

24 October 2022

Accounting Treatment of Rural Fire Service ('Red Fleet') Assets

Warrumbungle Shire Council has joined other councils in defying a state government direction to record Rural Fire Service vehicles and equipment as council assets, which would mean having to absorb all depreciation costs.

"The Council voted unanimously at the July 2022 Ordinary Council Meeting not to carry out RFS assets stocktakes on behalf of the government or record them in Warrumbungle Shire Councils financial statements, noting that the State Government's own *Local Government Accounting Code of Practice and Financial Reporting* provides for councils to determine whether or not they record the RFS assets as council assets," said Warrumbungle Shire Council Mayor, Councillor Ambrose Doolan.

The Office of Local Government also has its own independent advice that, in our view, supports the Council position where it advises "*..fire-fighting equipment is controlled by the RFS as determined by application of accounting standards and the framework according to the facts and circumstances described.*"

The RFS assets include fire control centres, and all the fire sheds located in the Warrumbungle Shire local government area. It also includes plant and equipment commonly referred to as 'red fleet assets' which refers to fire trucks and vehicles. "Council does not have any say in the acquisition, deployment or disposal of these assets," said Cr Doolan.

"Council has also written to State Members advising the impact of the Government's position on Council finances due to this accounting treatment. At the same time, Council re-affirmed its complete support of and commitment to local RFS brigades," said Cr Doolan. "Our RFS volunteers do a wonderful job for our communities."

Warrumbungle Shire Council's action is entirely directed towards the NSW Government's nonsensical position that rather than being owned and controlled by local brigades, RFS assets are somehow controlled by councils, which councils consider to be a cynical financial sleight of hand abdicating the NSW Government's responsibilities at the cost of local communities.

Council notes advice from LGNSW that many councils are refusing to comply with the Auditor General's instructions. Councils remained firm in 2021, resisting pressure to record RFS assets with the majority (68), choosing not to record the RFS mobile assets in accordance with the *Local Government Accounting Code*.

"Warrumbungle Shire Council affirms its support to Local Government NSW (LGNSW) and requests LGNSW continue advocating on Council's behalf to get clarification finally from the State Government about the accounting treatment of RFS assets," Cr Doolan concluded.

Media: Roger Bailey | (02) 6849 2000