

Appendix one – Responses from agencies

Response from NSW Rural Fire Service



M23/14(009)

Ms Margaret Crawford
Auditor General
Audit Office of NSW
GPO Box 12
SYDNEY NSW 2001

Via email: mail@audit.nsw.gov.au

margaret
Dear Auditor General

Thank you for the opportunity to formally respond on behalf of the NSW Rural Fire Service (RFS) to the Performance Audit Report, *Planning and managing bush fire equipment*.

While the RFS does not agree with the manner in which the review arrived at its findings, we do agree there is merit in the recommendations, which will assist in informing our ongoing work to add rigour to our fleet management. This is a significant element in the Service's comprehensive efforts to ensure we are in the strongest position possible to protect the NSW community, assets, infrastructure and environment, when, inevitably, the next severe fire season strikes the state. Crucially, it also meets our fundamental priority in enhancing safety for our members.

The Service has commenced a considerable body of work to drive improvements in the safety, delivery, rejuvenation and operation of its fleet, including the development of a Resource to Risk fleet management model, the Next Generation Fleet priority project to design the fire fighting appliances of the future and a suite of research and development.

The ability for the RFS to sustain a fleet management program that met growth and safety advancements has been inhibited by historical funding arrangements that have not sufficiently allow for fleet expansion and rejuvenation. Funding enhancements in response to the NSW Bushfire Inquiry have enabled the RFS to make inroads in meeting its fleet targets, noting it is still operating with a funding shortfall of \$10 million per annum to meet submitted business cases. Nevertheless, the RFS has made a sustained effort since the 2019/20 bush fires to overhaul its fleet procurement, construction and distribution and optimise standard crew protection measures.

A Program Management Office has been established to implement a tactical production sustainability program, within a strategic program of broader reform focusing on Resource to Risk and maintenance program the next stage of this exercise.

While the report predominantly focuses on the management of the RFS road fleet, comprising 4,000-plus vehicles across the state with a replacement value of \$1.4 billion, this overlooks the Service's significant achievements in developing and managing the largest aerial firefighting fleet in Australia. These resources are increasingly important in bush fire suppression activities, playing a pivotal role in the Service's commitment to keep 80 per cent of fires to 10 hectares in area. This resource

deployment is far more effective in meeting the intent of Recommendation 2 than a vehicle response time matrix.

It is pleasing to note that the report acknowledges the fleet production effort in reducing the average age of the firefighting fleet, reflecting continuing Government funding that has enabled a consistent investment in new appliances to achieve the goal of reducing the average fleet age to 15 years.

The NSW Bushfire Inquiry found 2,294 vehicles did not have modern protection systems, including rollover bars, halo spray systems and crew protections. The RFS remains committed to upgrading its existing fleet to optimal safety standards to protect its people. Since the Inquiry, 484 of these vehicles have either been replaced or retrofitted and this remains an ongoing priority.

These fleet programs are supported by parallel investment in RFS technology to enhance operational performance and governance. Forty one of the 44 RFS Districts are now using **Computer Aided Dispatch (CAD)** to manage the assignment and deployment of resources to emergency and non-emergency incidents. Given this extensive roll out of CAD, the RFS, for the first time, is able to record brigade performance and fire protection coverage. Coupled with RFS ACTIV (RFS member availability app), this also allows the RFS to monitor mobilisation times with targets set against historical performance. District staff are able to record in the system when vehicles are unavailable. The remaining three Districts will be brought online at the end of the 2022/23 fire season. As such, these systems will provide the information required to assess brigade and district performance once sufficient data has been recorded.

The extensive program of works that the RFS is undertaking is not scheduled for completion within the 2023/24 FY, meaning it is likely pre-emptive to commit to the implementation of the report recommendations by February 2024, particularly within the context of the operational imperative of the 2023/24 fire season, the potential severity of which we have repeatedly flagged.

