

# ANNUAL REPORT 2010-11



PROTECTING  
LIVES AND  
PROPERTY







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# CHAIRMAN'S REPORT

Dear Minister

As a volunteer and community based fire and emergency services organisation, CFA responds to fire and other emergencies 24 hours a day, seven days a week. Our members, volunteer and paid, are leaders in Victorian communities and dedicated to protecting lives and property.

With more than 60,000 members, including 58,000 volunteers along with career firefighters, community educators and support personnel, CFA serves approximately 3.3 million Victorians, protecting more than one million dwellings. Our people are trained and professional, working in often challenging and difficult conditions alongside our partner agencies.

In the past decade we've seen increasing demand for our services in the outer metropolitan and country areas of Victoria, across an ever widening range of situations.

We deliver statewide services in many operational forms. Beyond day-to-day firefighting, we see CFA in rescue situations and, most recently, in flood waters. While the summer fire season of 2010-2011 did not fully test our firefighting resources, it saw our members respond with the same dedication to a different kind of threat – the worst floods in Victorian history.

As Victoria grows, so too do community expectations of the services we provide. It is vital that we keep adapting to our changing environment. More than two years on, we continue to learn the lessons of the 2009 Victorian bushfires, implementing the wide-ranging recommendations of the Victorian Bushfires Royal Commission. We have better systems and stronger partnerships in place than ever before and we will keep changing and improving to better protect our communities.

The appointment of Chief Officer Euan Ferguson in 2010 consolidated a renewed focus on supporting our front line people, those who deliver services to Victorian communities, whether it be fighting fires or educating and warning communities. Our brigades, in more than 1,200 communities across Victoria and overwhelmingly resourced by volunteers, are the cornerstone of CFA service delivery.

One of the early acts of the new State Government, elected in November 2010, was to enshrine in legislation the Volunteer Charter, confirming a commitment to volunteers. CFA looks forward to working with the Government in implementing recommendations of the Independent Inquiry into the Effect of Arrangements on CFA Volunteers, designed to better support volunteerism in CFA.

On behalf of the CFA Board, I want to thank CFA members and their families across Victoria for their dedicated commitment to their communities.

As a fire service we could be described in many ways: by the number of brigades and fire stations we have or the number of fire appliances. But our most defining characteristic has always been, and always will be, our people. The expression 'One CFA' echoes the view of many members that CFA is a family with all the strengths and challenges that such consolidation brings.



**Kerry A Murphy PSM AFSM**  
Chairman

## 1. Implementation of Victorian Bushfires Royal Commission recommendations

We are a lead agency responsible for delivering major components of the Government's Implementation Plan in response to the 67 recommendations made by the Victorian Bushfires Royal Commission.

### We have enhanced our operational response capacity with:

- 155 new divisional command locations
- Regional Commanders appointed in each of our eight regions
- more than 2,000 additional pagers issued to our people.

### Our community focus has been strengthened with:

- new localised Township Protection Plans for high risk communities
- a program of personalised advice to property owners about bushfire preparedness.

### We have also:

- redesigned our website to increase useability
- identified 178 Neighbourhood Safer Places/ Places of Last Resort
- enhanced our children's education program.

## 2. Flood and fire response

There was significant flooding across much of the State in September 2010 and January 2011, and in many areas CFA brigades played a critical role in responding to flood events. This was due to the isolation of some towns where there was no permanent Victoria State Emergency Service presence.

In a fire season with only two total fire ban days, there were fewer bushfires than previous years. The most significant bushfire was at Tostaree, East Gippsland, where two houses were lost. We tackled some large factory fires later in the year, including the Tritech Lubricants fire in Dandenong South that took eight hours to bring under control. At the height of the fire around 130 firefighters from CFA and Metropolitan Fire and Emergency Services Board worked together.

## 3. Volunteer Charter

The Country Fire Authority Amendment (Volunteer Charter) Act 2011 was passed in the Victorian Parliament in May 2011. This legislation acknowledges that volunteers are our core strength. As signatories to the Charter we are committed to ensuring that volunteers are fully and fairly consulted on issues that affect them.

## 4. Alignment of Total Fire Ban boundaries with weather and municipal boundaries

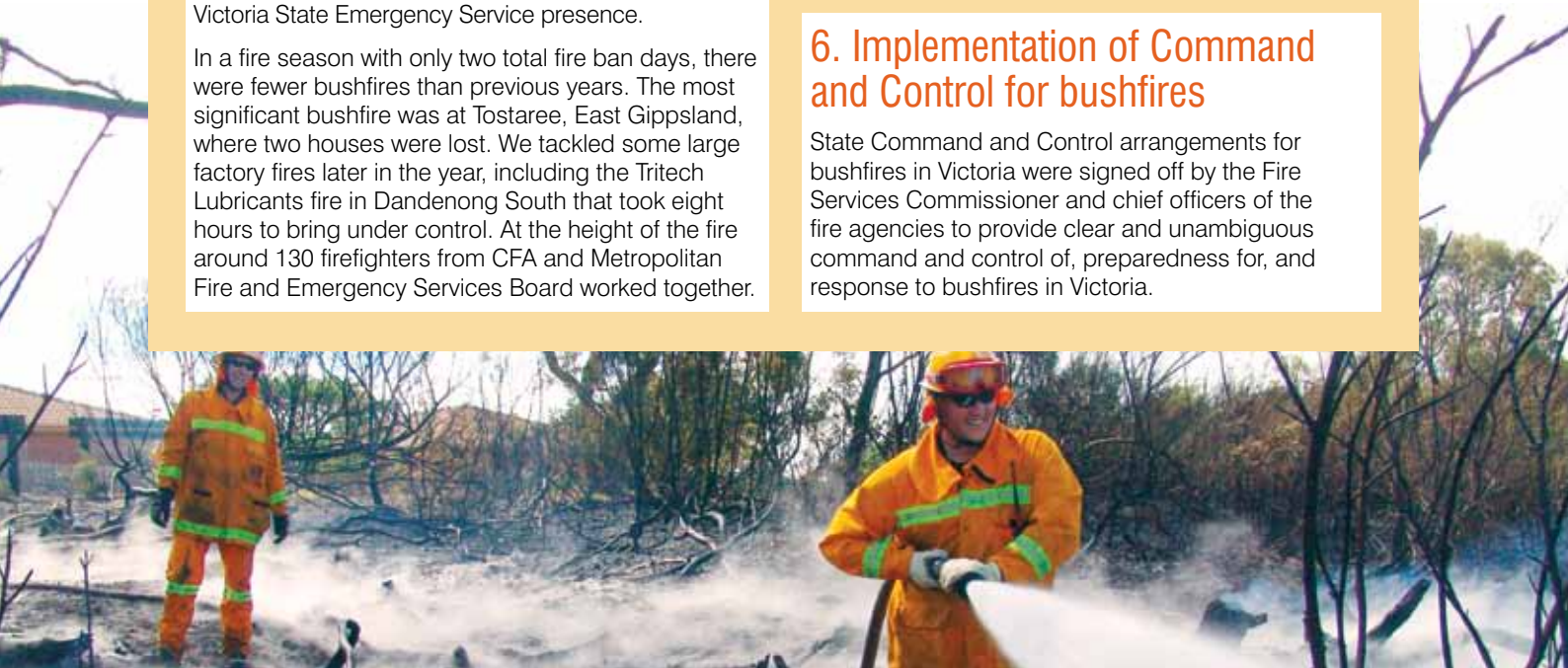
A review of the TFB boundaries ensured consistency with municipal boundaries. There were several misalignments in boundaries in western and northern Victoria. This misalignment was compounded by the Bureau of Meteorology's weather districts that are used to issue bushfire warnings. Some districts aligned with TFB boundaries, while others did not. Following discussions with the Department of Sustainability and Environment (DSE) and the Bureau of Meteorology, TFB boundaries are now aligned with municipal and weather forecast district boundaries.

## 5. Sixty-one new fire stations

The Land and Buildings Program saw an unprecedented level of construction, with \$36.2 million spent on 61 completed projects by the end of the 2010-11 financial year, including 51 new rural fire stations.

## 6. Implementation of Command and Control for bushfires

State Command and Control arrangements for bushfires in Victoria were signed off by the Fire Services Commissioner and chief officers of the fire agencies to provide clear and unambiguous command and control of, preparedness for, and response to bushfires in Victoria.



# SNAPSHOT OF WHO WE ARE

## WHO WE ARE

A volunteer and community based fire and emergency services organisation

## OUR VISION

To work together with communities to keep Victorians safe from fire and other emergencies

## OUR MISSION

To protect lives and property

## OUR VALUES

Respect, commitment, flexibility, attentiveness, compassion, clarity, integrity and determination

## Our Vision, Mission and Strategy

The recommendations in the final report of the Victorian Bushfires Royal Commission “give priority to protecting human life, and ... are designed to reflect the shared responsibility that governments, fire agencies, communities and individuals have for minimising the prospect of a tragedy of this scale ever happening again”.

We have embodied these principles in how we define ourselves, our vision, mission, and strategy.

CFA is all about people. Engagement with, and greater support of, our volunteers underpins our activities and commitments. Our work is strengthened by respectful, trusting and informed relationships with our members and their representative bodies.

We are a volunteer and community-based fire and emergency services organisation with a vision to work together with communities to keep Victorians safe from fire and other emergencies. Put simply, our mission is to protect lives and property.

We have also made our mission clear so that everybody in CFA can say ‘what I do contributes to protecting lives and property’. A non-operational member of a brigade who races to open the station doors when the pager goes off; a brigade’s communications officer; a regional or headquarters staff member; a Fire Ready Victoria presenter; a district mechanical officer; a member on the back of a truck: all are protecting lives and property.



We have focused on maturing our business planning capability so we set realistic levels of organisational change. We have established and will continue to develop strategic priorities that ensure brigades maintain or increase their viability, capability and performance.

Developed during 2010-11, our 2011-14 strategy, 'Creating Our Future Together', sets out eight key areas where we must succeed. These are:

- volunteerism
- command and control
- capable resilient communities
- people first
- interoperability
- confident stakeholders
- 'one CFA'
- sustainable business.

In April 2011 Chief Executive Officer Mick Bourke said: "If CFA is succeeding, we will see more resilient communities. We will see greater confidence in

our services, growing and valued volunteerism, an established and high functioning Command and Control structure and a more sustainable organisation. And sitting above all this, we will see our people first – our people and the people in our communities. These are the key areas where we must succeed."

Our structure is changing to support our vision, mission and strategy. The new structure will outline clear roles and responsibilities and support appropriate decision-making at the lowest possible level. Ultimately, it will align the top of the organisation more closely with our membership base, to better support our front line people who are delivering services to the community every day.

Our structure places those on the front line – our volunteers, career firefighters, community educators and support personnel – at the top of our hierarchy.





## Our Profile

### Brigades

Brigades, including:	1,220
– Road rescue brigades	24
– Forestry industry brigades	24
– Coast guard brigades	17
– District headquarters brigades	13

### Buildings

Fire stations – urban	204
Fire stations – rural	951
Headquarters and offices	37
Training grounds	7
Mechanical workshops	13
Communications workshop and store	2
Protective Equipment workshop	1
Residences	22

### Services in 2010–11

Total number of incidents	35,318
Total number of brigade turnouts	63,295
Total community education sessions delivered	5,049
Structural fire protection reports	1057
Fire safety inspections	152
Land use planning statutory reports	3,719

### Vehicles

Firefighting Vehicles	1,689
Mobile communications vehicles	7
Hazardous materials units	9
Protective equipment support vehicles	4
Specialist (mechanical support) vehicles	30
Cars or transport vehicles	516
Other vehicles (including trailers)	626
Brigade-owned vehicles	1,300



## Our Regions and Districts

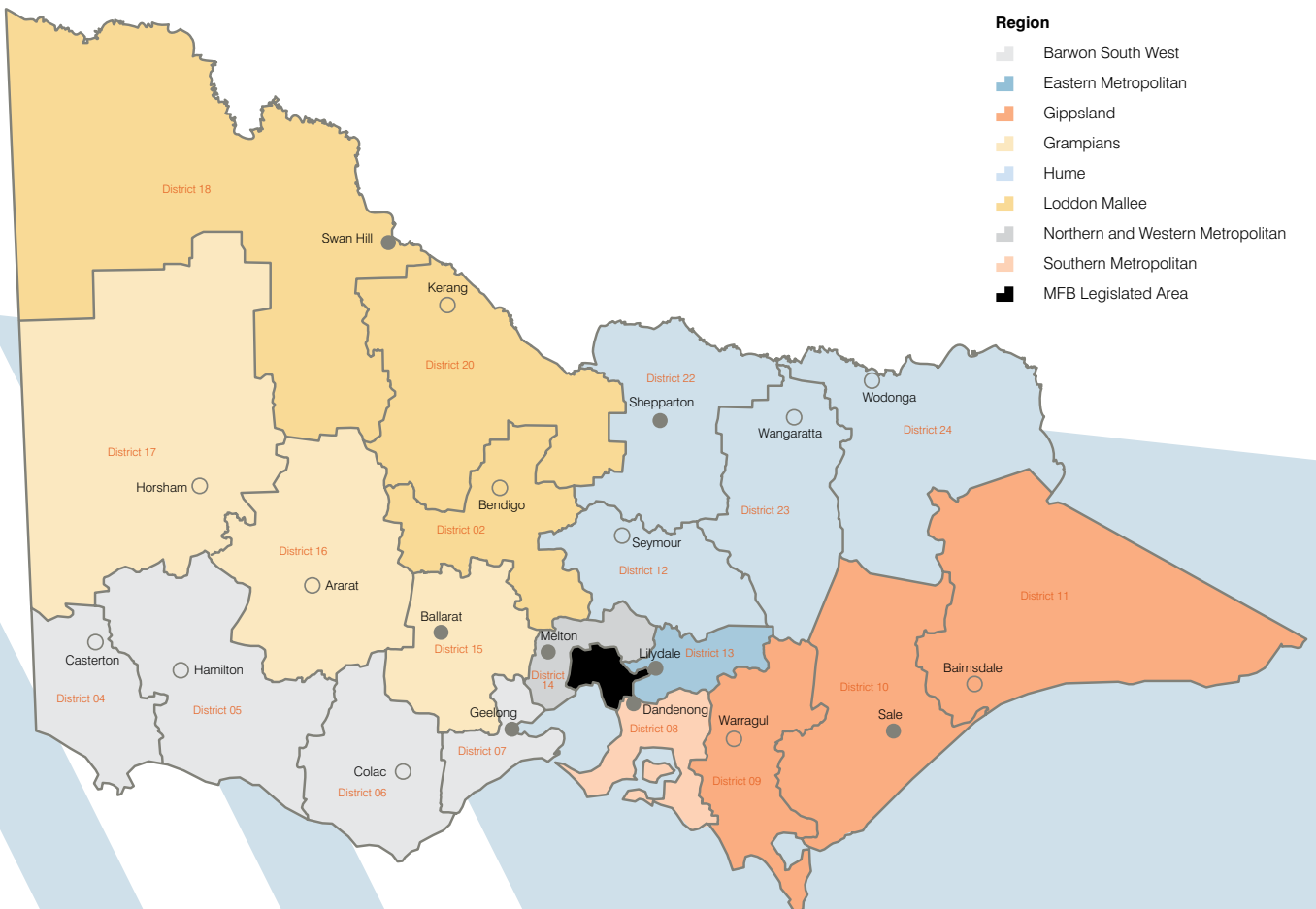
CFA serves approximately 3.3 million Victorians, protecting more than one million dwellings in a geographical area that includes the rural, provincial, and metropolitan communities of Victoria outside the district served by the Metropolitan Fire and Emergency Services Board (MFB) and outside the areas of publicly owned land managed by the Department of Sustainability and Environment (DSE). CFA assists DSE in the suppression of fires on public land and has a mutual aid arrangement with MFB.

**Legend**

- CFA Region Headquarters
- CFA District Headquarters
- ▭ CFA District Boundaries

**Region**

- Barwon South West
- Eastern Metropolitan
- Gippsland
- Grampians
- Hume
- Loddon Mallee
- Northern and Western Metropolitan
- Southern Metropolitan
- MFB Legislated Area



Compassion is an important value for us. It's about a feeling for the people we're dealing with.

Bill Cook, Eureka Group Officer

# EMBRACING CHANGE



CFA is a much changed organisation since the Victorian bushfires in February 2009. The losses of those fires drive the work we do. We have a new approach to incident management; we've built stronger partnerships at local and state levels, with other fire agencies and with the communities we serve. That work continues. More than two years on, the recovery and rebuilding process is ongoing and we will continue to strengthen our organisation to better serve the people of Victoria.

We will keep changing, improving and implementing the wide-ranging recommendations of the Victorian Bushfires Royal Commission.

## Importance of Leadership

### **A Strengthened Team**

Under the leadership of CEO Mick Bourke, CFA strengthened and consolidated its management team in 2010-2011. A new Chief Officer, Euan Ferguson, was appointed in late 2010.

Euan returned to CFA after almost 10 years leading South Australia's Country Fire Service, and he has an exceptional level of experience across three fire services spanning more than 30 years.

Euan has infused the role with enormous personal energy, travelling to all parts of the State to meet people on the front line and listen to their concerns and aspirations. His personal leadership philosophy is to be visibly active and out in the field.



It's a real pleasure working alongside such a diverse group of people. I love it that the volunteers come from all walks of life.

Jacinta Ermacora, member Warrnambool brigade

"People think of fire services and they think of trucks," said Euan. "They think of aircraft, Hazmat vans, road rescue equipment. I look at a fire service and I see people. If I'm doing my job right, the person at the front line should feel well trained, well equipped and well led."

### **Operational Training and Volunteerism**

One of the key findings of the Victorian Bushfires Royal Commission's final report was the recognition of the enormous role that volunteers play in the delivery of fire and emergency services to Victoria. This highlights the importance of operational training for our volunteers and career staff.

In 2010 a new team called Operational Training and Volunteerism was created. It is led by Lex de Man who has been a CFA volunteer for more than three decades and a CFA employee for 15 years. This team will set the strategy and vision for operational training, development programs and facilities to help meet our objectives of better supporting our volunteers and their continuous improvement.

## **Volunteerism – Our Heart and Soul**

Under our proposed new structure, brigades will, in line with their capacity, play a greater role in local service delivery, with a direct line of sight from the Chief Officer to groups and brigades. The Chief Officer will have direct control over resources in the field. In recognition of the critical role that groups play in building CFA capacity, their role is being reviewed by the Chief Officer with a view to seeing them strengthened and reinvigorated.

### **Charter**

The Country Fire Authority Amendment (Volunteer Charter) Act 2011 was passed in the Victorian Parliament in May 2011. This legislation acknowledges that volunteers remain our core strength and signatories to the Charter are committed to ensuring volunteers are fully and fairly consulted on issues that affect them. It acknowledges that we exist because of our volunteers, backed by the support of our operational and administrative career staff.

The Charter legislation details our commitment to open consultation with our volunteers and also through Volunteer Fire Brigades Victoria.

### **Inquiry into Volunteerism**

We were active in assisting the Independent Inquiry into the Effect of Arrangements on CFA Volunteers, led by retired County Court judge David Jones. The inquiry took independent submissions from volunteers and also conducted a number of community consultations around the State.

Our submission to the inquiry acknowledged our volunteers are "the heart and soul of what we do". It covered the key themes of our history and context, organisational structure and culture, leadership, volunteers and volunteerism, engagement and consultation, service delivery and capability and training for volunteers.

