeah, that's right." Particularly for things like breathing apparatus, where it's potentially affecting their health, people say, "Yeah, we would like that training." I think we do have the training records, and I'm happy to provide them if you need them. It is an agreed position. You may see some areas where you'd say, "Why isn't that provided there?", and we haven't quite got that brigade to the point where they're agreeing to do that yet, but we will keep talking to that brigade and keep working on that brigade until we get to that point. Our service very much relies on the goodwill of volunteers. To get and keep the goodwill of volunteers, you have to include them in the decision-making and not be what someone would say is a white shirt talking to them. It's a matter of having a conversation with them and making sure that, if we're taking them on a journey to a different level, they're part of that journey.

Ms JENNY LEONG: Can I follow up on that one, Commissioner—just because I do think it has come out and it's good to give you a sense of it. That example that you gave of tracking yourself and your own training that you would have done as a volunteer—potentially that is the concern that is being raised as a critique: the fact that there may be volunteer members of RFS in some brigades who now may not be able to respond in the same way that they were able to a long time ago. Or there might be people who are registered in that brigade who are actually living somewhere else and are no longer in that area, but they're kept on it. I agree it's up to the individual brigades to put that information on but, if those brigades are putting people on and then not taking them off or not updating it, then there's a risk that it looks like there is more capability than there is. To give you a chance to respond, what sort of auditing is done of that data? How is it done to make sure that they are updated regularly so that you don't have Joe Bloggs, who did all of his training in 1972 but is now unable to keep fighting a fire because he's in a wheelchair, still on the database?

ROB ROGERS: Are you suggesting I did all my training in 1972?

Ms JENNY LEONG: I am not suggesting that, Commissioner. That's why I chose a date well before—indeed, a decade before—the example that you used. Do you see my point?

ROB ROGERS: Yes, I do.

Ms JENNY LEONG: Similarly, on the younger fellas, there were examples given where people might—my electorate covers the University of Sydney. We've got lots of colleges there where people from regional areas will come. They're living in Newtown, but they may still be on a register for a brigade somewhere else in the State. I thought it was good for you to have the opportunity to address those concerns that have been raised with us.

ROB ROGERS: Absolutely. Using that example you gave of a university student is a perfect example. You'll have someone who maybe joins an active brigade and they'll be 16. They will do a few years. They go away to university. When they come back from university on break, they'll still go out with their brigade. They're still an active member of that brigade, but they're not necessarily available day to day. The same deal when someone, say, decides to have a family. Their commitment to the RFS may drop off for a while until their family gets established and they feel that they're in a position to come back. So there are those people who go through different stages of their lives, and I think it would be silly for us as an agency to say, "No, get off the books now."

We keep those people. They're allowed to be on there and they're allowed to potentially be reserve members, so that when we have big events they might still turn out, but they're not turning out on a day-to-day basis.

The real issue here is, when someone calls for help, is a truck turning up? We'd absolutely have the data on that. We know, because we have a CAD system. We record if someone has turned out. If they couldn't, did we turn out another brigade; who went? If it's in an area covered by mobile phone, we have a detailed app that says who is turning out and how long they are going to be before they get to the station. But that is reliant on mobile phone technology and, obviously, in rural parts of the State that can be a little varied. Therefore, they default to pagers.

I could provide you a report on how many brigades couldn't turn out in a given year. We know those things, and then we talk to those brigades and say, "What do we need to do to help you there?" Sometimes it might be that they have a problem during a week day, because everybody is at work and they don't have anybody who isn't available at that time. We can set up a business rule in the CAD system that says, "Between this time and this time, send another brigade," to cover that area where they're not available. That's something that our district staff constantly monitor, constantly talk to the brigades about, to make sure that we have the most accurate data so that when someone needs help, we get them that help.

Ms JENNY LEONG: Then, I assume, if there is not a brigade, that is when Fire and Rescue would come in, if required, or does that depend on the area?