As outlined during the audit process, the RFS is investing significant capital in a range of projects focused on the fleet and other equipment that are boosting our response capability. These include:

- an extensive research project by the internationally-recognised **Monash University Accident Research Centre** to improve the protection offered to firefighters when travelling in appliances, particularly in relation to falling object and roll over protection.
- the **Next Generation Fleet priority project**, launched in 2021. This comprehensive project is studying the existing heavy tanker fleet to identify opportunities to enhance vehicle operability and safety deriving new prototype firefighting appliances of the future. The RFS is in the final phases of extensive consultation with all RFS members capturing the feedback through face-to-face sessions with brigades and an interactive service-wide survey. This data will form a prospectus for industry and tertiary institutions to assist RFS in designing a world class fleet with a clear focus on firefighter safety and technology enhancements.
- **Automatic Vehicle Location** devices have been rolled out to RFS vehicles to increase operational awareness and improve incident control (in response to a key recommendation of the Keilty Inquiry commissioned following the Tathra bush fire in 2018).
- Starting this year, **Mobile Data Terminals** will be progressively rolled out across the fleet. These tablets will provide firefighters a number of benefits, including two-way, real-time sharing of operational intelligence between members in the field and Incident Management

Teams (IMTs), to improve dispatch and response capability and incident management. Additionally, this will also enhance the AVL capabilities noted above.

- The RFS is the only Australian fire service to own and operate a Large Air Tanker for **aerial firefighting**. This aircraft is supported by two Citation jets equipped with an Overwatch scanning system installed which take images of fire activity, flooding and other hazards. The Overwatch system onboard the Citation jets is also being developed to undertake ignition detection taskings, flood mapping, and to assist in search and rescue operations.
- The RFS also operates five medium **multi-hazard helicopters** that can be used for fire fighting (tank equipped), search & rescue (winch equipped), reconnaissance (Forward Looking Infra Red camera equipped) and transportation. These aircraft - based in Sydney, Coffs Harbour, Dubbo and Cooma - are available to all agencies. These aircraft played a significant role during flooding operations during 2022 and 2023, rescuing trapped and isolated people, conducting search operations, relocating and dropping fodder to livestock, and performing reconnaissance missions.
- In a first for NSW, the RFS is trialling **night time fire-bombing operations** to provide around-the-clock back-up for fire crews on the ground. Operating helicopters at night will allow the RFS to directly attack fires at times when weather conditions are typically more favourable.
- The **ATHENA project** is an artificial intelligence technology platform to predict fire behaviour and provide RFS incident managers with insights to enhance their ability to prioritise and respond to incidents through reliable, timely, and scalable intelligence, improving community and environmental protections during fire events and incidents.

As highlighted in the Audit Office's Local Government 2022 Report to the NSW Parliament, the ownership of RFS assets purchased through the Rural Fire Fighting Fund is vested in local government under s119(2) of the *Rural Fires Act 1997*. This ownership - while disputed by some councils - also carries responsibility for the maintenance of the red fleet assets in particular.

Given local government's responsibilities under the *Rural Fires Act* and the objective of the audit to "assess the effectiveness of the RFS and local councils in planning and managing equipment for bush fire prevention, mitigation and suppression", the RFS does not comprehend how no findings or recommendations have been directed to councils to assist them in meeting their legislated fleet management responsibilities under the Act.

The Service remains disappointed by the audit's narrow focus on one metric in a complex matrix of factors required to prevent, mitigate, contain and respond to the threat of bush fire across the State. The suggestion that a strategy for addressing future fire risks would rest on our fleet ignores considerable advances in bush fire prevention and suppression, particularly driven by additional Government funding in response to the recommendations of the NSW Bushfire Inquiry. Unfortunately, a poor understanding of many aspects of the Service's operations, legislative framework and most valuable of all assets, our volunteer membership also is reflected in the report's findings. The RFS

has provided feedback throughout the review process, flagging inaccuracies and is concerned many of our contributions have not been adopted, resulting in a number of errors remaining.

The RFS response to the report recommendations is attached for your information. Regardless of its concerns, the RFS will continue progressing its body work that will meet the desired outcomes of the recommendations as it continues its work to enhance its fleet management.

Yours sincerely



Rob Rogers AFSM
Commissioner

20/2/2023

Annexure A: Report recommendations

RFS Response to Recommendation 1:

The RFS has invested \$195.2 million in fleet enhancement and rejuvenation in the past two financial years alone, as a result of enhanced NSW Government funding in response to the recommendations of the NSW Bushfire Inquiry.

The RFS has made a sustained effort since the 2019/20 bush fires to overhaul its fleet procurement, governance arrangements and distribution and optimise standard crew protection measures. A state-wide fleet planning model providing centralised oversight has been introduced to replace the historic system which saw individual District plans simply absorbed into the Service's overall State Budget bids.