The inquiry was due to submit its report to the Minister for Police and Emergency Services in July 2011 and we will use its recommendations to set future directions and priorities.

# It's about influencing lives, helping prevent injury and instilling lifelong values.

Kinglake District Fire Brigade member and Fire Safe Kids presenter Travis Griffith

## The Bushfires Program

In September 2010, the Bushfire Preparedness Program 2010-11 and the Royal Commission Implementation Program combined to become the Bushfires Program. The Program has overseen actions in response to the 67 recommendations of the Royal Commission and changes resulting from the new Bushfire Safety Policy Framework including:

- producing new localised Township Protection Plans for high risk communities
- establishing 155 new divisional command locations
- appointing Regional Commanders in each of CFA's eight regions
- issuing more than 2,000 additional pagers to CFA's volunteers
- updating the FireReady Victoria and Community Fireguard projects
- updating all critical community education publications in line with the Bushfire Safety Policy Framework
- establishing a program of personalised advice to property owners on bushfire preparedness
- identifying 178 Neighbourhood Safer Places/Places of Last Resort
- improving our children's education program
- expanding the One Source One Message (OSOM) tool to include the Victoria State Emergency Service
- creating a new Operational Communications Strategy to be delivered under the Radio Communications Blackspot Project.

For a full list of projects under the auspices of the Bushfires Program see 'Actions in Response to the 2009 Victoria Bushfires Royal Commission Recommendations' on page 22.

The Bushfires Portfolio Management Office (BPMO) is responsible for reporting to the Bushfires Royal Commission Implementation Monitor on CFA's progress in implementing the actions set out in the Victorian Government's Implementation Plan. By year's end, the BPMO had supplied information on more than 100 activities undertaken in relation to Royal Commission recommendations.

## Fires Taskforce

At the end of September 2010, CFA wound up the 2009 Fires Taskforce that was set up after the Black Saturday fires to coordinate the overall organisational support for the Royal Commission and any other matters arising from the 2009 fires, such as Coronial Inquests, criminal prosecutions and civil actions. The activities of the Taskforce were integrated into normal business arrangements.

## Civil Class Action

In February 2009, a civil class action was commenced against SPI Electricity Pty Ltd (SPI) by a member of the class who suffered loss in the Kilmore East fire.

In September 2010 SPI joined CFA as a defendant in the class action, together with the State of Victoria (Victoria Police), Department of Sustainability and Environment (DSE) and the electricity asset inspection service provider. SPI claims that CFA breached a legal duty of care to suppress the fire and to issue warnings. In January 2011 the plaintiff joined CFA, DSE and the State of Victoria (on behalf of Victoria Police) as defendants and made the same claims against CFA as SPI does. The hearing of the matter has been set down for July 2012 in the Supreme Court of Victoria.

## Community Safety

The focus on improvements to enhance community safety continued throughout 2010-11. A key focus was the new Township Protection Plans, which provide communities with local information to help plan at a local or township level in bushfire prevention, preparedness and response. The new TPPs are designed to increase community engagement in their development, reflecting genuine planning with communities.

Improvements to community warnings and advice and to the Victorian Bushfire Information Line have also been made to ensure that communities continue to receive timely and accurate warnings and information. During 2010-11, research began to investigate better methods to assess grassland curing. This supports the more precise calculation of grassland fire danger indices that improve the accuracy of fire danger ratings.

## FireReady Roadshow

Between December 2010 and February 2011 the FireReady Roadshow visited the 52 most at-risk townships in Victoria. Volunteers across the State took part in this face-to-face opportunity to engage with the community on local information.

"I was surprised not only by the number of people coming over, but how many of them really wanted to get more information," said Community Education Coordinator Chris Carey. "We must have chatted with around 90 per cent of people about their fire plan."

### Winter Fire Safety Campaign

The joint CFA/MFB Winter Fire Safety Campaign urged all Victorians to take responsibility for fire safety in their own homes.

Minister for Police and Emergency Services Peter Ryan and Gippsland Regional Manager Mark Reid launched the regional campaign from Sale College with the assistance of Sale brigade. A metropolitan launch was held with Regional Commander David Sherry, Fire Services Commissioner Craig Lapsley, members of the Boronia, Montrose and The Basin brigades as well as MFB representatives.

### Community Infrastructure

Wildfire management overlays (WMO) were added to the planning schemes of an additional 26 municipalities. During 2010-11, CFA processed 2,392 single dwelling WMO applications. This is a 45 per cent increase over the previous year and many of the applications were complex. To address these issues we have:

- increased the level of periodic review, through one internal and one external audit
- centralised the appearance at, and the processing of, Victorian Civil and Administrative Tribunal referrals
- reviewed and updated internal guidance (Practice Notes)
- conducted a series of training courses.

We supported the Department of Planning and Community Development (DPCD), Building Commission and DSE by implementing the building and planning recommendations in Chapter 6 of the Victorian Bushfires Royal Commission's final report. This work focused on:

- reviewing and updating current WMO mapping (led by DSE)
- reviewing the Victoria planning provisions as they relate to WMO (led by DPCD)
- improving the integration between building and land use planning systems as they relate to bushfires (led by DPCD)
- developing guidance education and training materials relating to development in a WMO.

### Online Communication

We continued to increase our online community engagement, particularly through social media. Our Facebook page has 90,000 followers, and warnings and advice are now automatically distributed through Twitter.

We again held online bushfire safety meetings across the summer. These meetings ensure critical fire safety messages can be shared with community members unable to attend offline meetings. They are hosted by a live presenter and incorporate the content of offline FireReady Victoria Meetings with embedded graphics, audio and video. These engaging one-hour meetings allow participants to receive critical bushfire preparation advice without leaving the comfort of their homes.

We updated our public website to make it easier to navigate and to improve its performance. A specific mobile version was created for users of smart phones and other portable network devices. We received an award from Vision Australia for the improvements to our website to make it easier to use for vision impaired people.

CFA Connect, our online multimedia news and chat site, was redesigned in May 2011 and was a national finalist in the Australian Government Information Communication Technology Awards, under the category 'Excellence in e-Government'.



## Actions in Response to the 2009 Victoria Bushfires Royal Commission Recommendations

The focus of our goals during 2010-11 was to begin implementing the Victorian Bushfires Royal Commission's recommendations. This table outlines our achievements to year's end and the initiatives we are carrying into next year.

Fire Management	Community Strengthening	Service Delivery	People
<p><b>Objective</b></p> <ul style="list-style-type: none"> <li>Reduce the impact of fire and other emergencies on public safety, social, economic and environmental outcomes</li> </ul>	<p><b>Objective</b></p> <ul style="list-style-type: none"> <li>Equipping Victorian communities with the knowledge skills and resources needed to manage their own safety and wellbeing</li> </ul>	<p><b>Objective</b></p> <ul style="list-style-type: none"> <li>Provide a high standard of quality, efficient and accessible services appropriate to meet community needs</li> </ul>	<p><b>Objective</b></p> <ul style="list-style-type: none"> <li>Our people are equipped with the right skills, are valued, encouraged, safe and confident in performing their roles and contribute to decision making and organisational direction</li> </ul>
<p><b>Focus</b></p> <ul style="list-style-type: none"> <li>Implement 'one source one message' for VicSES and MFB</li> <li>Update messages used for delivering advice to the community</li> <li>Enhance and maintain Incident Control (ICC) and Divisional Command Centres network</li> <li>Establish Regional Commander roles to ensure operational preparedness arrangements are in place</li> <li>Establish trials of automated vehicle tracking systems (AVL)</li> <li>Support the delivery of environmentally sustainable fire management programs</li> </ul>	<p><b>Focus</b></p> <ul style="list-style-type: none"> <li>Develop new Fire Safe Kids syllabus</li> <li>Deliver Fire Ready programs to high-risk communities</li> <li>Improve householder online assessment tool</li> <li>Plan for additional mobile education units for schools</li> <li>Review and update FireReady kit for residents</li> <li>Enhance online web content</li> <li>Provide site-specific advice to property owners</li> <li>Maintain and develop Township Protection Plans in selected high-risk locations in consultation with communities</li> </ul>	<p><b>Focus</b></p> <ul style="list-style-type: none"> <li>Install redundant network links to ensure infrastructure resilience</li> <li>Complete the Victorian Fire Risk Register (VFRR) process for the remaining Victorian municipalities</li> <li>Continue to support the identification and establishment of neighbourhood safer places/places of last resort in 'at risk' communities</li> <li>Complete the transition of remaining brigades to the new CFA regional boundaries</li> <li>Provide a lead role in addressing the challenges for diverse and 'at risk' communities in their bushfire safety options</li> </ul>	<p><b>Focus</b></p> <ul style="list-style-type: none"> <li>Improve incident management team performance, training and readiness to manage emergencies across Victoria</li> <li>Recruit and train additional career firefighters</li> <li>Provide mobile and fixed training tools and props to improve training quality and accessibility to volunteers</li> <li>Provide and expand volunteer health and wellbeing pilot program</li> <li>Continue intervention support to volunteers impacted by their exposure to fires</li> <li>Provide an additional 2,000 EAS pagers to volunteers</li> </ul>



Fire Management	Community Strengthening	Service Delivery	People
<p><b>Results</b></p> <ul style="list-style-type: none"> <li>OSOM integration with SES completed</li> <li>New fire danger ratings established and districts aligned with Bureau of Meteorology weather districts</li> <li>CFA-managed ICCs maintained at or above the minimum standard with a further 155 CFA-managed divisional command locations now operational</li> <li>Regional Commander roles established in all eight regions</li> <li>AVL trials completed and capability included as part of radio replacement program</li> <li>Participation in DSE review of Forest Code of Practice</li> <li>Vegetation management officers driving holistic and sustainable approach to vegetation management for fire management objectives, through regional vegetation management plans and advocacy</li> </ul>	<p><b>Results</b></p> <ul style="list-style-type: none"> <li>Development of digital teaching resources and Fire Safe Kids syllabus developed with DEECD for integration with Victorian schools curriculum</li> <li>Provision of publications and tools in languages other than English and a review and development of vision impaired tools</li> <li>Online self assessment tool redeveloped</li> <li>Designs completed for new mobile education units with delivery anticipated in September 2011</li> <li>More than 114 Township Protection Plans completed and available to the public. Development commenced for web content management system</li> <li>Continued advice to property owners undertaken and delivered by fire safety officers</li> </ul>	<p><b>Results</b></p> <ul style="list-style-type: none"> <li>Business continuity planning, including identification of network linkage redundancies, undertaken for key service delivery, and State Control Centres progressed</li> <li>VFRR and assets 'at risk' identified and rated for all municipalities</li> <li>178 neighbourhood safer places identified across Victoria</li> <li>CFA boundaries aligned to regional and municipal boundaries where operationally appropriate</li> <li>Vision Australia and SCOPE engaged in the development of accessibility of township protection planning text and maps to the vision impaired (including culturally and linguistically diverse communities)</li> <li>Redesigned website and smart phone application</li> </ul>	<p><b>Results</b></p> <ul style="list-style-type: none"> <li>ICC Management Capability Training Program established and being progressed</li> <li>First round additional Recruit Career Firefighter course completed</li> <li>Upgrades to five key field training grounds undertaken with further planning work for new Sunraysia training ground</li> <li>Designs developed for three new mobile hot fire training props. Prototypes expected to be complete for testing in November 2011</li> <li>Welfare and Wellbeing Advisory Committee established to develop 2011-2015 strategy</li> <li>Appointment of volunteer liaison project manager being finalised</li> <li>2,125 additional EAS pagers issued to volunteers</li> </ul>
<p><b>Future Directions</b></p> <ul style="list-style-type: none"> <li>Continue to review and establish more effective communications interoperability between agencies during incident response</li> <li>Progress the resourcing and development of ground observer capability</li> <li>Improve accuracy of grassland curing and fuel measuring to support calculation of fire danger index rating</li> </ul>	<p><b>Future Directions</b></p> <ul style="list-style-type: none"> <li>Continue to enhance the effectiveness of Victorian Bushfire Information Line</li> <li>Progress the completion and deployment of mobile education units</li> <li>Continue to review and identify opportunities for township protection planning and high-risk safety options</li> </ul>	<p><b>Future Directions</b></p> <ul style="list-style-type: none"> <li>Continue review and monitoring of Community Fireguard Program for Quality Assurance</li> <li>Progress the establishment of regional CFA planning officer roles to facilitate community planning</li> <li>Continue to investigate and enhance fire safety options and information for at risk communities</li> </ul>	<p><b>Future Directions</b></p> <ul style="list-style-type: none"> <li>Employment of volunteer liaison and support officers to enhance volunteer capability and capacity</li> <li>Progress the recruitment and training of the remaining career firefighters</li> <li>Progress and complete training ground and mobile aids enhancements</li> <li>Progress development and implementation of Human capital management system</li> </ul>



SUNGLASSES

FIRST AID TANK

WATER LEVEL

0000	0000
0000	0000
0000	0000
0000	0000
0000	0000

CLASS 2

LOW P

EXTINGUISHING AGENT

777

EXTINGUISHING AGENT

EXTINGUISHING AGENT

EXTINGUISHING AGENT

LEADING FIREFIGHTER

FIRST AID

FOAM TANK

FOAM INDUCTOR



## Fires, Floods and Extreme Weather

2010 was Victoria's wettest year since 1974 and the fifth wettest year on record. The majority of rain fell in the latter half of the year, resulting in significant flooding through much of the State in September 2010 and January 2011. While Victoria's temperature was close to the long-term average, there were only two total fire ban days compared with 11 and 18 for the previous two seasons.

During 2010-11, CFA brigades attended slightly fewer incidents than in any of the previous five years. The 2010-11 summer season was characterised by significantly fewer bushfires compared with previous seasons. However, this was replaced by a significant response to floods and CFA members welcomed the opportunity to work alongside SES in flood response activities.

Brigades provided solid leadership to their communities. That leadership is based on their sound training and the harnessing of local volunteer and community knowledge gained, in some cases, over generations. Our volunteers had the capacity to organise, coordinate and make, or support, some hard but well-informed decisions, relying on local resources to carry out those decisions.

"This flood event was a real kick in the guts for Loddon Mallee people," said Eric Collier, a member of a District 8 strike team. "Participating in this strike team was a positive way District 8 personnel could help our fellow Victorians and show them our support. Our strike team was deployed on Australia Day, and I couldn't think of a better way for us to demonstrate what the Australian spirit is all about."

Experiences varied from the heroic to the everyday. Ballan members saved the life of a 14-year-old boy who was trapped in a culvert of rising water. Evacuations were carried out using firetrucks in towns such as Charlton and Rochester.

"One brigade member was nearly swept away while rescuing people," said Rochester Captain Mick Hassell. "After that, brigade members tied themselves to the tanker so they could safely rescue others who were also in danger of being swept away."

"On 17 January the water was receding and we were on the truck delivering bread, milk and water to isolated homes."

The January floods left 206 vehicles in the firefighting fleet water damaged and needing 930 labour hours of attention by district mechanical officers. The material cost for inspection and repairs for January alone was \$33,000.

Partnerships and personal relations between the emergency management agencies and Victoria Police are essential in the fast start-up of a cohesive joint operational team. CFA and DSE are accustomed to managing joint incident management teams, and that has evolved because we have deliberately strengthened our partnership in recent years. The floods gave us the opportunity to learn more about SES procedures.

The interim report of the Victorian Floods Review was to be handed down in July 2011 with the final report due in December 2011.

## Improved Fire Management

### Control of Major Emergencies

Victoria's arrangements for command and control of major emergencies were again significantly revised before the 2010-11 fire season. These arrangements address principal areas of responsibility for preparing for and managing the response to major incidents across the State.

In September 2010, a new role of Fire Services Commissioner was established in Victoria and enshrined in legislation in December 2010.

The Fire Services Commissioner Act 2010 provides the legislative framework for the new role and amends the Country Fire Authority Act 1958, Metropolitan Fire Brigades Act 1958, Forests Act 1958 and the Emergency Management Act 1986.

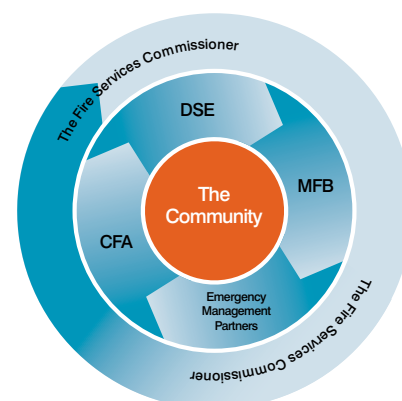
The new Act has effectively revised Victoria's emergency management arrangements so that the Fire Services Commissioner has legislative responsibility for the overall control of response activities in relation to a major fire that is burning or that may occur, or that has occurred in any area of the State. It also outlines the responsibility for ensuring the capacity, capability and interoperability of Victoria's fire services are enhanced.

State command and control arrangements for bushfires in Victoria were signed off by the Fire Services Commissioner and chief officers of the fire agencies to provide clear and unambiguous command and control of, preparedness for, and response to, bushfires in Victoria.

### Command and Control

The Victorian Bushfires Royal Commission addressed a number of aspects of how Command and Control was exercised during the fires of February 2009.

In line with the Royal Commission's recommendations, we embarked on a change agenda known as 'Ready for the Future'. The first part of this program was to establish Regional Commanders in all eight regions. The Regional Commanders are responsible for leadership and oversight of





We've experienced a lot and attended some huge incidents. It really bonds you together, like the feeling a football team shares after winning a grand final – the Morwell brigade is like my grand final team.

Pat Quinn, First Lieutenant Morwell brigade

emergency management, preparedness, response planning, and operational recovery functions. They will establish coordinated planning and response activity at regional level and revitalise and reemphasise the command and control system by adopting the command philosophy of 'Mission Command'.

Mission Command decentralises leadership based on the Commander's intent – the expected outcome and its purpose. There is an expectation that subordinates will be delegated authority to act rather than being told what to do, exercising initiative as they carry out the Commander's intent.

Delegation of authority does not, however, absolve leaders of their responsibilities or their accountability. Successful adoption of Mission Command should result in an operational system of work that promotes decentralisation through delegated authority, increases creativity and innovation, and allows subordinates to exercise initiative and freedom of action.

Forty incident control centres and extensive infrastructure in 155 divisional command locations have also been installed to enhance communication and information, and support fire command activities.

The Regional Commanders now provide a key link to the Chief Officer in the coordination at regional level for fire management planning and coordination with partner agencies, authorities and District Operations Managers.

We have established command and control arrangements to provide a level of operational preparedness that Victoria has

not seen before. Incident management team (IMT) personnel are receiving additional training to improve their performance and readiness to manage emergencies across Victoria.

#### **Increased Capacity**

More than 2,000 additional emergency alerting system pagers have been supplied to CFA members across the State and we have started to provide identification cards to our members.

Our firefighting capacity is being enhanced through additional career firefighter recruitment.

A series of initiatives improved the collection and analysis of operational bushfire information. Mobile technology was maintained to ensure laptop computers, mapping software and GPS cameras were in a state of readiness. Ground observer equipment was also enhanced with the purchase of an additional three vehicles and field equipment. This increases our ability to collect and communicate fire ground intelligence.

#### **Incident Control Centres**

The fire agencies selected 40 sites that were approved by the chief officers for operation during the 2010-11 fire season. These sites included 17 CFA-managed facilities that have all been maintained at or above the minimum standard. In addition, 155 CFA-managed divisional command centres are now operational.

