



## The Red Fleet Fight Comes to a Head

As many of you would be aware, the accounting dispute over the Red Fleet is rapidly coming to a head following the release of the Auditor-General's latest Report on Local Government this week.

In the Report, the Auditor General reiterates the State Government determination that Rural Fire Service (RFS) assets are the "property" of councils, who must therefore absorb all depreciation costs.

This Determination is nothing more than a financial sleight of hand, which would force councils to absorb significant depreciation costs for assets over which we have precisely zero management or control.

Councils have **no** say in the acquisition of the assets, **no** involvement in their deployment, and **none** in their disposal.

In fact, the *only* connection between the two is the Government's nonsensical determination that the Auditor General has called out in this latest report.

Comparable assets held by Fire & Rescue NSW (FRNSW) and the State Emergency Service (SES) are not vested anywhere other than with the organisations that purchase, use, maintain and dispose of them.

The State Government's own *Local Government Accounting Code of Accounting Practice and Financial Reporting* states councils are able to choose whether or not to record this RFS equipment on their books.

Unsurprisingly, 68 impacted rural and regional councils have refused to record these assets just as they refuse to wear costs which last year stood at \$145 million.

The latest Audit Report tightens the screws on councils by:

- recommending them to undertake a stocktake of RFS assets and record the value in their financial statements;
- warning councils that do not recognise the assets will be found non-compliant; and
- calling on the NSW Department of Planning and Environment to intervene.

This latest development only compounds the farce, given the Government's 7 June letter – included in the Report and attached to this email – which states neither it nor the Local Government Minister have legal authority to direct councils to record the assets and assume the costs.

I have today written urgently to the NSW Treasurer Matt Kean, Minister for Emergency Services and Resilience Steph Cook, and Local Government Minister Wendy Tuckerman.

I have urged them to finally clear up this mess once and for all by ensuring the NSW Government acknowledges rural firefighting equipment is controlled by and the property of the RFS.

I am also appealing to you to join your fellow councils in rejecting this shameless financial chicanery.

Help restore financial transparency and integrity to the process by moving motions advising the Audit Office your council will not carry out the stocktakes, and will not record RFS assets on your financial statements.

This action is supported by resolutions passed at several LGNSW Conferences and meetings of the Country Mayors Association.

Local government in NSW stands together, and speaks with one voice. To help us amplify that voice, please let us know of the actions you intend to take by contacting our Chief Economist Shaun McBride via email at [shaun.mcbride@lgnsw.org.au](mailto:shaun.mcbride@lgnsw.org.au).

**Kind Regards,**  
Cr Darriea Turley AM  
President LGNSW

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