A Program Management Office has been established to implement a tactical production sustainability program. A strategic program of broader reform focusing on Resource to Risk and maintenance programs is the next stage of this exercise.

The RFS is proud to have made a commitment to support NSW manufacturers, delivering vital skilled employment, particularly in regional areas of the state and has worked with builders to shield the production line from the supply chain shock of the Covid pandemic.

Significant changes have been made since 2021 to improve procurement practices to achieve efficiencies in mass production and standardisation of vehicle builds. This has focused on improved forecasting and scheduling to provide more certainty and economies of scale for businesses, encouraging them to invest in tooling, skilled labour and capital-linked process improvements.

The RFS is driving innovation and design improvement in the NSW firefighting fleet, with its vehicle designs also currently used by FRNSW and Forestry Corp. Unlike in North America and Europe, no current supplier-based market provides design improvements, meaning the RFS as the end customer needs to drive reform and enhancement.

Response to Recommendation 2:

The RFS and its agency partner, Fire and Rescue NSW, have existing joint obligations to report against targets including the number of dwellings impacted and response times in the annual Productivity Commission Report of Government Services. While the new CAD system enables better tracking of brigade mobilisation, this is not in itself a measure of fleet capability or effectiveness. Performance by time is different from fleet capability. For instance, a Category 9 appliance would be quicker but less capable in firefighting than a heavy Category 1 tanker.

As outlined during the audit process, the RFS has already committed to a target of limiting 80 per cent of bush fires to less than 10 hectares in area and disagrees that the introduction of fire response time targets across the state would enhance its operational success. A trial of Pre-Determined Dispatch of aircraft at the same time as ground resources was conducted in the 2021/22 fire season and has been expanded to another 10 locations in the 2022/23 season. Dispatching aviation assets that can attack a fire as soon as practicable after it is reported will help achieve this target and provide essential support to ground crews, reducing the risk that it will be able to spread and need numerous crews to respond.

The recommendation does not account for the reality of the significant differences in the size, geographic locations and distances, population concentrations and development densities of Rural Fire Districts across 95 per cent of the State. The response metrics for a brigade in western Sydney will be vastly different from those of a brigade in a remote and isolated area of Far West NSW, rendering targets and comparisons meaningless.

Hazard reduction is the responsibility of land holders and managers, including councils. The ability to conduct hazard reduction activities is dependent on suitable weather conditions and personnel. It is self-evident that the impacts of both the COVID-19 pandemic on crew availability and repeated La Nina events leading to prolonged above-average rainfall and extensive flooding emergencies across vast areas of NSW have prevented the RFS and its partner agencies from meeting their hazard reduction targets in recent years. To suggest that the RFS did not provide evidence that this shortfall was not a result of vehicle allocations may appear disingenuous.

Response to Recommendation 3:

The RFS Resource to Risk program will address this recommendation. The project will align risk modelling, be able to consider the seasonal outlook and inform allocation of resources.

Work on the development of an over-arching Fleet Strategy will begin in 2023. The development of the Strategic Fleet Plan will focus on:

- Fleet operating model realignment
- Fleet strategy planning and design
- Develop a supplier market place and shift it to a commercial management fleet production model
- Maintenance and Repair Integrated Reporting model

As the ATHENA project is expanded, it is expected that it will analyse not only fire behaviour modelling, and the resources required but also identify potential gaps that could develop due to the movement of assets and changing conditions.

The RFS accepts that it needs to re-implement a strategic overlay in relation planning and preparing for fires, however, this is an overly simplistic and one-dimensional view of the multiple factors involved in fire risk planning and operations. A stand-alone fleet plan is not a metric to address future fire risks.

Bush Fire Management Committees, which are established in each Rural Fire District (generally aligned to local government boundaries) are in the process of rolling out Next Generation Bush Fire Risk Management Plans over the next three years. These plans will take a multi-layered approach to mitigate bush fire risk, overlaying resources, personnel, fuel loads and seasonal outlook across existing and emerging hazards in the landscape.

These are an important step in improving the way the RFS plans and executes risk mitigation to better protect communities across NSW. The new process of developing the next generation plans includes analysis of data, which is then combined with input from a number of stakeholders to prioritise risk and develop a plan to mitigate the risk.

The importance of a new approach to Bush Fire Risk Plans was recognised in the NSW Bushfire Inquiry. Recommendations 8b and 19b of the Inquiry outlined the need to strengthen cross-agency accountability for improving bush fire risk management outcomes and implement processes for bush fire risk management planning that incorporate new modelling and methods for quantifying risk.