## Boundary Alignment

Enabling significant improvement to the State's emergency service capability, the Regional Boundary Alignment project saw the redrafting of our field delivery boundaries to match municipal boundaries. With only a few key amendments based on operational imperatives, we have now formalised the alignment to the State Government regional boundaries.

The Regional Boundary Alignment project saw the successful implementation of a geographic platform from which to build further organisational change. We now have a regional footprint consistent with our key agency and departmental partners; one that recognises the importance of municipalities in emergency management.

The Boundary Alignment project saw:

- the retitling of regions into districts, and areas into regions
- the consolidation of nine areas into eight regions
- a direct impact on 273 brigades
- the transition of 185 brigades into new regions and districts
- the transition of 67 brigades into new groups.

The Boundary Alignment project will continue to ensure that all operational and business improvements are realised.

## Interoperability and Shared Initiatives

In partnership with MFB, we have continued a number of joint initiatives and resource-sharing activities under the auspices of a Joint Coordinating Committee.

While many initiatives are directed at administrative functions, such as the sharing of finance resources and a joint approach to auditing insurance contributions, most of the initiatives have an operational focus and address the expanding role of emergency services. The main operational arrangement between the two agencies is the Joint Operation Activities Memorandum of Understanding (MoU) that was set up in July 2006.

During 2010-11, operational cooperation between CFA and MFB resulted in:

- the continuation of a multiagency chemical, biological and radiological incident management course
- CFA and MFB (as part of a multiagency state-based team that includes Victoria Police, SES and Ambulance Victoria), maintaining an urban search and rescue capacity including training
- CFA and MFB building relationships as a result of



functions associated with building fire safety control, and regular meetings with the Building Commission and Building Regulatory Advisory Committee

- ongoing community safety initiatives such as the 'Change your clock, change your smoke alarm battery' and Winter Fire Safety campaigns
- joint research and review of equipment such as personal protective equipment, training and response to incidents
- completion of a joint project with MFB regarding shelter-in-place and plume modelling, mainly associated with major hazard facilities and toxic releases
- completion of joint drill-style exercises in Hazmat response, plume modelling and urban search and rescue
- agreed standard and training for Hazmat incident management
- joint Bushfire Steering Committee (CFA, DPCD, DSE and Building Commission), focused on implementing the Victoria Bushfires Royal Commission's recommendations.

The people you work with become your family and because of the type of work you're doing, you really rely on each other.

Frankston Qualified Firefighter Felixa Boyd



## Our People

### Valuing Diversity

Our focus over the past 12 months has been to support our people in the delivery of services to the community and implementation of the Victorian Bushfires Royal Commission's recommendations.

While our volunteer operational capacity and female membership has continued to increase, we aim to implement plans to enhance diversity more broadly in the organisation.

We are committed to creating an environment where equal opportunity and diversity are valued and where all members are treated with dignity and respect. Key achievements in 2010-11 were:

- a growth in female membership since last year to 11,830 (21 per cent of total volunteer membership)
- significant progress developing our first Disability Action Plan, which is anticipated to be published in 2012
- promoting awareness of rights and responsibilities regarding equity and diversity through equal opportunity awareness and relationship and diversity workshops.

A key challenge ahead is to continue to increase our numbers of female firefighters.

### Safety and Wellbeing

Ongoing support to those members directly and indirectly affected by the February 2009 fires continues to be a high priority. The Welfare Support and Recovery Plan 2009-11 (the Plan) was established to provide a range of support measures for members adversely affected by the events and aftermath of Black Saturday. The support needs of members continue to be monitored and met.

The Plan led to the establishment of the Welfare and Wellbeing Advisory Committee. The Committee's role is to advise the Board and executive management team about the ongoing welfare and wellbeing needs of members. The Committee is working on establishing the 2011-2015 Member Welfare and Wellbeing Strategy. The aim of the strategy is to ensure that member welfare and wellbeing is a primary consideration in the development of organisational plans and priorities.

During 2010-11, 2,096 volunteers attended the Health Program, which was a significant increase on the previous year. In the future, we will continue to increase the number of health checks for volunteers and continue the trials on body core temperature/heat stress research.

## Our Structure

### Our front line people

60,000 members including 58,000 volunteers plus career firefighters, community educators and support personnel serving around 3.3 million Victorians and protecting more than one million dwellings

Supported by

**Chairman**  
Kerry Murphy

**Chief Executive Officer**  
Mick Bourke

**Chief Officer**  
Euan Ferguson

### Departments

- Operations
- Asset Management
- Community Safety
- Finance and Administration
- Human Resources
- Executive Services
- Operational Training and Volunteerism
- Strategic Communications
- Strategic Planning and Area Coordination

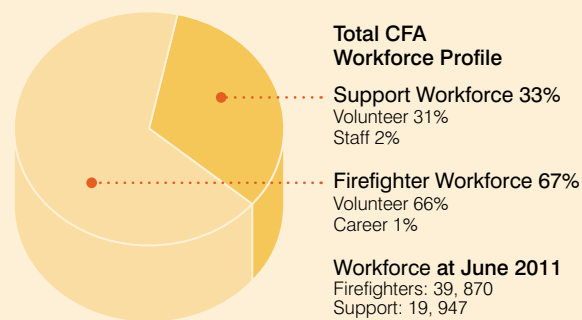
### Regions

- Barwon South West
- Gippsland
- Loddon Mallee
- Grampians
- Hume
- Southern Metropolitan
- Northern and Western Metropolitan
- Eastern Metropolitan

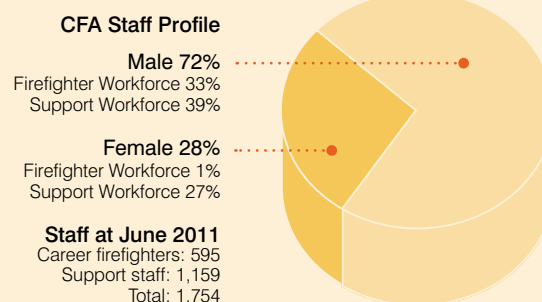
### Training and Development

We are committed to the ongoing development of all our members and we conducted 2,945 training courses over the past 12 months. These courses were delivered by brigade training officers, instructors, specialist staff and external providers. An overview of these courses is given below.

Course	Number completed
Operational Skills	1,059
Wildfire FF (minimum skills)	259
First aid (including EMR)	98
Community safety	81
Specialist skills	196
Skills maintenance	559
Incident management team	338
Professional development	190
Training provided to external organisations	152
Training received from external organisations	13



**Workforce at June 2011**  
Firefighters: 39, 870  
Support: 19, 947  
Total: 59,817



**Staff at June 2011**  
Career firefighters: 595  
Support staff: 1,159  
Total: 1,754

## Our Infrastructure Projects

### Land and Buildings Program

We recorded unprecedented levels of construction in 2010-11 through our Land and Buildings Program, with \$36.2 million spent on 61 completed projects. This was accomplished in a challenging tendering environment considering the impact of the Government's Building the Education Revolution Program and rising building costs in regional areas.

### Water Tank Program

We rolled out the \$2.1 million government-funded Water Tank Program at 295 locations.

### Office Accommodation Survey

A statewide office accommodation survey was completed to establish a plan for office accommodation requirements in the future.

### Fleet Appliance Programs

The \$20.7 million appliance manufacturing program delivered:

- seven tankers
- 46 pumpers
- two specialist vehicles
- four aerial pumpers
- 22 tankers for the Community Safety Emergency Support Program (CSESP).

Further planning and design specification development was undertaken for the following future production programs:

- heavy tanker – planned for production in 2011-12
- medium tanker – planned for production in 2011-12
- mobile command vehicle (large) – incorporates satellite technology, to replace existing aged units.

Design, prototype installation and component tenders were completed before year's end, and we will begin the \$22.1 million crew protection system retrofit program in July 2011. The program is planned to be completed by July 2013.

### Radio Replacement and Dispatch

We continue to improve and upgrade the resilience and capacity of our underlying technical infrastructure. The Regional Radio Dispatch Program is at tender stage and will provide voice radio services between CFA's 16 rural districts and the Emergency Services Telecommunications Authority Mt Helen Call Centre.

The Radio Replacement Program continues to replace all CFA's radio terminals. The program is expected to run until June 2012.

### Personal Protective Clothing

A further 4,788 new generation ensembles were provided to accredited structural firefighters under the Personal Protective Clothing Structural Apparel Replacement Program. Allocated across 9,848 wearers on combined risk and activity based criteria, 15,000 ensembles will have been delivered at the end of the program.

#### Station projects completed 2010-11

Erica	Whittlesea	Pura Pura
Taradale	Lismore	Inverloch
Euroa	North Warrandyte	Narre Warren
Thornton	Murrindindi	Portland
Hilldene	Musk	Ascot
Amphitheatre	Joel Joel	Napoleons
Mosquito Creek	Ellerslie	Grassmere
Branxholme	Rowsley	Mingay
Moyston	Yambuck	Byaduck
Condah	Elingamite	Swan Marsh
Yeo	Yeodene	Wurdale
Noorat	Springhurst	Wangaratta North
Torumbarry	Burnbank	Slaty Creek
Minyip	Annuello	Waitchie
Cowangie	Murrayville	Tennyson
Sandhill Lake	Goornong	Nareen
Digby	Turriff	Berry's creek
Willung South	Glenmaggie	Wurruk
Nambrok	Wahring	Murraveeny
Upton	Almonds	Willaura
Dinyarrak		

#### Station projects in construction as at June 2011

Mildura	Wangaratta	Mannerim
Ouyen	Epping	Kinglake
St Andrews		

At CFA it's very satisfying to work towards making firefighters' lives safer; to have that human focus.

David Nichols, Manager of Research and Development



## Our Incident Response

### Major Incidents

Figures 1 and 2 present our response profile over the past five years. Major incidents in 2010-11 were dominated by structure fires and are summarised in Table 1. The most notable bushfire was at Tostaree in East Gippsland. This fire, which started on 1 February 2011, threatened a number of small communities and resulted in the loss of two houses.

Although there was a significant decrease in bushfires, between September 2010 and February 2011 many Victorian towns and communities were affected by floods that caused widespread damage and loss. CFA supported the Victoria State Emergency Service in responding to these floods with the deployment of incident management teams and field-based crews into the community.

Our members also responded to other major incidents, including the deployment of:

- urban search and rescue (USAR) personnel to the Queensland Floods
- IMT personnel to the bushfires in Western Australia
- USAR personnel to the earthquake in Christchurch.

Figure 1: Total Emergency Incidents Reported

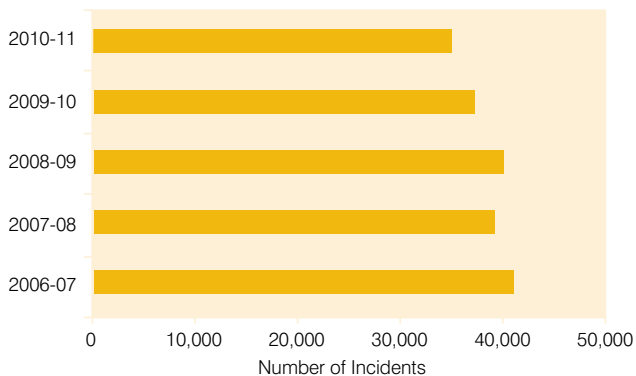


Figure 2: Incident Response by Type

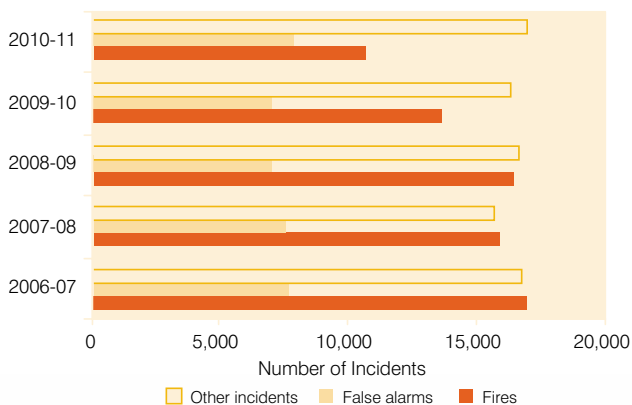




Table 1: Major Incidents 2010-11

	Location	CFA appliances	Incident Size (hectares) or Cost
<b>Crop Fires</b>			
23 Nov 2010	Jeparit	11	Machinery fire – 40 hectares of crop destroyed
16 Dec 2010	Reedy Dam	7	600 hectares
17 Dec 2010	Lascelles	13	800 hectares
30 Dec 2010	Ouyen	8	160 hectares
31 Dec 2010	Boolite	12	100 hectares
<b>Grass and Scrub</b>			
21 Oct 2010	Cranbourne	25	25 hectares
5 Dec 2010	Norong	11	120 hectares
1 Feb 2011	Tostaree	35	11,365 hectares and two houses destroyed
1 Feb 2011	Hunterston	18	350 hectares
<b>Hazmat</b>			
8 March 2011	Lakes Entrance	8	Lakes Entrance Aquadome
11 May 2011	Seville	5	Gas main ruptured
<b>Industrial</b>			
22 Nov 2010	Nyora	4	Excavator swamped with sand. One fatality
<b>Motor Vehicle</b>			
4 March 2011	Drouin	3	Car fire as result of MVA. Two fatalities
8 Aug 2010	Riverslea	5	Bus fire on private property. One fatality
<b>Rescue</b>			
4 Sept 2010	Hotham Heights	2	Landslide at Mt Hotham
<b>Structure Fires</b>			
27 July 2010	Maindample	10	Bridge Inn Hotel destroyed
10 Sept 2010	Narre Warren	15	Fountain Gate Shopping Centre
1 Oct 2010	Portarlinton	6	Dylene Caravan Park. One fatality
4 Oct 2010	Queenscliff	6	Gellibrand Hotel fire
31 Oct 2010	Springvale	7	Visy recycling plant. Damage \$1 million
19 Nov 2010	Delacombe	8	Victory Bins. Damage \$500,000
20 Nov 2010	Mornington	4	Converted bus. 11 Injured
22 Nov 2010	Dandenong	16	Compleat Angler shop. Damage \$1 million
29 Nov 2010	Werribee	13	Manorvale Primary School. Damage \$300,000
10 Dec 2010	Goornong	15	Hayshed fire. Damage \$1.5 million
13 Dec 2010	Mitchellstown	8	Mitchellton Winery Restaurant. Damage \$3 million
2 Jan 2011	Elmhurst	11	Police station residence. Damage \$300,000
4 Jan 2011	Keysborough	6	Springers Leisure Centre. Damage \$350,000
5 Jan 2011	Corio	6	Kindergarten fire. Damage \$1.3 million
9 Jan 2011	Mooroopna	22	Mooroopna Manor
24 Jan 2011	Stoney Creek	17	Half of shed involved. Damage \$500,000
21 Feb 2011	Thorpdale	19	Packing shed destroyed. Damage \$1 million
2 March 2011	Wonga Park	10	House destroyed. Damage \$1.1 million
7 March 2011	Frankston South	12	Private residence. Damage \$1.4 million
20 March 2011	Jan Juc	9	Restaurant fire. Damage \$1 million
21 March 2011	Dandenong South	11	Furniture factory destroyed. Damage \$1 million
19 May 2011	Dandenong	36	Tritech Lubricants. Damage \$37.5 million
24 May 2011	Grovedale	19	Three shops destroyed. Damage \$1.8 million
5 June 2011	Werribee	24	Beauty salon. Damage \$500,000
19 June 2011	Blairgowrie	9	Private residence. Two fatalities

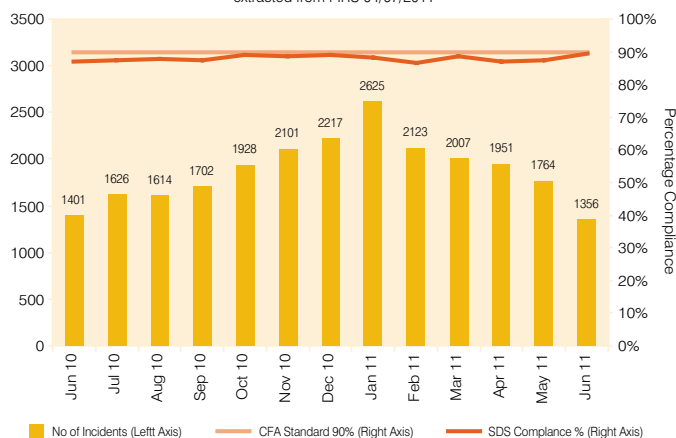
## Our Performance

### Service Delivery Standards

Of the 35,317 incidents CFA attended, 22,879 were classified as emergency incidents for measurement of Service Delivery Standards purposes. Of these, 20,156 incidents (88.1 per cent) met the required response time standard for the type of hazard attended, with a further 2,723 incidents (11.9 per cent) missing compliance by less than 60 seconds. Figure 3 shows a summary of performance for the year.

**Figure 3:** Service Delivery Compliance 2010-11<sup>1</sup>

Statewide Service Delivery Compliance –13 mths to 30/06/2011  
extracted from FIRS 04/07/2011



1. Data is based on completed fire and incident reports, where at least one appliance from any fire service responded under emergency conditions to an incident in a CFA area. The data excludes support calls to external fire services, non-emergency incidents and incidents occurring in remote rural areas that do not have a standard response time requirement.

### Containment to Room of Origin (Structure Fire)

The table, below, shows the total number of structure fires in each region and the percentage where flame damage was confined to the room of origin by responding firefighters.

CFA Region	Number of Structure Fires <sup>1</sup>	% Confined to Room of Origin
Barwon-South West	263	63%
Eastern Metropolitan	143	64%
Gippsland	184	57%
Grampians	170	59%
Hume	206	63%
Loddon Mallee	204	55%
Northern & Western Metro	305	74%
Southern Metro	565	70%
<b>Total</b>	<b>2,040</b>	<b>66%</b>

1. The determination of structure fires in the 'Containment to Room of Origin' report refers only to building fires. The 'Dollar Loss' report also includes building fires confined to a container, for example a chimney or cooking equipment, and hence shows a larger total number of structure fire incidents.

### Dollar Loss from Structure Fire

The table below shows total and median dollar loss for structure fires attended. The data is extracted from estimates included in completed primary fire reports by individual brigades.

CFA Region <sup>1</sup>	Number of Structure Fires	Structure Fires with Estimated Loss Value <sup>2</sup>	Estimated Dollar Loss from Structure Fires 2010-11	
			Total Dollar Loss	Median Dollar Loss
Barwon-Corangamite	302	148	\$8,516,450	\$5,000
Gippsland	327	140	\$7,937,670	\$3,000
Midlands-Wimmera	251	102	\$5,968,775	\$10,000
North East	349	173	\$11,565,211	\$5,000
North West	315	152	\$11,336,260	\$6,250
Outer Metro Norwest	422	212	\$12,320,325	\$3,000
South West	97	47	\$3,604,100	\$3,000
Westernport	802	426	\$64,263,235	\$4,000
Yarra	283	151	\$7,600,275	\$5,000
<b>Total</b>	<b>3,148</b>	<b>1,551</b>	<b>\$133,107,301</b>	<b>\$5,000</b>

1. The database used to collate these figures has yet to be transferred to the new Regional structure, hence the use of CFA's former Area titles.

2. Not all brigades provided an estimate of loss against structure fires.

In addition to the requirements in legislation, the Authority has formalised Board and Committee Governance arrangements in a Governance Framework. The Governance Framework is reviewed annually by the Board.

## CFA Board

The Board of the Authority is constituted under the CFA Act 1958.

The Board is accountable to the Minister for Police and Emergency Services.