ROB ROGERS: It depends on the area and it depends on the job. If they were the next closest brigade, absolutely, yes, we would send them. If it was a designated mutual aid area, we would send them. Since the Mick Keelty report—I can't even think of the year now—we have had a status that government endorsed, that if Fire and Rescue offers assistance to us or we offer assistance to Fire and Rescue, that can't be turned down. It has to be accepted, and it is. That's why you'll see a lot of incidents with both Fire and Rescue and RFS going, because each are offering assistance to each other to make sure that someone is getting there for the community.

The CHAIR: Commissioner, my question goes back to the movement of assets. I can absolutely understand why one might want to move the mobile assets because there is an operational element—you need to know where they are and they need to be strategically managed properly. What is your view on the movement of fixed assets, such as land? I'm just trying to work through in my mind the practical benefits of moving across the ownership of the land. You could say for a local council that if they moved land assets across, it will deplete the assets that they have on their balance sheet, which might put some of their loan covenants at risk. Can you think of practical benefits of moving the ownership of the land to the RFS?

ROB ROGERS: No.

The CHAIR: Things like insurances, utilities and outgoings, it could be that the RFS leases that land under a normal commercial lease or some sort of lease arrangement from the local council that would cover all of those details as part of regular leasing.

ROB ROGERS: I don't know the details percentage-wise. Most of the land is owned by council, but it comes under various different designations of the type of land that it is. But there's some land that's owned by Crown Lands. There's some land that's owned by National Parks and is, indeed, in a designated national park. I would think there would be no utility in transferring landownership en masse to RFS. I think there would be some transitional arrangement to say that the arrangements in place would continue. Obviously, from that point on, we'd have to work out how we manage that for new assets. But for what's there, if the Committee were of a mind to change things, I think landownership should stay as whoever owns it now. We're not interested in becoming landowners on these things. Again, it's not needed. We just need the asset as it is—the use of it. We don't care about the ownership.

The CHAIR: Who owns the buildings? Is that RFS owned or is that council owned?

ROB ROGERS: The stations?

The CHAIR: Yes, the physical structures on the land.

ROB ROGERS: They are vested, again, in council.

The CHAIR: But, again, there wouldn't necessarily be utility in transferring the legal ownership of those over. They could be handled through a commercial lease.

ROB ROGERS: It certainly doesn't seem to be the pain point for councils. It seems to be more the red fleet side of it. That seems to be more the concern they have. If they achieved the red fleet, whether it would then move to the fixed assets, I don't know. But certainly most of the concerns they have seem to relate to the red fleet.

The CHAIR: I guess we're trying to work out where is the distinction between the mobile assets, the red fleet and the fixed assets in terms of a different treatment in respect of whether they should be vested or not. What approximately is the size of the rural firefighting fund? How big is it every year—ballpark?

ROB ROGERS: It's 733.8 for 2024-25.

The CHAIR: I guess it slightly grows every year by inflation and cost increases?

ROB ROGERS: Sometimes there are particular projects that are funded that are one-off, so it might drop back a bit, and then other things go on. But it has been that way for the last few years.

The CHAIR: What are the major components of expenditure out of that fund? There is the repairs and maintenance component. How big is that, roughly?

ROB ROGERS: Repairs and maintenance, from memory—again, I'll have to clarify this. I think it's around \$25 million a year.

The CHAIR: Is that all?

ROB ROGERS: That's repairing the existing assets. I think we spend around \$20 million a year on building new stations. I think we spend \$65 million to \$70 million a year for the trucks. We have grants programs that we give out. There's training money. There's a whole lot of stuff. There are obviously wages. There are insurances. There are a whole lot of different components that make that up, and then there are things like firefighting equipment itself—hoses and all of those things. There is the running of the aviation assets and the statewide assets we have.

The CHAIR: There has been a suggestion put to us that the main emergency services agencies should be amalgamated into one agency—Fire and Rescue NSW, RFS and SES folded into one agency with different commands for each area, but it should be integrated as one. Do you have a view?