Response to Recommendation 4:

This implies one size fits all. Unlike our partner agency, FRNSW, which has a predominately permanently-employed workforce, the RFS relies on volunteer availability. Adequacy is a variable definition that depends on factors including locations, response distances, community demographics, differing risks, operational tempo and the incident/s to which crews are responding.

RFS District Managers already perform operational assessments, which can lead to the amalgamation, closure or formation of brigades to ensure the viability of emergency response. The Computer Aided Dispatch system also plays a pivotal role in ensuring appropriate and sufficient resources are deployed as required and cooperative Mutual Aid Agreements enable responding resources to be bolstered with FRNSW assets where needed.

Capability is one of the factors influencing fleet movements. District Managers and Area Commanders have detailed awareness of their grassroots fleet status and brigade operational ability and have the authority and flexibility to implement local solutions to local problems. For instance, a tanker was recently moved from a small brigade with declining membership in the North East Area Command and relocated temporarily to the District Headquarters brigade to ensure adequate fire coverage. These decisions are made locally by the Senior Management team as they have the superior on ground knowledge

As the report notes, volunteers have the right to determine their availability for operational, training, community engagement and other brigade activities. This is at the centre of the volunteering ethos.

Village 1 and 2 brigades have additional appliances and greater skills base because this is a different capability for different operational requirements. As well as bush fires, these brigades respond to structure fires in their towns or villages, requiring a different fleet mix and often CABA.

It is correct that COVID limited training opportunities due to social distancing requirements but this not the only contributing factor to a decline in membership. It is the case that during and immediately after every major, high-profile emergency, whether bush fires, floods or major storms, the main combat agency will experience an increase in volunteer numbers. Members of the public are inspired to join an emergency service out of a desire to help their community but commonly find the time and commitment required to be unsustainable.

RFS Response to Recommendation 5:

The repair and maintenance of assets, including fleet vehicles, is a council responsibility under s119(5) of the *Rural Fires Act 1997*: *A council must take care of and maintain in the condition required by the Service Standards any fire fighting equipment vested in it under this section.*

The RFS does not agree that the management of Service Level Agreements should be driven by a fleet framework. Fleet repair and maintenance comprises only a small proportion of these Agreements, which are far more comprehensive in scope. The Agreements establish Liaison Committees that include Council representatives, volunteer representatives and RFS District

Management and are important to ensure effective local engagement in respect of bush fire risk and resourcing.

As outlined to the Audit Office, a new RFS standard Service Level Agreement has been developed for consultation with councils early in 2023. These agreements do not impact the accounting determination or control of assets.

The majority of councils have perpetual agreements, therefore remain current.

Fleet repair and maintenance is a legislated requirement for the councils in which these assets are vested, not an RFS responsibility. The RFS is reliant on councils' accurate and up-to-date reporting. In some cases this is less than optimal. A further recommendation to councils to help address this situation would have been a constructive approach.

The RFS provides councils with an annual Maintenance & Repair grant. This is not a legislative requirement but a process that has developed over time, funded from within the RFS budget, to contribute to – not cover – this cost.

It is worth noting that the RFS engages with 128 different Local Government entities that have varying understanding and views of legislation and make varying decisions about the activities they will undertake, not only in relation to fleet management and asset maintenance of infrastructure but also provision of land and resources, all of which provide additional challenges to the RFS.

RFS Response to Recommendation 6:

While the RFS has an existing system for recording fleet location and associated details, it acknowledges there is more work to do to ensure this is always up to date and that users have easy access to maintain data at all times, including location, status, maintenance and checking.

The RFS would need to secure additional funding to appropriately establish and resource a program to assist councils in meeting their legislative obligations. This recommendation would be better co-directed at councils.

As councils have responsibility for fleet maintenance and repairs, the RFS is reliant on their accurate and up-to-date reporting. In some cases this is less than optimal and including a recommendation to councils to help address this situation would be a constructive approach.