The CFA Act provides for a Board of 12, consisting of the Chairman and 11 other members, appointed by the Governor in Council for up to three years. The Act prescribes those bodies that can nominate people for consideration by the Governor in Council for appointment to the Board. The current nominating bodies include the Minister for Environment and Climate Change, Insurance Council of Australia, Volunteer Fire Brigades Victoria and the Municipal Association of Victoria.

In addition to the requirements of the Act, Board members are required to observe CFA's Code of Conduct and other requirements specified by CFA's Governance Framework. Board members are required to disclose any conflict or pecuniary interests, and to submit an annual Declaration of Private Interests.

### BOARD ROLE

The Board sets the corporate objectives and strategies through the four-year Corporate Plan and detailed Annual Plan.

The Board is responsible for CFA's strategy and overall performance, ensuring appropriate risk management strategies are in place and that it complies with relevant legislation, the Government's requirements and its corporate objectives in its Corporate Plan and Annual Plan.

The Board's primary role involves:

- developing and implementing strategic plans to meet CFA's legislated responsibility
- policy formulation
- ensuring systems and processes for proper accountability and managing risk are in place
- monitoring CFA's performance
- ensuring compliance obligations are met.

### BOARD MEMBERSHIP

**Board members during 2010-2011 were:**

Kerry Murphy PSM AFSM (Chair)	reappointed 1 April 2010
Claire Higgins (Deputy Chair)	reappointed 2 October 2009
Mark Byatt	appointed 6 July 2010
Ross Coyle	appointed 25 March 2010
David Gibbs AFSM	reappointed 15 April 2009
Peter Harmsworth AO	reappointed 26 June 2010
Ken King	reappointed 13 October 2009
Reid Mather	appointed 31 December 2009
Tunde Meikle	appointed 15 April 2009
John Peberdy	appointed 22 September 2009
Robert Spencer	appointed 23 July 2008
Michael Tudball AFSM	reappointed 31 December 2009

### BOARD COMMITTEES

The Board has four committees appointed to undertake specific tasks on its behalf.

#### Audit and Risk Committee

The Audit and Risk Committee's role is to monitor and report to the Board on corporate governance, compliance and risk management processes, including CFA's external and internal audit functions.

CFA's internal audit function is undertaken by PricewaterhouseCoopers, whose representatives report to this committee's meetings.

The Audit and Risk Committee receives advice from the Auditor-General, who is responsible for auditing CFA's annual financial statements.

#### Membership

Michael Tudball (Chair)
Claire Higgins
Ken King
Robert Spencer
Clif Lang (external member)

#### Remuneration and Appointments Committee

The Remuneration and Appointments Committee was established to take specific responsibility for recommending to the Board CFA's policy and practice for executive officer appointments and remuneration review processes and associated compliance.

#### Membership

Claire Higgins (Chair)
David Gibbs
Peter Harmsworth
Kerry Murphy
John Peberdy

Being a group officer can be extremely rewarding because you're working alongside a group of community-minded people – the most supportive and loyal bunch of staff and volunteers.

Retired Group Officer Rod Holland

### 2009 Fires Committee

The 2009 Fires Committee's role is to assist the Board to monitor, and contribute to the overall organisational response to, the Victorian Bushfires Royal Commission and any other matters arising as a result of the 2009 fires such as civil actions and coroner's inquiries.

#### Membership

Claire Higgins (Chair)
David Gibbs
Peter Harmsworth
Kerry Murphy

### Governance Committee

The Governance Committee was established to broadly overview the effectiveness of Board and Committee performance and the Board Committee structure and to provide a forum for urgent business that might arise between Board meetings. No formal meetings were held during 2010-11, but the Charter and the membership of the committee were reviewed during the year.

#### Membership

Kerry Murphy (Chair)
Claire Higgins
Chairs of each of the other Board Committees

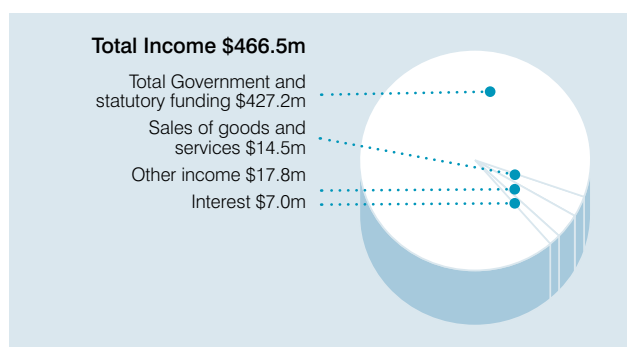
### Attendance at Meetings

Board members' attendance at Board and committee meetings is detailed in the table below.

	Board Meetings	Audit and Risk	Remuneration and Appointments	2009 Fires
<b>Total meetings to 30 June 2011</b>	<b>13</b>	<b>5</b>	<b>4</b>	<b>19</b>
Kerry Murphy	12	-	4	17
Ross Coyle	12	-	-	-
Mark Byatt	10	-	-	-
David Gibbs	13	-	4	18
Peter Harmsworth	13	-	4	18
Claire Higgins	11	5	4	17
Ken King	12	5	-	-
Reid Mather	11	-	-	-
Tunde Meikle	11	-	-	-
John Peberdy	13	-	4	-
Robert Spencer	13	5	-	-
Michael Tudball	13	5	-	-

## DISCUSSION AND ANALYSIS – COMPREHENSIVE OPERATING STATEMENT

### Income



#### Income

Total income for 2010-11 was \$466.5m, which is an increase of \$33.6m over the previous year's total of \$432.9m. The reasons for this variation are an increase of \$4.9m in government and insurance contributions, a decrease in major incident funding of \$2.8m, an increase in supplementary funding of \$24.5m (attributable to funding received in relation to the 2009 Victorian Bushfires Royal Commission Outcomes and Valuing Volunteers), an increase in other income of \$3.7m, an increase in Sales of Goods and Services of \$0.8m, and an increase in interest income of \$2.5m. The Comprehensive Operating Statement and note 2(e) disclose the movement in brigade cash and deposits over the financial period.

#### Government and statutory funding

CFA received contributions from Government and other sources amounting to \$427.2m (2009-10 \$400.6m). Under the Country Fire Authority Act 1958 (the Act), CFA receives funding of annual expenditure from the State Government (22.5%), insurance contributions (77.5%), and from other companies under Section 80A of the Act (which relates to property located in Victoria but insured offshore). The 2010-11 statutory contributions of \$427.2m, comprised \$101.7m from the State Government (of which \$20.9m was treated as contributed capital), \$1.5m from the Commonwealth Government, \$309.2m from insurance companies, and \$14.7m from other companies.

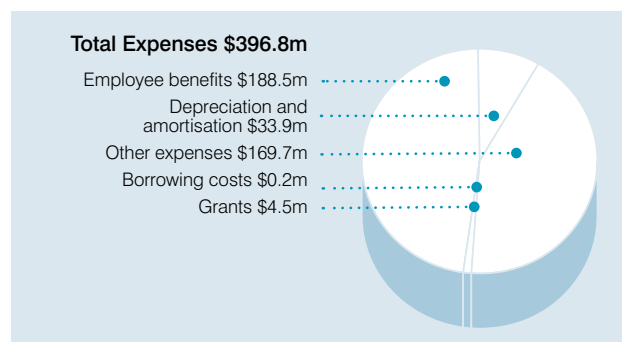
#### Sales of goods and services

CFA received \$14.5m during the year from the provision of goods and services to external bodies (2009-10 \$13.7m). This includes the provision of external training services, fire protection fees, alarm monitoring, dangerous goods inspections, and charges for hazardous materials incidents.

#### Other income and interest

Other income during the year totalled \$17.8m from a number of sources including the Transport Accident Commission, public donations and recognition of additional brigade assets. Interest income for the year totalled \$7.0m.

### Expenses



#### Expenses

Total expenses for 2010-11 were \$396.8m compared to \$378.0m in 2009-10. This increase of \$18.8m can be attributed mainly to increased staff numbers in delivery of community-related bushfire preparedness activities and programs to implement the recommendations of the Victorian Bushfires Royal Commission.

#### Employee benefits

During 2010-11, \$188.5m (2009-10 \$167.3m) was spent on salaries and other employee expenses such as superannuation, payroll tax, WorkCover premiums and employee support activities.

#### Depreciation and amortisation

The written down value of CFA's assets at cost or valuation, including land, buildings, leasehold improvements, vehicles, plant and machinery totalled \$889.3m (2009-10 \$648.0m). This significant increase is due to the physical revaluation of land and buildings that occurred during 2010-11 in accordance with government requirements. Depreciation expense totalled \$33.9m during 2010-11 (2009-10 \$25.7m).

#### Borrowing costs

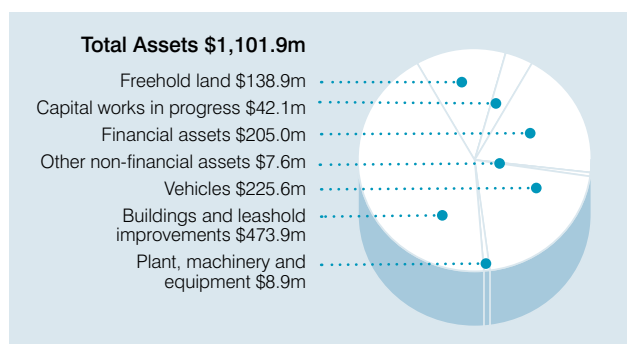
CFA incurred borrowing costs during 2010-11 of \$0.2m (2009-10 \$0.1m).

#### Other expenses

CFA spent \$169.7m on general operating costs and other expenses during 2010-11. This was a decrease of \$12.0m compared with the previous year which was mostly related to a relatively quieter fire season during 2010-11.

## DISCUSSION AND ANALYSIS – BALANCE SHEET

### Assets



#### Total assets

Total assets at 30 June 2011 were \$1,101.9m compared to the 2009-10 total of \$792.0m. The major elements of the year-on-year variation (\$309.9m) were movements in financial assets (\$69.0m), an increase in the value of buildings (\$170.5m), an increase in the value of land (\$54.0m), a decrease in plant and equipment (\$2.2m), the acquisition of new emergency response and transport vehicles (\$12.0m), an increase in capital works in progress (\$7.1m), and a decrease in other non-financial assets (\$0.4m).

#### Financial assets

Financial assets totalled \$205.0m (2009-10 \$136.1m) and included money owed to CFA (\$9.3m), and cash at bank and deposits (\$195.7m).

Cash reserves, which include brigade cash holdings, are held for specific purposes and include carry forward amounts for initiatives such as Victorian Bushfires Royal Commission Outcomes and Bushfires Portfolio Programs (\$51.9m), Radio Replacement (\$34.3m), Regional Dispatch Radio System (\$24.0m), EAS Capability (\$20.8m), Structural Personal Protective Clothing (\$9.4m), Crew Protection (\$7.6m), Special Projects (\$5.3m), Grants (\$0.6m), carry forwards for other CFA activities (\$14.1m), and CFA and brigades capital works programs (\$22.0m).

#### Non-financial assets

Non-financial assets totalled \$897.0m (2009-10 \$655.9m) and included inventories and goods held in store (\$6.3m), prepayments made by CFA (\$1.3m), and property, plant and equipment (\$889.3m). In accordance with government requirements, a physical revaluation of land and building assets is required to be undertaken every five years. This occurred during 2010-11 and resulted in an increase to CFA's land and buildings of \$213.1m.

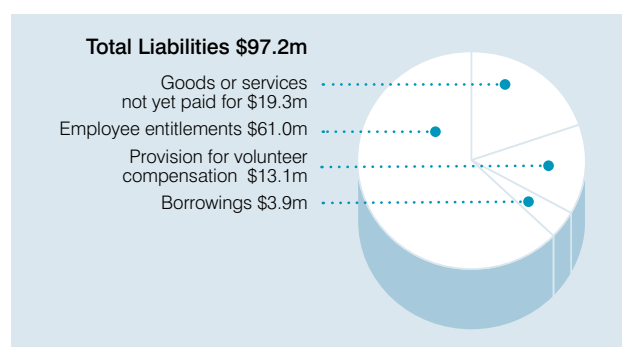
#### Plant and equipment

This includes computer hardware, general plant and communications equipment to a total value of \$8.9m (2009-10 \$11.1m).

#### Capital works in progress

At the end of the year, the value of expenditure on capital works such as buildings, emergency response vehicles, and plant and equipment which were not yet completed, totalled \$42.1m (2009-10 \$35.0m).

### Liabilities



#### Total liabilities

Total liabilities at 30 June 2011 amounted to \$97.2m compared to the previous year's total of \$91.1m. The variation of \$6.1m was caused by decreased amounts accrued in relation to payables, and increases in the provisions for employee benefits and volunteer compensation.

#### Employee entitlements

A total of \$61.0m (2009-10 \$53.4m) is accrued for annual leave and long service leave payments to staff. Most of this amount will become payable at a future date.

#### Goods or services not yet paid for

At the end of the year a total of \$19.3m was owed for goods or services already provided but not yet paid for. This was a decrease of \$4.6m over the corresponding figure last year, which is related to reduced major bushfire response activity during 2010-11.

#### Provision for volunteer compensation

Based on previous claims and actuarial calculations, a total of \$13.1m has been estimated to allow for compensation for injuries to volunteers up to 30 June 2011. This is an increase of \$3.2m compared to the figure at 30 June 2010.

#### Interest bearing liabilities (borrowings)

CFA borrowings at 30 June 2011 were \$3.9m (2009-10 \$3.9m) to fund the cost of constructing a new regional office.

## VOLUNTEER BRIGADE ACTIVITIES

The major assets of CFA volunteer brigades – Land, Buildings, Plant and Equipment, and Bank/Cash Equivalents – are recognised as assets by CFA in the Annual Financial Statements. New brigade assets and Bank/Cash Equivalents are included annually in CFA's financial statements. Bank/Cash Equivalents were brought to account for the first time in the 2006-07 accounts. The cash balances are funds that have been accumulated by brigades over many decades, predominantly for the replacement of existing capital equipment and the purchase of supplementary equipment in their respective brigades. They appear as Other Income in the Operating Statement and as Bank/Cash Equivalents in the Balance Sheet. The Bank/Cash Equivalents incorporated in these financial statements are those held by the brigades at 30 June 2011.

The brigades are funded by CFA and supplemented by community fundraising and donations. Brigade costs borne by CFA are included in the expense analysis of the Annual Financial Statements, either by specific reference (e.g. Volunteer Compensation, Other Volunteer and Brigade Support, Grants to Volunteer Associations) or by inclusion (under the appropriate expense heading) with CFA's other costs of a similar nature (e.g. Depreciation, Building Operating and Maintenance, Motor Vehicle, Training and Skills Maintenance, Uniforms and Equipment). As the majority of brigade transactions are thus included in CFA's accounts, the remaining separate revenues and expenses of the brigades are not reflected in the Authority's financial statements.

In order to comply with the Income Tax Assessment Act 1997, relating to tax deductible gifts, the CFA and Brigades Donations Fund was established under a Trust Deed dated 7 June 2004. The trustees are responsible for the preparation of separate financial statements that are subject to independent audit and the financial transactions of the fund are consolidated into CFA's Annual Financial Statements.

CFA volunteer brigades also receive support under the State Government's Volunteer Emergency Services Equipment Program (VESEP). VESEP assists eligible emergency service organisations by providing contributory funding for vehicles and equipment. CFA also provides brigades with access to an extended credit facility to support brigade-related small asset acquisition programs.

### CFA and Brigades Donations Trust Fund

CFA provided regular and accurate reports of the Trust's operations and financial status to the satisfaction of the Trustees. A total of 1,190 brigades were registered with the Trust at 30 June 2011.

The Trust received \$6.4m during the 2010-11 financial year deposited to the account, compared with \$7.1m during 2009-10.

The 30 June 2011 Trust bank balance was \$1.6m (\$0.6m cash at bank and \$1m short term investment) compared with \$1.3m on 30 June 2010.

## IMPORTANT NOTE

Each year, the contributions received from the State Government and insurance companies provide funding for that year's recurrent expenditure and capital works. These contributions are classified as income. After deducting recurrent expenses for the year, CFA's net result is determined. The 2010-11 result is \$69.9 million. Contributions not used for recurrent expenditure provide funding for CFA's capital expenditure program, and also represent funds held for specific programs which have either not yet commenced, or are partially implemented. CFA's accumulated surplus of \$325.2 million as disclosed in the balance sheet is an accounting entry reflecting the total of the prior year's operating results, and does not indicate the level of CFA's cash reserves and/or liquidity.

# FINANCIAL STATEMENTS

## **Accountable Officer's and Chief Finance and Accounting Officer's declaration**

We certify that the attached financial statements for the Country Fire Authority (CFA) have been prepared in accordance with Standing Direction 4.2 of the Financial Management Act 1994, applicable Financial Reporting Directions, Australian Accounting Standards and other mandatory professional reporting requirements.

We further state that in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2011 and financial position of CFA at 30 June 2011.

We are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial report for issue on 9 August 2011.



**Kerry A Murphy PSM AFSM**  
Chairman



**M Bourke**  
Chief Executive Officer



**M Wootten FCPA**  
Director Finance and Administration



for the financial year ended 30 June 2011

	Notes	2011 \$'000	2010 \$'000
<b>Income from transactions</b>			
Contributions	2(a)	400,834	395,970
Grants	2(b)	26,330	4,635
Interest	2(c)	7,029	4,544
Sales of goods and services	2(d)	14,510	13,701
Other income	2(e)	17,777	14,007
<b>Total income from transactions</b>		<b>466,480</b>	<b>432,857</b>
<b>Expenses from transactions</b>			
Employee expenses	3(a)	188,502	167,341
Depreciation	3(b)	33,867	25,698
Interest expense	3(c)	172	158
Grants and other transfers	3(d)	4,513	3,072
Other operating expenses	3(e)	169,719	181,724
<b>Total expenses from transactions</b>		<b>396,773</b>	<b>377,993</b>
<b>Net result from transactions (net operating balance)</b>		<b>69,707</b>	<b>54,864</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on non-financial assets	4(a)	479	(490)
Doubtful debts provision gain/(loss) on revaluation	4(b)	(227)	(24)
Long service leave expense gain/(loss) on revaluation	4(b)	(109)	(58)
<b>Total other economic flows included in net result</b>		<b>143</b>	<b>(572)</b>
<b>Net result</b>		<b>69,850</b>	<b>54,292</b>
<b>Other economic flows – other non-owner changes to equity</b>			
Changes in physical asset revaluation surplus	14	213,101	0
<b>Total other economic flows – other non-owner changes to equity</b>		<b>213,101</b>	<b>0</b>
<b>Comprehensive result</b>		<b>282,951</b>	<b>54,292</b>

The Comprehensive Operating Statement should be read in conjunction with the accompanying notes.