ROB ROGERS: I guess you would have to look at what would be the advantages of that. From my point of view, the further decision-making gets away from, in our case, people who understand being volunteer firefighters, the more risk you run of the agency losing the support of those people. If you look at RFS, each commissioner has been a volunteer firefighter. That is very important so that you have credibility when you go out and talk to volunteer firefighters. They've got to be able to identify. If you have some homogenised—for want of a better word—system that has the latest buzzwords and total asset management plans and all of that, you run the real risk of getting a disconnect. From my point of view, we've got an agency, in the RFS, that provides a huge benefit to the people of New South Wales in any big emergency. Whatever big emergency you want to mention, RFS is there, always. Considering they're getting that, I think, at a pretty good price, given that the volunteer firefighters by and large are doing that for nothing, I'd say, why would you risk messing with something that works?

Ms JENNY LEONG: To that point, Commissioner, specifically in relation to the very changing nature of housing developments on the edges of Sydney as Greater Sydney gets bigger and the connections between where the member for Cessnock represents and where I represent seem to be less filled with vacant land and more filled up with built-up land, and the other part being in relation to climate change and the changing dynamics of fire versus flood versus rescue and extreme weather events that may be shifting that landscape, while I take your points around the volunteer nature of the network, recognising that the SES also has very much a volunteer network as well but also, potentially, originally the idea of Fire and Rescue was very much linked to the complex, built-up areas of our State, but now some of those complex, built-up areas are actually still not within the formal remit of Fire and Rescue, I wonder how you see those elements playing together in terms of that comment.

Because while I hear you, absolutely, in very remote and regional areas, I do have a sense of concern and worry given the safety risks to volunteers if there is a culture where people might not want to take up the training on the use of air masks or other things or not want to have amenities in their facilities, and if you're dealing with much more at-risk toxic build-up areas, that would be a concern. I wonder how you see those elements playing out, which is the safety of the volunteers versus the changing regional aspects.

ROB ROGERS: Talking about the changing nature of areas first, there is an Act—Fire Services Joint Standing Committee Act—and it basically looks at areas that are potentially going to change. Indeed, it is looking at areas in south-western and north-western Sydney currently—at areas where new airports and things like that come online—flagging the fact that those areas will need to change jurisdiction and there will need to be more fire stations built there for Fire and Rescue. So there is a system in place that very much works, and it has been working for some time. I think there is a good foundation there to continue to look at those things. I've got to say, I don't think the services have actually worked better than they do nowadays, in that there is no-one arguing.

Everybody is going, "Yes, that makes sense. We put the community first." I think that works out well. So I think, for that component, there is a good system in place to cover that.

As far as the firefighter side of it, where there's a core need for providing structural firefighting, there's a substantial—where we're talking about a farm shed or a remote farm thing, they're the ones where there's more of a grey area. They might turn out to be one of those a year or something. Where you're looking after a village and there's a defined risk, that's where there's less grey area. Do you know what I mean? It's quite simple. We've been on a pretty good program of making sure that our people get that equipment—even for things like car fires—and saying to them, "You should be putting on breathing apparatus dealing with car fires," and our people are now starting to do those things. Wherever there's the overwhelming need, absolutely. But, as I say, some of those areas where they're a little bit more—they might just be a farming brigade and they got called out to a home. They're the ones that we have the challenge with.

The CHAIR: Thank you very much, Commissioner Rogers, for appearing before the Committee today. You will be provided with a copy of the transcript of the day's proceedings for corrections. The Committee staff will also email any questions taken on notice from today and any supplementary questions. We kindly ask that you return these within 14 days. That concludes our public hearing and I thank all of the witnesses who appeared before the Committee. I would also like to thank my fellow Committee members, Committee staff, Hansard and the Parliament's AV team for their help in the conduct of the day's hearing.

(The witness withdrew.)

The Committee adjourned at 14:30.