Response from Hawkesbury City Council

366 George Street
WINDSOR NSW 2756
(PO Box 146, WINDSOR 2756)
(02) 4560 4444
council@hawkesbury.nsw.gov.au
www.hawkesbury.nsw.gov.au



Your Ref: D2300805/PA6697
Our Ref: ECM No. 8281964

13 February 2023

Ms Margaret Crawford
Auditor-General for New South Wales
GPO Box 12
SYDNEY NSW 2001

E-mail: [REDACTED]

Dear Ms Crawford

Performance Audit - Planning and managing bush fire equipment

I refer to your letter dated 25 January 2023 regarding the Performance Audit of planning and managing bush fire equipment. Hawkesbury City Council thanks you for the opportunity to provide a formal response for incorporation into the published report.

Council acknowledges and supports the findings made as a result of the audit, as outlined in the Final Report. It is noted that all recommendations were actions to be undertaken by the NSW Rural Fire Service (RFS).

Accounting for 'Red Fleet' Assets

I wish to reiterate Council's ongoing concerns about the accounting of the 'Red Fleet' assets, as outlined in Council's correspondence to you of 1 August 2022.

Council's position is that the 'Red Fleet' should not be accounted for by Council. The basis of this position is that the care and control is in fact with RFS and not local government, when considering:

- that the risk of these assets is held by RFS, as evidenced by insurance policies held by RFS; and
- the economic reward of the assets is retained by RFS, as the decisions made for initial procurement, allocation and retention vs redistribution are made by RFS without input from local government.

Council holds the view that this position is further supported and indeed advanced by the fact that all recommendations within the Final Report are identified to be the responsibility of the RFS. Additionally, as outlined in the Final Report, the core responsibilities for the management of the assets, including, planning, procurement, allocation, maintenance, and inspection resides with the RFS.

Council agrees that the actions should be undertaken by the RFS as the agency with the requisite knowledge, experience and legislative obligations to be achieved using bush fire equipment.

It is acknowledged that the ownership, or accounting recognition using an 'economic substance over legal form' consideration was outside the terms of reference for this audit. However, this is a vitally important issue within the Local Government sector and in the interest of transparency, worth noting that the recommendations and key findings of this audit contrast with the current position of the NSW Audit Office, being that local councils should be recognising Red Fleet assets and paying for their depreciation.

This is inequitable in an environment where councils' financial sustainability, and hence the ability to seek loans and grant funding, is being measured by their ability to use capped income to cover depreciation for assets over which they have no direct control and about which they cannot make sound economic decisions.



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Rural Fire District Service Agreements

Council would also like to provide feedback in regard to the recommendation to establish a fleet maintenance framework to ensure regular updates of District Service Agreements.

Council believes that regular updates of Rural Fire District Service Agreements (Agreements) are important but should not only be driven by a fleet maintenance framework. The Agreements cover a range of assets and functions, which are not limited in scope to fleet maintenance. Therefore, Council would seek acknowledgment that there are other benefits and drivers to the systematic and regular review of the Agreements, noting that these other matters were beyond the scope of the audit.

Council also believes that the development of any framework, or other input to the Agreements should be established on a collaborative approach, as this will impact the resources of both councils and the RFS. This is particularly important, given the continued position of the NSW Government, that councils' have care and control of Red Fleet due to the vestment of these assets, a position that we as a Council do not support, as outlined above. If however, this continues to be the adopted position of Government, that the care and control does reside with councils, then the development of the framework for the maintenance should be driven by councils.

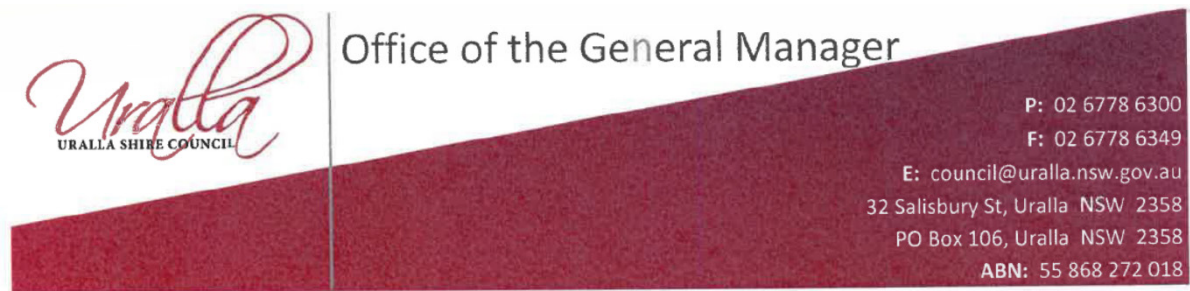
I thank the Audit Office once again for the opportunity for Council to provide its response, and Council seeks further consideration by the NSW Government of the matters outlined above.