## BALANCE SHEET

as at 30 June 2011

	Notes	2011 \$'000	2010 \$'000
<b>Assets</b>			
<b>Financial assets</b>			
Cash and deposits	20(a)	195,708	129,191
Receivables	5	9,281	6,879
<b>Total financial assets</b>		<b>204,989</b>	<b>136,070</b>
<b>Non-financial assets</b>			
Inventories	6	6,273	6,358
Non-financial assets classified as held for sale	7	0	113
Other	8	1,330	1,496
Property, plant and equipment	9	889,340	647,980
<b>Total non-financial assets</b>		<b>896,943</b>	<b>655,947</b>
<b>Total assets</b>		<b>1,101,932</b>	<b>792,017</b>
<b>Liabilities</b>			
Payables	10	19,284	23,931
Provisions	11	74,068	63,330
Borrowings	13	3,860	3,860
<b>Total liabilities</b>		<b>97,212</b>	<b>91,121</b>
<b>Net assets</b>		<b>1,004,720</b>	<b>700,896</b>
<b>Equity</b>			
Accumulated surplus		325,187	255,337
Physical asset revaluation surplus	14	434,117	221,016
Contributed capital		245,416	224,543
<b>Net Worth</b>		<b>1,004,720</b>	<b>700,896</b>
Commitments for expenditure	18		
Contingent assets and contingent liabilities	18		

The Balance Sheet should be read in conjunction with the accompanying notes.

for the financial year ended 30 June 2011

(\$'000)					
	Notes	Physical Asset Revaluation Surplus	Accumulated Surplus	Contributions by Owner	Total
<b>Balance at 1 July 2009</b>		221,016	201,045	208,031	630,092
Net result for the year			54,292		54,292
Capital contributions				16,512	16,512
<b>Balance at 30 June 2010</b>		<b>221,016</b>	<b>255,337</b>	<b>224,543</b>	<b>700,896</b>
Net result for the year			69,850		69,850
Other comprehensive income for the year	14	213,101			213,101
Capital contributions				20,873	20,873
<b>Balance at 30 June 2011</b>		<b>434,117</b>	<b>325,187</b>	<b>245,416</b>	<b>1,004,720</b>

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## CASH FLOW STATEMENT

for the financial year ended 30 June 2011

	Notes	2011 \$'000	2010 \$'000
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Contribution receipts from Government		103,227	76,519
Receipts from other entities		340,666	342,197
Goods and services tax recovered from the ATO		19,412	24,002
Interest received		6,453	4,554
Other receipts		13,728	12,192
<b>Total receipts</b>		<b>483,486</b>	<b>459,464</b>
<b>Payments</b>			
Payments of grants and other transfers		(4,513)	(3,072)
Payments to suppliers and employees		(373,302)	(376,541)
Interest and other costs of finance paid		(172)	(171)
<b>Total payments</b>		<b>(377,987)</b>	<b>(379,784)</b>
<b>Net cash flows from operating activities</b>	20(b)	<b>105,499</b>	<b>79,680</b>
<b>Cash flows from investing activities</b>			
Payments for non-financial assets		(66,434)	(75,623)
Proceeds from sale of non-financial assets		6,579	6,412
<b>Net cash flows used in investing activities</b>		<b>(59,855)</b>	<b>(69,211)</b>
<b>Cash flows from financing activities</b>			
Owner contributions by State Government		20,873	16,462
Proceeds from borrowings		0	0
<b>Net cash flows from financing activities</b>		<b>20,873</b>	<b>16,462</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>66,517</b>	<b>26,931</b>
Cash and cash equivalents at the beginning of the financial year		129,191	102,260
<b>Cash and cash equivalents at the end of the financial year</b>	20(a)	<b>195,708</b>	<b>129,191</b>

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

## 1. Summary of significant accounting policies

The annual financial statements represent the audited general purpose financial statements for the Country Fire Authority (CFA). To gain a better understanding of the terminology used in this report, a glossary of terms can be found in Note 23.

### (a) Statement of compliance

These financial statements have been prepared in accordance with the Financial Management Act 1994 and Applicable Accounting Standards and Interpretations (AASs). AASs include Australian equivalents to International Financial Reporting Standards. Where applicable, those paragraphs of the AASs applicable to not-for-profit entities have been applied. The annual financial statements were authorised for issue by the Chairman of CFA.

### (b) Basis of accounting, preparation and measurement

The accrual basis of accounting has been applied in the preparation of these financial statements whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

These financial statements are presented in Australian dollars, the functional and presentation currency of CFA.

In the application of AASs, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The report has been prepared in accordance with the historical cost convention. Exceptions to the historical cost convention are:

- non-current physical assets which, subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair value;
- the fair value of an asset other than land is generally

based on its depreciated replacement value

- certain liabilities that are calculated with regard to actuarial assessments.

Historical cost is based on the fair values of the consideration given in exchange for assets.

Accounting policies are selected and applied in a manner that ensures the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2011 and the comparative information presented for the year ended 30 June 2010.

### (c) Reporting entity

The financial statements cover CFA, which is a statutory authority and operates under the Country Fire Authority Act 1958 (CFA Act 1958). Its principal address is: 8 Lakeside Drive, Tally-Ho Technology Park, Burwood East Vic 3151. The financial statements include all transactions of the CFA Brigades Donations Trust.

A description of the nature of CFA's operations and its principal activities is included in the Report of Operations, which does not form part of these financial statements.

### (d) Scope and presentation of financial statements

Comprehensive Operating Statement:

Income and expenses in the comprehensive operating statement are classified according to whether or not they arise from 'transactions' or 'other economic flows'. This classification is consistent with the whole of government reporting format and is allowed under AASB101 Presentation of financial statements.

'Transactions' and 'other economic flows' are defined by the Australian system of government finance statistics: concepts, sources and methods 2005 Cat.No. 5514.0 published by the Australian Bureau of Statistics (see Note 23).

'Transactions' are those economic flows that are considered to arise as a result of policy decisions, usually interactions between two entities by mutual agreement. Transactions also include flows within an entity, such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the Government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash.

'Other economic flows' are changes arising from market remeasurements. They include gains and losses from market remeasurements, disposals, revaluations and

impairments of non-current physical and intangible assets; actuarial gains and losses arising from defined benefit superannuation plans and fair value of financial instruments.

The net result is equivalent to profit or loss derived in accordance with AASs.

Balance Sheet:

Assets and liabilities are presented in liquidity order with assets aggregated into, financial assets and non-financial assets.

Current and non-current assets and liabilities (those expected to be recovered or settled beyond 12 months) are disclosed in the notes, where relevant.

Statement of Changes in Equity:

The statement of changes in equity presents reconciliations of each non-owner and owner equity opening balance at the beginning of the reporting period to the closing balance at the end of the reporting period. It also shows separately changes due to amounts recognised in the comprehensive result and amounts recognised in other comprehensive income related to other non-owner changes in equity.

Cash Flow Statement:

Cash flows are classified according to whether or not they arise from operating activities, investing activities or financing activities. This classification is consistent with requirements under AASB 107 Statement of cash flows.

### **(e) Income from transactions**

Income is recognised to the extent that it is probable that the economic benefits will flow to CFA and the income can be reliably measured.

Contributions:

Statutory contributions are determined under Section 77 of the CFA Act 1958 and comprise 77.5 per cent from insurance companies insuring against fire for property situated within the country area of Victoria, and 22.5 per cent from the Consolidated Fund. Contributions Income is recognised in the financial year to which the determination under Section 77 and Section 80A applies.

Grants:

Grants from third parties (other than contributions by owners) are recognised as income in the reporting period in which the grant is receivable or received. Grants for the current year are funds received for Victorian Bushfires Royal Commission Outcomes, Major Incidents and Valuing Volunteers programs.

Interest income:

Interest income is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

Sales of goods and services:

### **Income from the provision of services**

Income from the provision of services is recognised by reference to the stage of completion basis. The income is recognised when:

- the amount of the income, stage of completion and transaction costs incurred can be reliably measured
- it is probable that the economic benefits associated with the transaction will flow to CFA.

The stage of completion is measured by reference to labour hours supplied or as a percentage of total services to be performed.

### **Income from sale of goods**

Income from the sale of goods is recognised by CFA when:

- the significant risks and rewards of ownership of the goods have transferred to the buyer
- CFA retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold
- the amount of income, and costs incurred or to be incurred in respect of the transaction can be reliably measured
- it is probable that the economic benefits associated with the transaction will flow to CFA.

Fair value of assets received free of charge or for nominal consideration:

Contributions of resources received free of charge or for nominal consideration are recognised at their fair value when CFA obtains control over them, irrespective of whether restrictions or conditions are imposed over the use of the contributions, unless received from another government department or agency as a consequence of a restructuring of administrative arrangements. In the latter case, such a transfer will be recognised at carrying value.

Other Income:

### **CFA and Brigades Donations Fund**

CFA has responsibility for transactions and balances relating to the CFA and Brigades Donations Fund, the purpose of which is to receive and distribute donations received by or on behalf of CFA brigades.

### **(f) Expenses from transactions**

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

Employee expenses:

Employee expenses include all costs related to employment including wages and salaries, leave entitlements, redundancy payments and superannuation expenses which are reported differently depending upon whether employees are members of defined benefit or defined contribution plans. In relation to defined contribution (i.e. accumulation) superannuation plans, the associated expense is simply the employer contributions that are paid or payable in respect of

employees who are members of these plans during the reporting period. Employer superannuation expenses in relation to employees who are members of defined benefit superannuation plans are described below.

**Superannuation – defined benefit plans:**

The amount recognised in the comprehensive operating statement in relation to employer contributions for members of defined benefit superannuation plans is simply the employer contributions that are paid or payable to these plans during the reporting period. The level of these contributions will vary depending upon the relevant rules of each plan, and is based upon actuarial advice provided to the superannuation fund.

The Department of Treasury and Finance (DTF) in its Annual Financial Statements recognise on behalf of the State as the sponsoring employer, the net defined benefit cost related to the members of these plans. Refer to DTF's Annual Financial Statements for more detailed disclosures in relation to these plans.

**Depreciation:**

All infrastructure assets, buildings, plant and equipment and other non-current physical assets (excluding items under operating leases, assets held-for-sale and investment properties) that have a limited useful life are depreciated. Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual, over its estimated useful life.

Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

The following are the estimated useful lives for each asset class for both current and prior years:

Asset class	Useful life	
	2011	2010
Buildings at cost	67 years	67 years
Buildings at valuation	52 years	52 years
Leasehold improvements	4 - 50 years	4 - 50 years
Plant and equipment	3 - 20 years	3 - 20 years

**Interest expense:**

Interest expenses are recognised as expenses in the period in which they are incurred. Refer to glossary of terms in Note 23 for an explanation of interest expense items.

**Grants and other expense transfers:**

Grants and other transfers to third parties (other than contribution to owners) are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as grants, subsidies and other transfer payments made to Local and General Government and the Volunteer Association.

**Other operating expenses:**

**Supplies and services**

Supplies and services generally represent cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of CFA. These items are recognised as an expense in the reporting period in which they are incurred. The carrying amount of any inventories held for distribution are expensed when distributed.

**Bad and doubtful debts**

Bad and doubtful debts are assessed on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. Those written off unilaterally and the provision for doubtful contractual receivables, are classified as other economic flows (refer Note 1(g) Financial assets – Impairment of financial assets).

**(g) Other economic flows included in net result**

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions.

**Net gain/(loss) on non-financial assets:**

Net gain/(loss) on non-financial assets and liabilities includes realised and unrealised gains and losses as follows:

- Revaluation gains/(losses) of non-current physical assets  
Refer to accounting policy on Property, plant and equipment, provided in Note 1(i) Non-financial assets.
- Disposal of non-financial assets  
Any gain or loss on the sale of non-financial assets is recognised at the date that control of the asset is passed to the buyer and is determined after deducting from the proceeds the carrying value of the asset at the time.

**Impairment of non-financial assets:**

All assets are assessed annually for indications of impairment, except for inventories and non-current physical assets held for sale.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off by a charge to the operating statement except to the extent that the write-down can be debited to an asset revaluation surplus amount applicable to that class of asset.

It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash

flows expected to be obtained from the asset and fair value less costs to sell.

Net gain/(loss) on financial instruments:

Net gain/(loss) on financial instruments includes realised and unrealised gains and losses from revaluations of financial instruments that are designated at fair value through profit or loss or held-for-trading, impairment and reversal of impairment for financial instruments at amortised cost, and disposals of financial assets.

#### **Revaluations of financial instruments at fair value**

The revaluation gain/(loss) on financial instruments at fair value excludes dividends or interest earned on financial assets, which is reported as part of income from transactions.

Other gains/(losses) from other economic flows:

Other gains/(losses) from other economic flows include the gains or losses from reclassification of amounts from reserves and/or accumulated surplus to net result and from the revaluation of long service leave liability due to change in bond interest rates.

#### **(h) Financial assets**

Cash and deposits

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, deposits at call and those highly liquid investments with an original maturity of three months or less, which are held for the purpose of meeting short term cash commitments rather than for investment purposes, and which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

For cash flow statement presentation purposes, cash and cash equivalents includes bank overdrafts, which are included as borrowings on the balance sheet.

Receivables

Receivables consist predominantly of amounts owing from the Victorian Government, debtors in relation to goods and services, accrued investment income and GST input tax credits recoverable. Receivables that are contractual are classified as financial instruments. Amounts owing from the Victorian Government, taxes and other statutory receivables are not classified as financial instruments.

Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method, less an allowance for impairment.

A provision for doubtful contractual receivables is made when there is objective evidence that the debts may not be collected and bad debts are written off when identified.

#### **(i) Non-financial assets**

Inventories

Inventories include goods and other property held either for sale or for distribution at zero or nominal cost in the

ordinary course of business operations. Inventories held for distribution are measured at cost, adjusted for any loss of service potential. All other inventories are measured at the lower of cost and net realisable value.

Other supplies and consumables are valued at the lower of cost and net realisable value.

Cost is assigned to high value, low volume inventory items on a specific identification of cost basis.

Cost for all other inventory is measured by the financial system on the basis of weighted average cost.

Non-financial assets classified as held for sale

Non-financial assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell and are not subject to depreciation.

Non-financial assets are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale is expected to be completed within 12 months from the date of classification.

Property, plant and equipment

All non-current physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment.

#### **Non-current physical assets constructed by CFA**

The cost of capital work in progress is carried at cost of materials, external services, direct labour and appropriate proportion of fixed and variable overheads recognised to date based on the value of work completed.

The fair value of infrastructure systems and plant, equipment and vehicles, is normally determined by reference to the asset's depreciated replacement cost. For plant, equipment and vehicles, existing depreciated historical cost is generally a reasonable proxy for depreciated replacement cost because of the short lives of the assets concerned.

#### **Leasehold Improvements**

The cost of leasehold improvements is capitalised as an asset and depreciated over the remaining term of the lease or the estimated useful life of the improvements, whichever is the shorter.

#### **Revaluations of non-current physical assets**

Non-current physical assets measured at fair value are to be revalued in accordance with FRD 103D issued by the Minister for Finance. A full revaluation normally occurs every five years, based on the asset's government purpose classification, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are used to conduct these scheduled revaluations and any interim revaluations are determined in accordance with the requirements of the FRDs.



Revaluation increases or decreases arise from differences between an asset's carrying value and fair value.

Net revaluation increases (where the carrying amount of a class of assets is increased as a result of a revaluation) are recognised in other comprehensive income and accumulated in equity under the revaluation surplus, except that the net revaluation increase shall be recognised in the net result to the extent that it reverses a net revaluation decrease in respect of the same class of property, plant and equipment previously recognised as an expense (other economic flows) in the net result.

Net revaluation decreases are recognised immediately as expenses (other economic flows) in the net result, except that the net revaluation decrease shall be recognised in other comprehensive income to the extent that a credit balance exists in the revaluation surplus in respect of the same class of property, plant and equipment. The net revaluation decrease recognised in other comprehensive income reduces the amount accumulated in equity under revaluation surplus.

Revaluation increases and decreases relating to individual assets within a class of property, plant and equipment are offset against one another within that class but are not offset in respect of assets in different classes. Any revaluation surplus is not normally transferred to accumulated funds on derecognition of the relevant asset.

Other non-financial assets

#### **Prepayments**

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

#### **Impairment of non-financial assets**

Refer to Note 1(g) Other economic flows included in net result.

#### **(j) Liabilities**

Payables

Payables consist predominantly of creditors and other sundry liabilities. Accounts payable represent liabilities for goods and services provided to CFA prior to the end of the financial year that are unpaid, and arise when CFA becomes obliged to make future payments in respect of the purchase of those goods and services.

Other liabilities included in payables mainly consist of unearned/prepaid income, goods and services tax and fringe benefits tax payables.

Payables are initially recognised at fair value, being the cost of the goods and services, and subsequently measured at amortised cost.

Borrowings

Borrowings are initially measured at fair value, being the cost of the borrowings, net of any transaction

costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in net result over the period of the borrowing using the effective interest rate method.

Provisions

Provisions are recognised when CFA has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

Employee benefits

#### **(i) Wages and salaries and annual leave:**

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

Those liabilities that are expected to be settled within 12 months are recognised in the provision for employee benefits as current liabilities, measured at present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

#### **(ii) Long service leave**

Liability for long service leave (LSL) is recognised in the provision for employee benefits as follows.

**Current liability – unconditional LSL** (representing 10 or more years of continuous service) is disclosed as a current liability even where CFA does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- present value – component that CFA does not expect to settle within 12 months; and
- nominal value – component that CFA expects to settle within 12 months.

**Non-current liability – conditional LSL** (representing less than 10 years of continuous service) is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL liability is measured at present value. Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the

extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an other economic flow (refer to Note 1(g) Other economic flows included in net result).

### **(iii) Termination benefits**

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. CFA recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted at present value.

### **Employee benefits on-costs**

Employee benefits on-costs (payroll tax, workers compensation, superannuation) are recognised separately from the provision for employee benefits.

### **Volunteer compensation**

The Provision for Volunteer Compensation is the accrued liability after allowing for anticipated recovery from insurance in respect of all outstanding registered Volunteer Compensation claims at 30 June 2010.

Outstanding claims are assessed on an actuarial basis. Future payments are projected using the Payment Per Claim Incurred (PPCI) method and the Payment Per Active Claim (PPAC) for older non-large weekly benefit claims and they allow for the potential additional liability arising from claims Incurred But Not Reported (IBNR), Incurred But Not Enough Reported (IBNER) and reopened claims. The portion of the liability which is expected to be paid later than 12 months after balance date has been classified as Non-Current.

### **(k) Leases**

A lease is a right to use an asset for an agreed period of time in exchange for payment.

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership. Leases of property, plant and equipment are classified as finance infrastructure leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. All other leases are classified as operating leases.

#### **Operating leases**

CFA leases property under non-cancellable operating leases expiring over the period of one to in excess of thirty years. Operating lease payments, including any contingent rentals, are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the

time pattern of the benefits derived from the use of the leased asset. The leased asset is not recognised in the balance sheet.

### **(l) Equity**

Contributions by owners:

Additions to net assets which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions or distributions have also been designated as contributions by owners. Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners.

### **(m) Commitments**

Commitments are disclosed at their nominal value and inclusive of the goods and services tax (GST) payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated.

### **(n) Contingent assets and contingent liabilities**

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

### **(o) Accounting for goods and services tax (GST)**

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority, are presented as operating cash flow.

### **(p) Events after reporting date**

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between CFA and other parties, the transactions are only recognised when the agreement is irrevocable at or before balance date. Adjustments are made to amounts recognised in the financial statements for events which occur after the reporting date and before the date the statements are authorised for issue, where those events provide information about conditions which existed at the reporting date. Note disclosure is made about events between the balance date and the date the

statements are authorised for issue where the events relate to conditions which arose after the reporting date and which may have a material impact on the results of subsequent years.

#### **(q) Rounding of amounts**

Amounts in the financial statements have been rounded to the nearest thousand dollars, unless otherwise stated. Figures in the financial statements may not equate due to rounding.

