

Friday, 21 October 2022

MEDIA RELEASE

Accounting conflict could cost local Councils millions

Bland Shire Council will lead the debate at next week's Local Government New South Wales Conference with its motion on Rural Fire Service assets being the first, of more than 140 to be voted on by Councils, from across the state.

Council's motion seeks to resolve an accounting conflict that has been an issue for local government for several years and this year has already resulted in some Councils receiving qualified audit opinions on their financial statements from the NSW Audit Office.

Bland Shire Mayor Cr Brian Monaghan said that since July this year, when 68 Councils were informed that the NSW Audit Office would continue to adhere to its stance that Councils have ultimate control of RFS Red Fleet assets, a number of Councils have had their financial statements audited and received a qualification.

"Our Council has already acknowledged this because we do not believe Council controls these Red Fleet assets which are used by the RFS," Cr Monaghan said.

"At our August meeting, Councillors voted unanimously to accept a qualified audit in relation to the RFS assets as well as write to relevant State Ministers and other politicians in an effort to have action taken to resolve the issue."

He emphasised the issue was never designed to impact those who volunteer their time to man the local rural fire brigades in times of emergencies.

"These volunteers are the ones that keep our communities intact, the work they do is commendable," Cr Monaghan said.

"This issue is about the NSW Government not wanting to account for more than 6,000 vehicles worth in excess of \$1.2 billion.

"As the majority of Councils know, Councils do not control the assets but the State Government, through the NSW Audit Office, is putting pressure on local government to have these vehicles on the books."

Cr Monaghan said that based on initial information provided, this would impact Council's bottom line in the vicinity of \$300,000.

"The inclusion of this amount of depreciation would mean that Council's Net Operating result reported in the General Fund would have decreased by \$300,000," Cr Monaghan said.

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The Mayor indicated that the inclusion of the RFS assets and the resultant depreciation would ultimately have a flow on effect in the delivery of services to the communities of the Bland Shire.

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