Yours faithfully,

Elizabeth Richardson
General Manager | Hawkesbury City Council

Cc: Cllr Sarah McMahon (Mayor)

Response from Uralla Shire Council



Responsible Officer: EA
In reply, please quote: Uo/23/5031

21 February 2023

Audit NSW

[REDACTED]
[REDACTED]

Via Email: [REDACTED]

Dear [REDACTED]

RE: URALLA SHIRE COUNCIL RESPONSE TO PERFORMANCE AUDIT – Planning and Managing Bush Fire Equipment

Thank you for the opportunity to comment on the recent performance audit report on planning and managing bush fire equipment dated 25 January 2023 (the Audit Report).

Uralla Shire Council appreciates the efforts of the Rural Fire Services (RFS) and its critical ongoing role in support of our community. Council also appreciates the significant effort and diligence applied by Audit NSW in its conduct and completion of the Audit Report.

From Council's perspective, the Audit Report correctly identifies a number of impactful issues and deficiencies in the Rural Fire Service's (RFS) current management of the assets. These shortcomings are very reasonably summarised in the Executive Summary (Audit Report, 1. Key Findings, pp4-8).

Recommendations to treat the identified shortcomings are summarised (Audit Report, 2. Recommendations, p8).

However Council finds that the Audit Report is deficient in that the audit scope quite deliberately did not include a review or consideration of "the process of vesting of rural firefighting equipment with local councils" (Audit Report, Executive Summary p2).

The failure to include a review of the vesting-with-councils requirement has resulted in a situation where the Audit Report has consequently been unable to consider, at all, the extent to which the forced council-ownership model plays in creating the identified deficiencies in the first place.

To demonstrate this point using just the first two (2) Key Findings (Executive Summary, p6) as examples:

1. The Audit Report correctly identifies that a rare departure from the otherwise problematic culture of replacing like with like has been achieved only in the recent instance of the procurement of six new aircraft. The Recommendations were unable to consider (due to the non-inclusion of the vesting question in the audit scope) whether one reason for the rare success was because the aircraft are the only fleet assets which the RFS has been able to

acquire without consulting individual local councils, exactly because the aircraft are not vested with any council for ownership.

2. The Audit Report also correctly identifies that RFS has not made significant changes to its fleet planning over the past five years. But again, because of the failure to include the 'council ownership of RFS fleet assets' within the audit scope, the Audit Report was consequently not able to consider whether or not the imposed necessity for RFS command elements to consult with and gain the tacit consent of their individual local council regarding the upgrading or changing of vehicle types had any detrimental impact on fleet planning performance.

In summarising, Council accepts the Key Findings of the Audit report are valid but questions whether the Recommendations can be implemented and genuine improvements made without a possible and highly significant, but unverified, root cause lies both uninvestigated and unexplored. Council also acknowledges that no other Combat Agency is required to operate under the same potentially performance limiting arrangements as are forced on the RFS in this regard.

Council understands that Audit NSW is not necessarily charged nor commissioned to question the merit of any existing government legislation. Nevertheless the upcoming tabling of the Audit Report would be a most appropriate time to flag a review the relevant legislation in regard to council ownership of RFS fleet assets, excepting aircraft.

Yours sincerely,



Kate Jessep
General Manager

Response from Wagga Wagga City Council



Civic Centre
Cnr Baylis & Morrow Sts
PO Box 20
Wagga Wagga NSW 2650

abn 56 044 159 537
p 1300 292 442
f 02 6926 9199
e council@wagga.nsw.gov.au
w www.wagga.nsw.gov.au

22 February 2023

Ms Margaret Crawford
Auditor-General for New South Wales
GPO Box 12
SYDNEY NSW 2001

Dear Ms Crawford

Re: Performance Audit – Planning and managing bush fire equipment

Thank you for your letter dated 25 January 2023 on the Performance Audit on Planning and managing bush fire equipment and providing a copy of the final report.

I have discussed with Wagga Wagga City Council staff and note that staff were consulted by NSW Audit Office staff during this performance audit. In regard to sections of the report that reference Wagga City Council's interaction and relationship with Wagga's Regional RFS Brigade, I am comfortable with this specific content included in the Final Report.

Yours sincerely

A handwritten signature in blue ink, appearing to read "P. Thompson".

Peter Thompson
General Manager