#### **(r) Volunteer brigade policies**

##### Volunteer brigade cash and deposits

Volunteer brigade cash and deposits are brought to account at 30 June 2011, as part of the ongoing consolidation of brigade activities with CFA's financial activities. In accordance with Australian Accounting Standard AASB118, the movement has been disclosed as Income in the Comprehensive Operating Statement note 2(e) and as an increase in financial assets in the Balance Sheet (note 20).

The basis of calculation for brigade cash and cash equivalents was the balance as at 31 March 2011, adjusted for known income and expenditure to 30 June 2011.

##### Volunteer brigade land and buildings

CFA acknowledges the significant contributions made by volunteer brigades to the capital value of their fire stations. It has 1,220 volunteer brigades and many of these have made substantial improvements to their fire stations and property over a number of decades. The value of these improvements is taken into account when the five yearly Valuer General's valuation occurs and the aggregate amount is then included in future financial statements. Where practical the value of major community funded projects is taken up at fair value when the improvement is carried out.

##### Volunteer brigade vehicles

CFA fully recognises the major community contribution by bringing to account, at cost less accumulated depreciation, fire fighting vehicles acquired by volunteer brigades (brigade vehicles) and plant and equipment valued at over \$5000.

Brigade vehicles are defined as any fire fighting or support vehicles, including transport vehicles owned by a registered brigade or group which comes under the control of CFA for operational purposes.

#### **(s) AASs issued that are not yet effective**

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2011 reporting period. DTF assesses the impact of these new standards and advises departments and other entities of their applicability and early adoption where applicable. As at 30 June 2011 the following standards and interpretations that are applicable to CFA had been issued but are not mandatory for the financial year ending 30 June 2011.

Standards and Interpretations that are not applicable to the Authority have been omitted. The Authority has not early adopted these standards.

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB.9 Financial instruments	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement).	Beginning 1 January 2013	Detail of impact is still being assessed.
AASB 124 Related Party Disclosures (Dec 2009)	Government related entities have been granted partial exemption with certain disclosure requirements.	Beginning 1 January 2011	Preliminary assessment suggests the impact is insignificant. However, the Authority is still assessing the detailed impact and whether to early adopt.
AASB 1053 Application of Tiers of Australian Accounting Standards	This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements.	Beginning 1 July 2013	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) for certain public sector entities and has not decided if RDRs will be implemented to the Victorian Public Sector.

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Interpretations 10 and 12]	This Standard gives effect to consequential changes arising from the issuance of AASB 9.	Beginning 1 January 2013	Detail of impact is still being assessed.
AASB 2009-14 Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement [AASB Interpretation 14]	Amendments to Interpretation 14 arise from the issuance of prepayments of a minimum funding requirement.	Beginning 1 January 2011	Expected to have no significant impact.
AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements	This Standard makes amendments to many Australian Accounting Standards, including Interpretations, to introduce reduced disclosure requirements to the pronouncements for application by certain types of entities.	Beginning 1 July 2013	Does not affect financial measurement or recognition, so is not expected to have any impact on financial result or position. May reduce some note disclosures in financial statements.
AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13]	This Standard makes numerous improvements designed to enhance the clarity of standards.	Beginning 1 January 2011	No significant impact on the financial statements.
AASB 2010-5 Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042]	This amendment contains editorial corrections to a range of Australian Accounting Standards and Interpretations, which includes amendments to reflect changes made to the text of IFRSs by the IASB.	Beginning 1 January 2011	No significant impact on the financial statements.
AASB 2010-6 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7]	This amendment adds and changes disclosure requirements about the transfer of financial assets. This includes the nature and risk of the financial assets.	Beginning 1 July 2011	This may impact on departments and public sector entities as it creates additional disclosure for transfers of financial assets. Detail of impact is still being assessed.
AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	These amendments are in relation to the introduction of AASB 9.	Beginning 1 January 2013	This amendment may have an impact on departments and public sector bodies as AASB 9 is a new standard and it changes the requirements of numerous standards. Detail of impact is still being assessed.

## 2. Income from transactions

	2011 \$'000	2010 \$'000
<b>(a) Contributions</b>		
State Government	75,358	71,554
Insurance companies	309,211	303,170
Owners and insurance intermediaries	14,726	20,670
Commonwealth Government	1,539	576
<b>Total Contributions</b>	<b>400,834</b>	<b>395,970</b>
<b>(b) Grants</b>		
Supplementary funding – Victorian Bushfires Royal Commission (VBRC) Outcomes	24,425	0
Major incident funding	1,557	4,389
Valuing Volunteers funding	348	246
<b>Total Grants</b>	<b>26,330</b>	<b>4,635</b>
<b>(c) Interest</b>		
Interest from financial assets not at fair value through Comprehensive Operating Statement:		
– Interest on bank deposits	1,952	2,173
– Interest on term deposits	5,077	2,371
<b>Total interest revenue</b>	<b>7,029</b>	<b>4,544</b>
<b>(d) Sales of goods and services</b>		
Sale of goods	4,787	4,750
Rendering of services	9,723	8,951
<b>Total revenue from sale of goods and services</b>	<b>14,510</b>	<b>13,701</b>
<b>(e) Other income</b>		
Brigade assets		
– Recognition of brigade cash and deposits	2,391	3,200
– Vehicles	1,591	1,978
– Plant and equipment	89	83
Sub total volunteer brigades	4,071	5,261
Property rental	664	664
Donations	6,408	6,090
Other (aggregate of immaterial items)	6,634	1,992
<b>Total Other income</b>	<b>17,777</b>	<b>14,007</b>
<b>Total Income</b>	<b>466,480</b>	<b>432,857</b>

### 3. Expenses from transactions

	2011 \$'000	2010 \$'000
<b>(a) Employee Benefits</b>		
Salaries	157,341	138,948
Superannuation (see note 19)	13,600	11,953
Other on-costs (payroll tax, fringe benefits tax, workcover premium)	10,796	9,900
Employee support	6,765	6,540
<b>Total employee benefits</b>	<b>188,502</b>	<b>167,341</b>
<b>(b) Depreciation</b>		
Depreciation of property, plant and equipment		
Buildings	12,148	5,769
Leasehold improvements	339	616
Vehicles	18,820	16,282
Other plant and equipment	2,560	3,031
<b>Total depreciation</b>	<b>33,867</b>	<b>25,698</b>
<b>(c) Interest expense</b>		
Interest on borrowings from Treasury Corporation of Victoria (TCV)	172	158
<b>Total interest expense</b>	<b>172</b>	<b>158</b>
<b>(d) Grants and other transfers (other than contributions by owners)</b>		
Grants to Volunteer Brigade Associations	714	540
Grants to Victorian Local Government	518	385
Grants to Office of the Emergency Services Commissioner running costs	3,281	2,147
<b>Total grants and other payments</b>	<b>4,513</b>	<b>3,072</b>
<b>(e) Other operating expenses</b>		
Supplies and Services:		
Uniforms and Equipment	13,591	14,203
Printing and Stationery	2,594	2,926
Contract Payments to External Services – ESTA	38,122	35,005
Contract Payments to External Services – Other	863	74
Volunteer Compensation and Insurance	7,474	7,219
Other Volunteer and Brigade Support	1,600	2,040
External Training and Skills Maintenance	2,045	2,176
Aircraft Hire	3,537	12,210
Hire Fees – Plant, Equipment and Vehicles	3,291	2,872
Consultants Fees	206	148
Audit Fees (note 17)	470	442
Publicity/Advertising	6,465	8,374
Buildings Operating and Maintenance	9,788	10,981
Motor Vehicle Operating and Maintenance	11,375	11,948
Computer Equipment and Systems	4,314	2,941
Communications and Alarms	13,312	9,604
Other Operating and Maintenance	10,994	13,308
Brigade Donations Distributed	6,408	6,090
<b>Total supplies and services</b>	<b>136,449</b>	<b>142,561</b>
Operating Lease Rental Expenses		
– Minimum Lease Payments	4,773	4,756
<b>Total operating lease rental expenses</b>	<b>4,773</b>	<b>4,756</b>
<b>Subtotal</b>	<b>141,222</b>	<b>147,317</b>
Bad debts from transactions	68	21
Cost of goods sold/distributed	5,985	5,441
Legal fees	1,000	1,139
General expenses	4,753	4,682
Contributions to other emergency organisations	625	882
Contractors	15,731	21,885
Catering – operational	335	357
<b>Total other operating expenses</b>	<b>169,719</b>	<b>181,724</b>

#### 4. Other economic flows included in net result

	2011 \$'000	2010 \$'000
<b>(a) Net gain/(loss) on non-financial assets</b>		
Net gain/(loss) on disposal of physical assets	479	(490)
<b>Total net gain/(loss) on non-financial assets and liabilities</b>	<b>479</b>	<b>(490)</b>
<b>(b) Other gains/(losses) from other economic flows</b>		
Doubtful debts provision gain/(loss) on revaluation	(227)	(24)
Net gain/(loss) arising from revaluation of long service leave liability	(109)	(58)
<b>Total other gains/(losses) from other economic flows</b>	<b>(336)</b>	<b>(82)</b>

#### 5. Receivables

<b>Current receivables</b>		
<b>Contractual</b>		
Trade receivables	3,455	2,960
Other receivables	3,881	1,281
Provision for doubtful contractual receivables	(297)	(70)
	<u>7,039</u>	<u>4,171</u>
<b>Statutory</b>		
GST recoverable	2,242	2,708
<b>Total receivables</b>	<b>9,281</b>	<b>6,879</b>
<b>(a) Movement in the provision for doubtful contractual receivables</b>		
Balance at beginning of the year	(70)	(46)
Receivables written off during the year as uncollectible	0	0
Receivables recovered during the year	0	0
(Increase)/decrease in provision recognised in the Comprehensive Operating Statement	(227)	(24)
Balance at end of the year	<u>(297)</u>	<u>(70)</u>
<b>(b) Ageing analysis of receivables</b>		
Please refer to Note 12 for the ageing analysis of receivables.		
<b>(c) Nature and extent of risk arising from receivables</b>		
Please refer to Note 12 for the nature and extent of credit risk arising from receivables		

#### 6. Current inventories

<b>Supplies and consumables:</b>		
At cost	6,273	6,358
<b>Total inventories</b>	<b>6,273</b>	<b>6,358</b>

#### 7. Non-financial assets classified as held for sale

Freehold land and buildings held for sale	<u>0</u>	<u>113</u>
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## 8. Current other assets

	2011 \$'000	2010 \$'000
Prepayments	1,330	1,496
<b>Total other assets</b>	<b>1,330</b>	<b>1,496</b>

## 9. Property, plant and equipment

Public safety and environment		
<b>(a) Carrying amounts</b>		
<b>Freehold land</b>		
At cost	3,138	12,873
At independent valuation 2011	135,728	71,961
	<b>138,866</b>	<b>84,834</b>
<b>Buildings</b>		
At cost	17,612	69,988
Less: accumulated depreciation	(29)	(2,482)
At independent valuation 2011	459,532	253,505
Less: accumulated depreciation	(5,112)	(19,416)
	<b>472,003</b>	<b>301,595</b>
<b>Leasehold improvements – at cost</b>	12,127	11,735
Less: accumulated depreciation	(10,250)	(9,911)
	<b>1,877</b>	<b>1,824</b>
<b>Vehicles – at cost</b>	384,518	362,199
Less: accumulated depreciation	(158,935)	(148,579)
	<b>225,583</b>	<b>213,620</b>
<b>Plant and equipment – at cost</b>	66,197	65,870
Less: accumulated depreciation	(57,313)	(54,753)
	<b>8,884</b>	<b>11,117</b>
<b>Property, plant and equipment in the course of construction – at cost</b>	42,127	34,990
<b>Net carrying amount of property, plant and equipment</b>	<b>889,340</b>	<b>647,980</b>



## Property, plant and equipment

### 9(b) Movements in carrying amounts

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below.

	Freehold Land at cost & fair value	Buildings at cost & fair value	Leasehold Improve'ts at cost	Vehicles at cost	Plant, Mach. & Equipment at cost	In the course of construction at cost	Total
Carrying amount	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2009</b>	<b>82,988</b>	<b>289,183</b>	<b>2,440</b>	<b>177,117</b>	<b>13,168</b>	<b>33,621</b>	<b>598,517</b>
Additions	0	0	0	0	0	80,264	80,264
Disposals	0	(435)	0	(4,529)	(26)	0	(4,990)
Classified as held for sale	(76)	(37)	0	0	0	0	(113)
Net revaluation increments/decrements) (Note 14)	0	0	0	0	0	0	0
Transfers to fixed assets	1,922	18,653	0	55,336	923	(76,834)	0
Brigade assets recognised (Note 2(e))	0	0	0	1,978	83	(2,061)	0
Depreciation expense (Note 3(b))	0	(5,769)	(616)	(16,282)	(3,031)	0	(25,698)
<b>Balance at 1 July 2010</b>	<b>84,834</b>	<b>301,595</b>	<b>1,824</b>	<b>213,620</b>	<b>11,117</b>	<b>34,990</b>	<b>647,980</b>
Additions	0	0	0	0	0	68,444	68,444
Disposals	(254)	(536)	0	(5,528)	0	0	(6,318)
Classified as held for sale	0	0	0	0	0	0	0
Net revaluation increments/(decrements) (Note 14)	51,148	161,953	0	0	0	0	213,101
Transfers to fixed assets	3,138	21,139	392	34,720	259	(59,648)	0
Brigade assets recognised (Note 2(e))	0	0	0	1,591	68	(1,659)	0
Depreciation expense (Note 3(b))	0	(12,148)	(339)	(18,820)	(2,560)	0	(33,867)
<b>Balance at 30 June 2011</b>	<b>138,866</b>	<b>472,003</b>	<b>1,877</b>	<b>225,583</b>	<b>8,884</b>	<b>42,127</b>	<b>889,340</b>

## 10. Payables

	2011 \$'000	2010 \$'000
<b>Current payables</b>		
<b>Contractual</b>		
Trade payables	6,064	6,117
Other payables and accruals	13,220	17,814
	<b>19,284</b>	<b>23,931</b>

### (a) Maturity analysis of contractual payables

Please refer to Note 12 for the ageing analysis of contractual payables.

### (b) Nature and extent of risk arising from payables

Please refer to Note 12 for the nature and extent of risks arising from payables.

## 11. Provisions

	2011 \$'000	2010 \$'000
<b>Current provisions</b>		
Employee benefits (i) (See Note 11(a)) – annual leave		
Unconditional and expected to be settled within 12 months(ii)	16,551	15,445
Unconditional and expected to be settled after 12 months(iii)	3,238	2,215
Employee benefits (i) (See Note 11(a)) – long service leave		
Unconditional and expected to be settled within 12 months(ii)	1,633	1,360
Unconditional and expected to be settled after 12 months(iii)	23,109	19,249
	<u>44,531</u>	<u>38,269</u>
Provisions related to employee benefit on-costs (Note 11(a))		
Unconditional and expected to be settled within 12 months(ii)	4,012	3,626
Unconditional and expected to be settled after 12 months(iii)	4,986	3,927
	<u>8,998</u>	<u>7,553</u>
Volunteer Compensation (See note 1(j))	2,396	2,679
<b>Total current provisions</b>	<u><b>55,925</b></u>	<u><b>48,501</b></u>
<b>Non-current provisions</b>		
Employee benefits (i) (See Note 11(a))	6,274	6,418
Provisions related to employee benefit on-costs	1,157	1,148
Volunteer compensation (See note 1(j))	10,712	7,263
<b>Total non-current provisions</b>	<u><b>18,143</b></u>	<u><b>14,829</b></u>
<b>Total provisions</b>		
Employee benefits (See Note 11(a))	60,960	53,388
Volunteer compensation (See note 1(j))	13,108	9,942
	<u><b>74,068</b></u>	<u><b>63,330</b></u>
<b>(a) Employee Benefits and related on-costs</b>		
Current employee benefits		
Annual leave entitlements	19,789	17,660
Unconditional long service leave entitlements	24,742	20,609
Non-current employee benefits		
Conditional long service leave entitlements	6,274	6,418
<b>Total employee benefits</b>	<u><b>50,805</b></u>	<u><b>44,687</b></u>
Current on-costs	8,998	7,553
Non-current on-costs	1,157	1,148
<b>Total on-costs</b>	<u><b>10,155</b></u>	<u><b>8,701</b></u>
<b>Total employee benefits and related on-costs</b>	<u><b>60,960</b></u>	<u><b>53,388</b></u>

Note:

(i) Employee benefits consist of amounts for annual leave and long service leave accrued not including on-costs

(ii) The amounts disclosed are nominal amounts

(iii) The amounts disclosed are discounted to present values

(iv) An additional group of employees has been added to provision for long service leave. Prior year amounts have not been updated as they are considered immaterial.

<b>(b) Movement in provisions</b>	Employee Benefits 2011	On-costs 2011	Volunteer Compensation 2011	Total 2011
<b>Opening balance</b>	<b>44,687</b>	<b>8,701</b>	<b>9,942</b>	<b>63,330</b>
Net additional provisions recognised	6,118	1,454	3,166	10,738
<b>Closing balance</b>	<b>50,805</b>	<b>10,155</b>	<b>13,108</b>	<b>74,068</b>
Current	44,531	8,998	2,396	55,925
Non-current	6,274	1,157	10,712	18,143
	50,805	10,155	13,108	74,068

## 12. Financial instruments

### (a) Financial risk management objectives and policies

CFA's activities expose it to a variety of financial risks; credit risk, liquidity risk and market risk. CFA regularly reviews all risks in relation to financial assets and financial liabilities. Its overall risk management policies focus on mitigating risks associated with operating in a commercial environment and the unpredictability of financial markets and to seek to minimise potential adverse effects on its financial performance.

CFA has policies and procedures for its financial assets and financial liabilities which are reviewed at least annually. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in Note 1 to the financial statements.

The main purpose in holding financial instruments is to prudentially manage CFA's financial risks within the government policy parameters.

The carrying amounts of CFA's financial assets and financial liabilities by category are shown in the table below.

**Table 12.1 Categorisation of financial instruments**

	2011 (\$'000)	2010 (\$'000)
<b>Financial assets</b>		
Cash and cash equivalents	195,708	129,191
Loans and receivables (at amortised cost).	6,902	4,171
<b>Total financial assets (i)</b>	<b>202,610</b>	<b>133,362</b>
<b>Financial liabilities</b>		
At amortised cost	22,014	27,085
<b>Total financial liabilities (ii)</b>	<b>22,014</b>	<b>27,085</b>

(i) The amount of receivables disclosed here exclude statutory receivables .(e.g. amounts owing from Victorian Government and GST input tax credit recoverable).

(ii) The total amount of financial liabilities disclosed here excludes statutory payables .(i.e. taxes payable).

### (b) Credit risk

CFA's maximum exposures to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the Balance Sheet.

CFA minimises concentrations of credit risk in relation to trade accounts receivable by undertaking transactions with a large number of customers. Other than trade debtors, the major amounts owing at any point in time are from Government (no credit risk considered), and the pool of Insurance industry contributors. There is not considered to be any major risk with this latter class as, in the event of one contributor failing, the amount so lost can be collected from the rest of the pool in a subsequent period.

Credit risk in trade receivables is managed in the following ways:

- payment terms are 30 days from date of invoice
- statements are issued on all debts outstanding, five working days after the end of each month
- debtors outstanding after 60 days are contacted and a record made of reason for delay in payment. Follow up statements continue to be issued
- debts outstanding after 90 days are referred to a debt collection agency, except in the case of CFA volunteer brigades when the process is continued internally.

CFA has in place: (i) a Board approved Treasury Management Policy that has been formally noted by the Department of Treasury and Finance and is in compliance with the Borrowing and Investment Powers Act (1987); (ii) a Board approved Hedging Policy.

