

Our ref: R12/0060 Out-36127

14 August 2023

The Hon. Daniel Mookhey MLC

Treasurer

By email: office@treasurer.nsw.gov.au

Dear Treasurer

Update on review of emergency services expenditure

I write to seek an update on a review of emergency services expenditure in New South Wales.

As we have discussed previously, the local government sector is struggling with rapidly escalating costs for the funding of emergency services in NSW, in particular through the Emergency Services Levy (ESL) imposed on councils. The NSW Government's removal of the council ESL subsidy for 2023-24 has resulted in a \$77 million dollar hit to local government budgets this year, forcing difficult decisions on critical infrastructure and essential community services right across NSW.

While councils are disappointed that the NSW Government has not yet committed to reform of emergency services funding arrangements, Local Government NSW (LGNSW) will continue advocating for the reintroduction of the subsidy and for the ESL to be decoupled from the local government rate peg.

However, for so long as this state levy on local governments and ratepayers remains, councils and communities have a keen interest in ensuring that expenditure of emergency services agencies is closely monitored to ensure it is fit for purpose in preparing for and responding to natural disasters.

I note [reporting](#) of public comments by the Minister for Emergency Services in mid-July, in which Minister Dib advised that the NSW Government was looking to address excessive spending at Fire & Rescue NSW. I also note [reporting](#) of the ongoing Parliamentary Inquiry into the NSW Government's use and management of consulting services, which earlier this month heard that Fire & Rescue NSW had allegedly spent hundreds of thousands of dollars without an initial tender process.

The NSW Auditor General's [2023 report](#) into planning and managing bushfire equipment also found that the Rural Fire Service does not have an overarching strategy to guide its planning, procurement, or distribution of the firefighting fleet.

Reports such as these are concerning to the local government sector. For this reason I was pleased that during our 12 May 2023 meeting with the Minister for Local Government and the Minister for Emergency



Services, you expressed similar alarm about the rapid escalation of emergency services costs and raised the prospect of a review of funding for emergency services.

Treasurer, would you please advise the current status and timing for a review of the costs of emergency services?

For further information your staff are welcome to contact Shaun McBride, LGNSW Chief Economist, at shaun.mcbride@lgnsw.org.au or telephone 02 9242 4072.

Yours sincerely

A handwritten signature in black ink, appearing to read 'D Turley', written in a cursive style.

Cr Darriea Turley AM
President

CC: The Hon. Ron Hoenig, MP, Minister for Local Government
The Hon. Jihad Dib, MP, Minister for Emergency Services, Customer Service and Digital Government,
and Youth Justice