Investments are only made subject to the appropriate institution having a Standard & Poor's credit rating for short term investments of A3 or better, and long term investments of BBB or better, at the time of investing the funds.

### (i) Financial assets that are either past due or impaired

Currently CFA does not hold any collateral as security nor credit enhancements relating to any of its financial assets. As at reporting date, there is no event to indicate that any of the financial assets are impaired.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated. The following table discloses the ageing only of financial assets that are past due but not impaired:

**Table 12.2 Ageing analysis of financial assets**

	\$'000						
	Carrying Amount	Not past due and not impaired	Past due but not impaired				Impaired financial assets
			Less than 1 month	1-3 months	3 months - 1 year	1-5 years	
<b>2011</b>							
<b>Cash and cash equivalents</b>	195,708	195,708	0	0	0	0	0
<b>Receivables (i)</b>							
Trade and other receivables	6,902	4,608	927	639	728	0	0
	<b>202,610</b>	<b>200,316</b>	<b>927</b>	<b>639</b>	<b>728</b>	<b>0</b>	<b>0</b>
<b>2010</b>							
<b>Cash and cash equivalents</b>	129,191	129,191	0	0	0	0	0
<b>Receivables (i)</b>							
Trade and other receivables	4,171	3,075	372	461	263	0	0
	<b>133,362</b>	<b>132,266</b>	<b>372</b>	<b>461</b>	<b>263</b>	<b>0</b>	<b>0</b>

Notes:

(i) Ageing analysis of receivables must exclude the types of statutory receivables (e.g. Amounts owing from Victorian Government and GST input tax credit recoverable). (This ageing analysis table is used only to show the ageing of past due but not impaired financial assets).

### (c) Liquidity risk

Liquidity risk would arise if CFA was unable to meet its financial obligations as they fall due. CFA operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, make payments within 30 days from the date of resolution. It also continuously manages risk through monitoring future cash flow requirements and maturities planning to ensure adequate holding of high quality liquid assets and dealing in highly liquid markets. CFA's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

Cash for unexpected events is generally sourced from liquidation of available-for-sale financial investments.

Maximum exposure to liquidity risk is the carrying amounts of financial liabilities. The following table discloses the contractual maturity analysis for CFA's financial liabilities:

Table 12.3 Maturity analysis of financial liabilities

	\$'000					
	Carrying Amount	Nominal amount	Maturity dates (i)			
Less than 1 month			1-3 months	3 months - 1 year	1-5 years	
<b>2011</b>						
<b>Payables:</b>						
Amounts payable to other government agencies	3,695	3,695	3,695	0	0	0
Trade and other payables	14,459	14,459	14,459	0	0	0
<b>Borrowings:</b>						
Advances from Government	3,860	3,860	0	0	0	3,860
	<b>22,014</b>	<b>22,014</b>	<b>18,154</b>	<b>0</b>	<b>0</b>	<b>3,860</b>
<b>2010</b>						
<b>Payables:</b>						
Amounts payable to other government agencies	3,198	3,198	3,198	0	0	0
Trade and other payables	20,027	20,027	20,027	0	0	0
<b>Borrowings:</b>						
Advances from Government	3,860	3,860	0	0	0	3,860
	<b>27,085</b>	<b>27,085</b>	<b>23,225</b>	<b>0</b>	<b>0</b>	<b>3,860</b>

Notes:

(i) The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities

#### (d) Market risk

CFA's exposures to market risk which would primarily be through day to day interest rates is minimal because of fixed interest rate deposits and only insignificant exposure to foreign currency and other price risks.

#### (i) Foreign currency risk

Foreign exchange risk arises when future transactions and recognised assets and liabilities are denominated in a currency that is not CFA's functional currency (Australian dollar).

CFA is exposed to insignificant foreign currency risk through its payables relating to purchases of supplies and consumables from overseas. This is because of a limited amount of purchases denominated in foreign currencies and a short timeframe between commitment and settlement with the availability of facilities such as EFT.

#### (ii) Interest rate risk

Exposure to interest rate risk might arise primarily through CFA's floating rate bank deposits at call. However CFA's exposure to this risk is insignificant due to its policy to minimise risk by mainly undertaking fixed rate financial instruments with relatively even maturity profiles.

CFA's interest bearing liabilities are managed by the Treasury Corporation of Victoria, which monitors any movement in interest rates on a daily basis.

The carrying amounts of Financial assets and financial liabilities that are exposed to interest rates are set out in the Table below.

**Table 12.4 Interest rate exposure of financial instruments**

(\$'000)						
2011	Weighted average effective interest rate %	Carrying amount	Interest rate exposure			
			Fixed interest rate	Variable interest rate	Non-interest bearing	
<b>Cash and cash equivalents</b>	4.76	195,708	137,000	58,664	44	
<b>Receivables (i)</b>						
Trade and other receivables	N/A	6,902	0	0	6,902	
		<b>202,610</b>	<b>137,000</b>	<b>58,664</b>	<b>6,946</b>	
<b>Payables:</b>						
Amounts payable to other government agencies	-	3,695	0	0	3,695	
Trade and other payables	-	14,459	0	0	14,459	
<b>Borrowings:</b>						
Advances from Government	4.46	3,860	3,860	0	0	
		<b>22,014</b>	<b>3,860</b>	<b>0</b>	<b>18,154</b>	
<b>2010</b>						
Cash and cash equivalents	3.96	129,191	70,000	59,145	46	
<b>Receivables (i)</b>						
Trade and other receivables	N/A	4,171	0	0	4,171	
		<b>133,362</b>	<b>70,000</b>	<b>59,145</b>	<b>4,217</b>	
<b>Payables:</b>						
Amounts payable to other government agencies	-	3,198	0	0	3,198	
Trade and other payables	-	20,027	0	0	20,027	
<b>Borrowings:</b>						
Advances from Government	4.46	3,860	3,860	0	0	
		<b>27,085</b>	<b>3,860</b>	<b>0</b>	<b>23,225</b>	

**(e) Fair value**

The fair values and net fair values of financial assets and financial liabilities are determined as follows:

- the fair values of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices; and
- the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

CFA considers that the carrying amount of financial assets and financial liabilities recorded in the financial report to be a fair approximation of their fair values, because of the short-term nature of the financial instruments and the expectation that they will be paid in full.

### 13. Borrowings

	2011 (\$'000)	2010 (\$'000)
<b>Non-current borrowings</b>		
Advances from Government	3,860	3,860
<b>Total borrowings</b>	<b>3,860</b>	<b>3,860</b>

#### (a) Maturity analysis of borrowings

Refer to Table 12.3 in Note 12 for the maturity analysis of borrowings

#### (b) Nature and extent of risk arising from borrowings

Refer to Note 12 for the nature and extent of risks arising from borrowings

#### (c) Defaults and breaches

During the current and prior year, there were no defaults and breaches of any loans.

### 14. Reserves

	2011 (\$'000)	2010 (\$'000)
<b>Physical asset revaluation surplus</b>		
Asset revaluation surplus – land	110,931	59,783
Asset revaluation surplus – buildings	323,186	161,233
	<b>434,117</b>	<b>221,016</b>
<b>Movements</b>		
Physical asset revaluation surplus		
Balance at beginning of financial year	221,016	221,016
Revaluation increment (decrement) of freehold land	51,148	0
Revaluation increment (decrement) of buildings	161,953	0
Movement for the year	213,101	0
Balance at end of financial year	<b>434,117</b>	<b>221,016</b>

#### Nature and purpose of reserve

Physical asset revaluation surplus  
The physical asset revaluation surplus is used to record increments and decrements on the revaluation of land and buildings, as described in accounting policy note 1(i).

### 15. Responsible persons

In accordance with the Ministerial Directions issued by the Minister for Finance under the Financial Management Act 1994, the following disclosures are made regarding responsible persons for the reporting period.

#### Names

The names of the people who were 'Responsible Persons' at any time during the financial year are:

#### Responsible Minister

Minister for Police and Emergency Services:

- The Honourable Bob Cameron, MP – 1 July 2010 to 10 October 2010
- The Honourable Peter Ryan, MLA – 2 December 2010 to 30 June 2011

Minister for Emergency Services:

- The Honourable Bob Cameron, MP – 11 October 2010 to 1 December 2010

#### Authority Members (CFA Board Members)

- K A Murphy (Chairman) – 1 July 2010 to 30 June 2011
- C L Higgins (Deputy Chairman) – 1 July 2010 to 30 June 2011
- M A Byatt – 6 July 2010 to 30 June 2011
- R G Coyle – 1 July 2010 to 30 June 2011
- D G Gibbs – 1 July 2010 to 30 June 2011
- P B Harmsworth – 1 July 2010 to 30 June 2011
- K W King – 1 July 2010 to 30 June 2011
- R C Mather – 1 July 2010 to 30 June 2011
- T Z Meikle – 1 July 2010 to 30 June 2011
- J Peberdy – 1 July 2010 to 30 June 2011
- R N Spencer – 1 July 2010 to 30 June 2011
- M G Tudball – 1 July 2010 to 30 June 2011

#### Accountable Officer

M Bourke (Chief Executive Officer)

#### Remuneration (other than the Responsible Minister)

The numbers of Responsible Persons are shown below in their relevant income bands:

Income Band	2011	2010
	No.	No.
\$0 - \$9,999	0	4
\$10,000 - \$19,999	8	8
\$20,000 - \$29,999	2	1
\$30,000 - \$39,999	1	0
\$40,000 - \$49,999	0	1
\$50,000 - \$59,999	1	0
\$240,000 - \$249,999	0	1
\$280,000 - \$289,999 **	1	1
<b>Total Numbers</b>	<b>13</b>	<b>16</b>
<b>Total Amount \$'000</b>	<b>558</b>	<b>763</b>

\*\* Includes payment to former CEO for accumulated leave and other entitlements upon cessation of employment (2010).

C L Higgins is Chairman of Victoria State Emergency Services and a Board member of Ambulance Victoria, K W King is a Board member of Parks Victoria and Metropolitan Fire and Emergency Services Board and

R C Mather is a Board member of Municipal Association of Victoria. CFA had transactions with these entities which were arms-length from CFA Board members and at normal commercial terms. There were no other

transactions between CFA and the CFA Board members or CFA Board member related entities.

Amounts relating to the Responsible Minister are reported separately in the financial statements of the Department of Premier and Cabinet.

## 16. Remuneration of executives

The number of executive officers, other than Ministers and Accountable Officers, and their total remuneration commencing at \$100,000 during the reporting period are shown in the first two columns in the table below in their relevant income bands. The base remuneration is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments, long-service leave payments, redundancy payments and retirement benefits.

Several factors have affected total remuneration payable to executives over the year. A number of employment contracts were completed during the year and renegotiated and a number of executives received bonus payments during the year. These bonus payments depend on the terms of individual employment contracts. All CFA contracts provide for an annual bonus payment.

Income Band	Total Remuneration		Base Remuneration	
	2011 No.	2010 No.	2011 No.	2010 No.
\$100,000 - \$109,999	0	0	0	0
\$110,000 - \$119,999	0	0	0	0
\$120,000 - \$129,999	1	1	1	2
\$130,000 - \$139,999	2	2	3	2
\$140,000 - \$149,999	2	1	2	1
\$150,000 - \$159,999	3	1	3	4
\$160,000 - \$169,999	1	5	2	7
\$170,000 - \$179,999	3	3	2	8
\$180,000 - \$189,999	4	10	9	4
\$190,000 - \$199,999	8	5	3	1
\$200,000 - \$209,999	2	1	1	2
\$210,000 - \$219,999	2	1	1	1
\$220,000 - \$229,999	1	2	1	1
\$230,000 - \$239,999	1	1	0	0
\$240,000 - \$249,999	2	0	0	0
\$250,000 - \$259,999	1	0	0	0
<b>Total Numbers</b>	<b>33</b>	<b>33</b>	<b>28</b>	<b>33</b>
<b>Total Amount \$'000</b>	<b>6,201</b>	<b>4,251</b>	<b>4,858</b>	<b>4,022</b>

There is a total of 35 Executives. In the 2010-11 year seven Executives with a base and two Executives with a total remuneration, were below the \$100,000 reporting threshold. In the 2009-10 year zero Executives were below the \$100,000 reporting threshold.

## 17. Remuneration of auditors

	2011 (\$'000)	2010 (\$'000)
Audit or review of the financial statements by the Victorian Auditor-General's Office	98	96
Audit fees – Internal Audit: Paid or payable as at 30 June 2011	372	346
	<b>470</b>	<b>442</b>

## 18. Commitments for expenditure and contingent liabilities

### (a) Commitments for expenditure

The following commitments have not been recognised as liabilities in the financial statements:

	2011 (\$'000)	2010 (\$'000)
<b>(i) Capital expenditure commitments</b>		
Plant and equipment payable:		
Not longer than 1 year	12,950	25,752
Longer than one year and not longer than 5 years	0	0
Longer than 5 years	0	0
<b>Total capital expenditure commitments</b>	<b>12,950</b>	<b>25,752</b>
<b>(ii) Lease commitments</b>		
Non-cancellable operating leases payable:		
Not longer than 1 year	6,014	6,216
Longer than one year and not longer than 5 years	14,489	14,379
Longer than 5 years	8,418	8,837
<b>Total lease commitments</b>	<b>28,921</b>	<b>29,432</b>

### (iii) Other expenditure commitments

#### (a) Call Taking and Dispatch Services

There is an ongoing Service Agreement with the Emergency Services Telecommunications Authority (ESTA) for the provision of call taking and dispatch services for Outer Metropolitan and Regional Victoria, through facilities at East Burwood and Mt. Helen, Ballarat. The service fees for the year to 30 June 2011 were \$10.297m (\$10.473m 2010).

#### (b) Emergency Alerting System

CFA has an ongoing Service Level Agreement with the State, (through ESTA) for 3rd party services for the provision of an Emergency Alerting System. The contract services began in November 2005 with CFA incurring \$31.318m for the year ending 30 June 2011 (\$27.315m 2010).

#### (c) Short Message Service – SMS Gateway

There is an ongoing contract with the Emergency Services Telecommunications Authority (ESTA) for the provision of SMS Gateway Services. Base level service fees for 2010-11 were \$0.317m (\$0.239m 2010).



**(d) Metropolitan Mobile Radio Services**

CFA has entered into a contract with the Metropolitan Fire Brigade as a third party to their contract with the service provider. Base level Service Fees for 2010-11 were \$0.341m (\$0.333m 2010).

**(e) Personal Protective Clothing**

CFA has entered into a contract with Stewart & Heaton as the service provider of personal protective clothing. Costs incurred for 2010-11 were \$9.718m (\$10.010m 2010).

**(f) Radio Replacement**

CFA has entered into a contract with Tait Electronics Pty Ltd as the service provider for radio replacement. Costs incurred for 2010-11 were \$3.116m (\$1.919m 2010)

All of the expenditure amounts shown in the above commitments note are nominal amounts inclusive of GST.

**(b) Contingencies**

The Authority has the following unquantifiable contingent liability:

(i) At 30 June 2011, the Authority has been included as a party in legal proceedings. Due to the diversity of issues associated with legal matters and their discretionary nature, quantification of the financial effect cannot be reliably estimated and it is therefore impractical to do so.

**19. Superannuation**

Employees of CFA are entitled to receive superannuation benefits and CFA contributes to both defined benefit and accumulation contribution plans managed by the Emergency Services Super Superannuation Scheme (ESSS). The defined benefit plan provides benefits based on years of service and final average salary. CFA does not recognise any defined benefit liability in respect of the plans because CFA has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance recognises and discloses the State's defined benefit liabilities in its financial report.

However, superannuation contributions for the reporting period are included as part of employee benefits in the Comprehensive Operating Statement of CFA.

There were no superannuation contributions outstanding at 30 June 2011.

The name and details of each of the major employee superannuation funds and contributions made by CFA are as follows:

Fund	2011 (\$'000)	2010 (\$'000)
<b>Defined Benefits Schemes</b>		
Emergency Services Superannuation Scheme (ESSS)	8,631	7,269
Other	38	34
<b>Accumulation Schemes</b>		
Emergency Services Superannuation Plan (ESS Plan)	4,772	4,535
Others	159	115
Total (See note 3(a))	<b>13,600</b>	<b>11,953</b>

Employer contribution rates were:

**Defined Benefits Scheme.**

The employer contribution rate for the financial year was 11.5% (2010: 11.5%) of salary for operational staff as well as for non-operational staff employed prior to 1 January 1994.

**Accumulation Scheme**

9% of salary for non-operational staff employed after 31 December 1993.

## 20. Cash flow information

### (a) Reconciliation of cash and cash equivalents

For the purposes of the Cash Flow Statement, cash and cash equivalents comprise cash on hand and cash at bank, deposits at call and highly liquid investments with short periods to maturity that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the balance sheet as follows:

	2011 (\$'000)	2010 (\$'000)
Cash at bank and on hand	58,708	59,191
Short Term Deposits	137,000	70,000
	<b>195,708</b>	<b>129,191</b>

### (b) Reconciliation of net result for the period to net cash flows from operating activities

Comprehensive Net Result for the period	69,850	54,292
<b>Non-cash movements:</b>		
Depreciation and Amortisation of non-current assets	33,867	25,698
Brigade Assets Recognised	(1,679)	(2,061)
Allowance for Doubtful Debts	227	24
(Gain) / Loss on sale of non-current assets	(479)	490
<b>Movements in assets and liabilities:</b>		
(Increase) / decrease in assets:		
Receivables and Prepayments	(2,462)	1,823
Current Inventories	85	(505)
Increase / (Decrease) in liabilities:		
Current payables	(4,648)	(7,033)
Employee Entitlements	7,572	4,339
Volunteer Compensation	3,166	2,613
Total Adjustments	35,649	25,388
<b>Net cash inflow from operating activities</b>	<b>105,499</b>	<b>79,680</b>

## 21. Trust account balances

The following is a listing of Trust Account Balances relating to Trust Accounts Controlled by CFA.

	2011 (\$'000)	2010 (\$'000)
Cash and Investments as at 30 June 2011.		
<b>Controlled Trusts</b>		
Public Trust Account	2,082	2,290
CFA and Brigades Donations Fund	1,572	1,337
<b>Total Controlled Trusts</b>	<b>3,654</b>	<b>3,627</b>

There were no Trust Accounts opened and closed by CFA during 2010-2011.

## 22. Subsequent events

CFA has no material or significant events occurring after the reporting date.

## 23. Glossary of terms

### Comprehensive result

The net result of all items of income and expense, recognised for the period. It is the aggregate of operating result and other changes in equity.

### Commitments

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

### Employee benefits expenses

Employee benefits expenses include all costs related to employment including wages and salaries, leave entitlements, redundancy payments and superannuation contributions.

### Financial asset

A financial asset is any asset that is:

(a) cash; (b) an equity instrument of another entity; (c) a contractual right to either receive cash or another financial asset from another entity; or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or (d) a contract that will or may be settled in the entity's own equity instruments and is a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments or a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

### Grants and other transfers

Transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature. While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits, in the form of goods or services, to particular taxpayers in return for their taxes. For this reason, grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers. Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

**Financial statements**

Depending on the context of the sentence where the term 'financial statements' is used, it may include only the main Financial statements (i.e. comprehensive operating statement, balance sheet, cash flow statements, and statement of changes in equity); or it may also be used to replace the old term 'financial report' under the revised AASB 101 (Sept 2007), which means it may include the main financial statements and the notes.

**Interest expense**

Costs incurred in connection with the borrowing of funds interest expenses include interest on bank overdrafts and short-term and long-term borrowings, amortisation of discounts or premiums relating to borrowings, interest component of finance leases repayments, and the increase in financial liabilities and non-employee provisions due to the unwinding of discounts to reflect the passage of time.

**Interest revenue**

Interest revenue includes interest received on bank term deposits, interest from investments, and other interest received.

**Net acquisition of non-financial assets (from transactions)**

Purchases (and other acquisitions) of non-financial assets less sales (or disposals) of non-financial assets less depreciation plus changes in inventories and other movements in non-financial assets. Includes only those increases or decreases in non-financial assets resulting from transactions and therefore excludes write-offs, impairment write-downs and revaluations.

**Net result**

Net result is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other non-owner changes in equity'.

**Net result from transactions/net operating balance.**

Net result from transactions or net operating balance is a key fiscal aggregate and is revenue from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to transactions and can be attributed directly to government policies.

**Non-financial assets**

Non-financial assets are all assets that are not 'financial assets'.

**Other economic flows**

Other economic flows are changes in the volume or value

of an asset or liability that do not result from transactions. It includes gains and losses from disposals, revaluations and impairments of non-current physical and intangible assets; actuarial gains and losses arising from defined benefit superannuation plans; fair value changes of financial instruments and agricultural assets; and depletion of natural assets (non-produced) from their use or removal. In simple terms, other economic flows are changes arising from market re-measurements.

**Payables**

Includes short and long term trade debt and accounts payable, grants and interest payable.

**Receivables**

Includes short and long term trade credit and accounts receivable, grants, taxes and interest receivable.

**Sales of goods and services**

Refers to revenue from the direct provision of goods and services and includes fees and charges for services rendered, sales of goods and services, fees from regulatory services, work done as an agent for private enterprises. It also includes rental income under operating leases and on produced assets such as buildings and entertainment, but excludes rent income from the use of non-produced assets such as land. User charges includes sale of goods and services revenue.

**Supplies and services**

Supplies and services generally represent cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of CFA.

**Transactions**

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows within an entity such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the government.

# VAGO

Victorian Auditor-General's Office

## INDEPENDENT AUDITOR'S REPORT

### To the Board Members, Country Fire Authority

#### *The Financial Report*

The accompanying financial report for the year ended 30 June 2011 of Country Fire Authority which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the accountable officer's and chief finance and accounting officer's declaration has been audited.

#### *The Board Members' Responsibility for the Financial Report*

The Board Members of the Country Fire Authority are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, including the Australian Accounting Interpretations, and the financial reporting requirements of the *Financial Management Act 1994*, and for such internal control as the Board Members determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### *Independence*

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

# VAGO

Victorian Auditor-General's Office

## Independent Auditor's Report (continued)

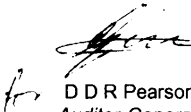
### *Opinion*

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Country Fire Authority as at 30 June 2011 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, including the Australian Accounting Interpretations, and the financial reporting requirements of the *Financial Management Act 1994*.

### *Matters Relating to the Electronic Publication of the Audited Financial Report*

This auditor's report relates to the financial report of the Country Fire Authority for the year ended 30 June 2011 included both in the Country Fire Authority's annual report and on the website. The Board Members of the Country Fire Authority are responsible for the integrity of the Country Fire Authority's website. I have not been engaged to report on the integrity of the Country Fire Authority's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

MELBOURNE  
10 August 2011



D D R Pearson  
Auditor-General



## RISK MANAGEMENT ATTESTATION

I, Mick Bourke, certify that the CFA (Country Fire Authority) has risk management processes in place broadly consistent with the Australian Risk Management Standard (or equivalent). A process for embedding the integration of the risk management process is being progressively phased into CFA's business.

A functioning internal control system is currently in place and being progressively enhanced to enable the executive to better understand and control risk exposures. The Board verifies this assurance.

A handwritten signature in black ink, appearing to read 'M. Bourke', is positioned above the printed name and title.

**Mick Bourke**  
**Chief Executive Officer**  
28 June 2011

## Powers, Duties and Responsibilities

The CFA Act provides the principal source of direction as to our powers, duties and responsibilities including:

Section	Summary of Power, Duty or Responsibility
14	Control of the prevention and suppression of fires in country areas
20	General duty of the Authority
20AA	General powers of the Authority
20A	Attendances unconnected with a fire
27	Chief Officer to have control of all brigades
28	Powers and duties of Chief Officer
29	General powers and duties of Chief Officer
30 and 33(2)	Powers of officers at fires
35	Authority to inform the Secretary to Department of Human Services in certain matters
36	Authority may require certain municipalities to provide hydrants in streets, etc
44	Duties of officers as to inspection, etc
44A	Power to Chief Officer to close roads
48	Power of Police, Chief Officer, etc, to direct extinguishment of fires
97	Authority is a protection agency
97A	Authority may provide rescue and extrication services
97B	Authority may provide road accident and rescue service
97C	Authority may provide protection services
98	Place where fires occurs

In addition, the Act sets out a number of powers that can be exercised by CFA that relate to fire prevention including:

Section	Summary of subject matter
4	Declaration of the fire summer period
37	General prohibition against lighting open air fires
40	Provisions about total fire bans
41	Fire prevention notices
41F	Issue of notices by the Chief Officer

Regulation provides a clear framework for our operations. Relevant legislation includes, but is not limited to:

- Country Fire Authority Act (Vic) 1958
- Occupational Health & Safety Act (Vic) 2004
- Financial Management Act (Vic) 1994
- Audit Act (Vic) 1994
- Freedom of Information Act (Vic) 1982
- Information Privacy Act (Vic) 2000
- Emergency Management Act (Vic) 1987
- Planning and Environment Act (Vic) 1987
- Residential Tenancies (Caravan Parks & Movable Dwellings) Act (Vic) 1997
- Subdivision Act (Vic) 1988
- Rail Safety Act (Vic) 2006
- Electricity Safety Act (Vic) 1998
- Environment Protection Act (Vic) 1970
- Telecommunications Act (Cth) 1997
- Public Administration Act (Vic) 2004
- Ombudsman Act (Vic) 1973
- Whistleblowers Protection Act (Vic) 2001
- Equal Opportunity Act (Vic) 1995 & 2010
- Dangerous Goods Act (Vic) 1985
- Fair Work Act (Cth) 2009
- Human Rights and Equal Opportunity Act (Cth) 1986
- Disability Act (Vic) 2006
- Charter of Human Rights and Responsibilities Act (Vic) 2006

## Contributions

### Contributions by Insurance Companies

The following companies, which insure against fire to property situated in the country area of Victoria, made contributions in accordance with sections 77-77B of the CFA Act during 2010–11.

ACE INSURANCE LIMITED	INSURE THAT PTY LTD
AIOI INSURANCE CO. LTD	INTERNATIONAL INSURANCE CO OF HANNOVER LTD
AIS INSURANCE BROKERS PTY LTD	JARDINE LLOYD THOMPSON PTY LTD
ALLIANZ AUSTRALIA INSURANCE LIMITED	JMD ROSS INSURANCE BROKERS PTY LIMITED
AMERICAN HOME ASSURANCE CO	JUA UNDERWRITING AGENCY PTY LTD
ANSVAR INSURANCE LIMITED	LIBERTY INTERNATIONAL UNDERWRITERS
AON RISK SERVICES AUSTRALIA LTD	MANSIONS OF AUSTRALIA PTY LIMITED
ASR UNDERWRITING AGENCIES PTY LTD	MARSH PTY LTD
ASSETINSURE PTY LTD	MILLENNIUM UNDERWRITING AGENCIES PTY LTD
ATC INSURANCE SOLUTIONS PTY LTD	MIRAMAR UNDERWRITING AGENCY PTY LTD
AUSTBROKERS SYDNEY PTY LTD	MITSUI SUMITOMO INSURANCE COMPANY LTD
AUSTRALIAN ALLIANCE INSURANCE LIMITED	MUTUAL COMMUNITY GENERAL INSURANCE PTY LTD
AUSTRALIAN ASSOCIATED MOTOR INSURERS LTD	NIPPONKOA INSURANCE COMPANY LTD
AUTO AND GENERAL INSURANCE COMPANY LTD	ONEPATH GENERAL INSURANCE PTY LTD
AXA CORPORATE SOLUTIONS ASSURANCE	PACIFIC UNDERWRITING CORPORATION PTY LTD
AXIS SPECIALTY EUROPE LIMITED	QBE INSURANCE (AUSTRALIA) LIMITED
AXIS UNDERWRITING SERVICES PTY LTD	QBE INSURANCE (INTERNATIONAL) LIMITED
BERKLEY INSURANCE COMPANY	SIRIUS INTERNATIONAL INSURANCE CORP (AUST BRANCH)
CALLIDEN INSURANCE LTD	SLE WORLDWIDE AUSTRALIA PTY LIMITED
CATHOLIC CHURCH INSURANCES LTD	SOMPO JAPAN INSURANCE INCORPORATED
CATLIN AUSTRALIA PTY LTD	SPORTSCOVER AUSTRALIA PTY LTD
CGU INSURANCE LIMITED	SRS UNDERWRITING AGENCY PTY LTD
CHUBB INSURANCE CO OF AUSTRALIA LTD	SUNCORP METWAY INSURANCE LTD
COMMONWEALTH INSURANCE LTD	SWISS RE INTERNATIONAL SE AUSTRALIA BRANCH
CUMIS INSURANCE SOCIETY INC	TERRITORY INSURANCE OFFICE
DEFENCE SERVICE HOMES INSURANCE SCHEME	THE HOLLARD INSURANCE COMPANY PTY LTD
DOLPHIN UNDERWRITING	TOKIO MARINE & NICHIDO FIRE INSURANCE CO LTD
ELDERS INSURANCE LTD	TRINITY PACIFIC UNDERWRITING AGENCIES
F.M. INSURANCE COMPANY LTD	TT CLUB MUTUAL INSURANCE LTD
FREEMAN McMURRICK PTY LTD	VERO INSURANCE LIMITED
GIO GENERAL LTD	VICTORIAN MANAGED INSURANCE AUTHORITY
GREAT LAKES AUSTRALIA	W.R. BERKLRY INSURANCE AUSTRALIA
GUARDIAN UNDERWRITING SERVICES PTY LTD	WESFARMERS GENERAL INSURANCE
GUILD INSURANCE LTD	WESTPAC GENERAL INSURANCE LIMITED
H.W. WOOD AUSTRALIA PTY LTD	WILLIS AUSTRALIA LTD
HDI-GERLING AUSTRALIA INSURANCE CO. PTY LTD (Gerling)	WINSURE INSURANCE GROUP PTY LTD
INSURANCE ADVISERNET AUSTRALIA PTY LTD	XL INSURANCE COMPANY LTD
INSURANCE AUSTRALIA LIMITED	YOU1 PTY LTD
INSURANCE MANUFACTURERS OF AUSTRALIA PTY LTD	ZURICH AUSTRALIAN INSURANCE LTD



## Contributions other than Insurance Companies

Section 80A of the CFA Act addresses property in the country area of Victoria insured against fire with a person carrying on a business of insurance against fire, not being an insurance company required to make a return under section 77 of the CFA Act. The following companies made contributions in accordance with section 80A of the CFA Act during 2010–11.

ALTIORA	JOHNSON PACIFIC PTY LTD
AON RISK SERVICES AUST LTD	MAFIP LIMITED
BMW AUSTRALIA FINANCE LTD	MARSH PTY LTD
CNA INSURANCE (INTERNATIONAL AGENCIES) AUSTRALIA PTY LTD	MILLER & ASSOCIATES INSURANCE BROKING PTY LTD
CONSOLIDATED INSURANCE AGENCIES PTY LTD	RICEGROWERS LTD
CONTINENTAL INSURANCE AUSTRALIA PTY LTD	ROSEMAUR PROPERTIES PTY LTD
DOMINION UNDERWRITING PTY LTD	SHELL AUSTRALIA LTD
G-TECH SEPARATION PTY LTD	SPECIALISED BROKING ASSOCIATES PTY LTD
GENESIS INSURANCE BROKERS AUSTRALIA	TERRACE INSURANCE BROKERS PTY LTD
GUARDIAN UNDERWRITING SERVICES	WILLIS
HORSELL INTERNATIONAL PTY LTD	WINSURE INSURANCE GROUP PTY LTD
JARDINE LLOYD THOMPSON PTY LTD	

## Disclosure Index

Our Annual Report is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the organisation's compliance with statutory disclosure requirements.

Reference	Requirement	Page
<b>Financial Statements</b>		
Financial statements required under Part 7 of the FMA		
SD 4.2(c)	Compliance with Australian accounting standards and other authoritative pronouncements	32, 37
SD 4.2(c)	Compliance with Ministerial Directions	32, 37
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SD 4.2(b)	Statement of financial position	34
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FRD 10	Disclosure index	68
<b>General Information</b>		
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<b>Financial information</b>		
FRD 22A	Summary of the financial results for the year	27
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FRD 22A	Details of consultancies under \$100,000	65
<b>Other relevant information</b>		
FRD 22A	Application and operation of Freedom of Information Act 1982	63
FRD 22A	Compliance with building and maintenance provisions of Building Act 1993	64
FRD 22A	Application and operation of the Whistleblowers Protection Act 2001	63
FRD 22A	Statement of availability of other information	63
FRD 22A	Statement on National Competition Policy	64
FRD 22A	Summary of environmental performance	20
FRD 25	Disclosures for Victorian Industry Participation Policy Act 2003	64
FRD 8A	Budget portfolio outcomes – Not applicable to CFA	-
FRD 12A	Disclosure of major contracts – Not applicable to CFA	-
FRD 15A	Executive officer disclosures – Not applicable to CFA	-
FRD 24A	Reporting of office-based environmental impacts – Not applicable to CFA	-
FRD30	Standard requirements for the design and print of annual reports	-

### **Victorian Industry Participation Policy (VIPP)**

In accordance with the requirement of the Victorian Industry Participation Program Act 2003, government agencies are required to include a statement summarising the implementation of the VIPP in annual reports. Financial Reporting Direction 25 specifies that VIPP is to be reported for contracts valued at more than \$3 million in metropolitan areas and \$1 million in regional areas.

A total of three contracts commenced or were completed during 2010-11 to which the VIPP applied. Regional fire station projects that commenced in Wangaratta, Mildura and Ouyen, all exceeded \$1 million in value. Local content for the Wangaratta and Mildura projects totalled around 98 per cent locally-sourced content and Ouyen achieved 100 per cent locally-sourced content.

## **Relevant Legislation and Policies**

### **Financial Management Act 1994**

Information applicable to the report of the financial year is retained by CFA in accordance with the Directions of the Minister for Finance under the Financial Management Act 1994. The relevant information is available to the Minister for Police and Emergency Services, the Parliament of Victoria, and the public on application to the accountable officer (Chief Executive Officer).

### **Whistleblowers Protection Act 2001**

In relation to the matters specified in section 104 of the Whistleblowers Protection Act 2001 (Whistleblowers Act), during the reporting year:

- CFA has procedures in accordance with Part 6 of the Whistleblowers Act.
- CFA received no disclosures under the Whistleblowers Act.
- CFA referred no disclosures to the Ombudsman for determination as to whether it is a public interest disclosure.
- The Ombudsman did not undertake any investigations in relation to disclosures.
- CFA did not decline to investigate any disclosed matter, which would be a protected disclosure under the Whistleblowers Protection Act 2001.
- The Ombudsman did not make any recommendations relating to CFA in relation to the Whistleblowers Act during the reporting period.

### **Privacy – Information Privacy Act 2000**

The Information Privacy Act 2000 regulates how we protect the privacy of individuals, including but not limited to our members.

We have a dedicated Privacy Officer appointed to investigate privacy related issues and provide advice, guidance, education and training about our privacy-related matters.

We have a privacy policy and register and respond to all enquiries and complaints.

### **Freedom of Information Act 1982**

The following information is provided in accordance with section 7 of the Freedom of Information Act 1982 (the FOI Act). Requests for access to documents in our possession are dealt with by our Freedom of Information (FOI) Officer. We are legally obliged to facilitate and promote prompt disclosure of information in our possession at the time the request is received.

### **Making a Request**

We hold files relating to, but not limited to, operational and policy matters, incident management, employees, career and volunteer firefighters, general administrative responsibilities and correspondence.

A valid request for access to documents under the FOI Act must:

- be in writing
- be accompanied by an application fee of \$23.90 or request for a fee waiver with supporting documentation
- provide such information as is reasonably necessary to enable the documents to be identified as described in section 17.

Not all information held by us requires an FOI application for access. Information which may be available without an FOI application includes:

- an individual's personal information, such as personnel records
- information that is available publicly, such as on a public register
- information that is available for purchase (e.g. fire/incident reports).

### **Fees and Charges**

An application fee must accompany a request for access (unless waived or reduced on hardship grounds) for it to be valid. This fee is set by Government and is subject to change annually.

Charges may also apply (in addition to the application fee) for search time and photocopying as set out in the Freedom of Information (Access Charges) Regulations 2004.

Section 21 of the FOI Act states that agencies shall take all reasonable steps to notify an applicant of a decision on a request as soon as possible but in any case not later than 45 days after the receipt of the request.

### **Freedom of Information Contact Information:**

CFA Freedom of Information Officer  
PO Box 701  
Mount Waverley 3149  
Telephone: (03) 9262 8512  
Email: [foi@cfa.vic.gov.au](mailto:foi@cfa.vic.gov.au)

### **Building Act 1993**

In November 1994 the Minister for Finance issued guidelines pursuant to Section 220 of the Building Act 1993 to promote conformity in building standards for buildings owned by public authorities. We aim to comply with building standards and regulations at all times.

### **OH&S Act 2004**

We adhere to the principles of health and safety protection set out in section 4 of the Occupational Health and Safety Act 2004, which stress the importance of giving the highest level of protection against risk to the health and safety of our employees, other persons at work and members of the public.

We pay particular attention to the exchange of information on health and safety matters with employees and volunteers in compliance with subsection (4) of section 4 of the Act.

### **Consultancies**

In 2010-11, there were no consultancies individually in excess of \$100,000. There were 12 consultancies individually less than \$100,000, with total fees of \$171,756.

## **Glossary**

<b>AFSM</b>	Australian Fire Service Medal
<b>BFPP</b>	Bushfire Preparedness Program
<b>CFA</b>	Country Fire Authority
<b>CFA Act</b>	Country Fire Authority Act 1958
<b>CSESP</b>	Community Safety Emergency Support Program
<b>DSE</b>	Department of Sustainability and Environment
<b>FOI</b>	Freedom of Information
<b>FOI Act</b>	Freedom of Information Act 1982
<b>FRV</b>	Fire Ready Victoria
<b>ICC</b>	Incident Control Centre
<b>MAV</b>	Municipal Association of Victoria
<b>MFB</b>	Metropolitan Fire and Emergency Services Board
<b>OHS</b>	Occupational Health and Safety
<b>PSM</b>	Public Service Medal
<b>SDS</b>	Service Delivery Standards
<b>SOP</b>	Standard Operating Procedure
<b>TFB</b>	Total Fire Ban
<b>TPP</b>	Township Protection Plan
<b>VFBV</b>	Volunteer Fire Brigades Victoria
<b>VicSES</b>	Victoria State Emergency Service
<b>VIPP</b>	Victorian Industry Participation Policy
<b>VFRR</b>	Victorian Fire Risk Register





ANNUAL REPORT 2010-11

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