

Annual report 2004



Contents

CFA at a Glance	2
CFA Today	3
CFA Services	4
Chairman's report	5
Financial summary	9
Chief Executive Officer's report	13
Key achievements during 2003/04	16
The year in review	
Operations	17
Community safety	22
CFA people	27
Finance and administration	31
Corporate Governance	33
Board members	38
CFA organisation	37
Financial Statements	42
Auditor-General's report	60
Disclosure index	61
Consultancies	62
Freedom of Information	62
Contributing insurance companies	63
Contributions under Section 80A	65
Legislation	66
Affiliations	67
Industry Disclosures	67
Whistleblowers Protection Act 2001: Procedures	68
Glossary	87

This annual report has been prepared in accordance with the *Financial Management Act 1994* and the Directions of the Minister for Finance. It:

- provides a record of events, performance, volunteer and career staff activities;
- reports against CFA's Statement of Activities 2003/04;
- informs the Government and public about CFA's services and organisational development during the financial year;
- acknowledges the support of CFA people; and
- demonstrates how CFA's objectives and goals are being delivered to meet community outcomes.

Further copies of this annual report may be obtained from CFA, PO Box 701, Mt Waverley, Vic 3149. Telephone: 03-9262 8444. Facsimile: 03- 9264 6200. A copy is available on CFA's website: www.cfa.vic.gov.au.



CFA at a glance (as at 30 June 2004)

Brigades

Brigades	1,213
Groups	142
Road Accident Rescue brigades	23
Forest Industry brigades	20

CFA people

Volunteers	58,583
Operational and Administrative staff	1212
Total CFA people	59,795

Incident management (2003/04)

Total number of incidents	34,201
Total number of brigade turnouts	59,766

Vehicle fleet (fire & emergency)

Tankers	1282
Pumpers	241
Aerial Appliances	7
All Terrain	3
Rescue Units	28
Hazardous Materials Incident Units	9
Mobile Control Units	6
Quick Attacks	7
Protective Equipment Units	6
Field Operations Vehicles	5
Field Command Vehicles	8
Total CFA vehicles & appliances	1,602
Brigade Owned	733
Staff Transport Vehicles	420
Portable Equipment	534

Communications infrastructure

Base Radios	1,021
Mobile Radios	5,827
Portable Radios	2,820
Pagers	10,500
Satellite Terminals	58
Pre-Conference Interceptors (post Nov 2004)	10,226



Buildings and land

Fire Stations Urban (Career Staff at 23)	252
Fire Stations Rural	1,023
H.Q. & Offices	23
Training Grounds	7
Mechanical Workshops	13
Comms Workshop/Store	1
Protective Equipment Workshop	1
Residences	22
Vacant Land	30
Total	1,372

Land holdings

Owned by CFA	820
Leased by CFA	552

Financial

Total revenue	\$207m
Total expenditure	\$186.5m
Total assets	\$415.4m
Total value of land & buildings	\$228.2m

CFA today

Over the past 59 years, CFA has evolved from informal beginnings to become one of the world's largest volunteer-based emergency services and provides a diverse range of risk reduction and fire suppression services to minimise the impact of fires and other emergencies on the community.

Under the Country Fire Authority Act 1958 (CFA Act), CFA is the responsible agency for 'taking, superintending and enforcing all necessary steps for the prevention and suppression of fires and for the protection of life and property in case of fire'. This includes bushfires and structure fires, as well as incidents involving hazardous materials, road accident rescue, and rescue in areas of diverse risk, including high-risk industries such as petrochemical and gas.

CFA operates within the Victoria State Government portfolio of the Minister for Police and Emergency Services, administered through the Department of Justice.

CFA's operations rely on the skills of an integrated force of volunteers and career personnel. CFA people are dispersed throughout Victoria, united through a commitment to creating safer communities and protect life and property. They have forged very strong strategic relationships with their local communities and provide not only fire suppression expertise but also assistance with fire prevention and mitigation through educational programs and close working partnerships with local municipalities and industries. Volunteers in many areas contribute to the social cohesion of their local communities.

CFA is funded through insurance levies (77.5 per cent) and by the Victoria State Government (22.5 per cent).



CFA services

Today's CFA serves an area, which is home to 2.6 million Victorians – more than 55% of the state's population.

Community-based and community-focused, CFA is responsible for protecting the outer suburban communities of Melbourne, as well as Victoria's provincial cities and regional and rural areas. It also serves Victoria's communities through its support to other emergency service organisations.

More than 1200 individual CFA brigades are dedicated to these tasks, with each brigade co-ordinating with others in one of 142 Groups. Nine Area Headquarters and CFA's Corporate Headquarters in Melbourne provide strategic direction, management and administrative support.

Most of all, CFA is about people, approximately 60,000 of whom (or more than 98% of the CFA team) are volunteers. Together, they are Victoria's largest volunteer group and one of the largest in the world. Better-trained and with more government and organisational support than ever, CFA volunteers have never been more ready to step forward for Victoria.

CFA provides Statewide fire and related emergency co-ordination, including:

- wildfire suppression
- structural fire suppression
- transport related fire suppression
- road accident rescue
- hazardous materials transportation and storage incidents
- technical rescue
- forest industry brigades
- industrial accident response
- other emergency activities, including flood assistance
- technical services, including building code related inspections and post incident investigations
- fire safety input planning for major community risks
- fire prevention
- land use planning at municipal level
- community awareness, education and safety programs.



Chairman's Review 2003/04 Annual Report



Dear Minister

On behalf of the Board, I am pleased to report on the activities of CFA and the administration of the *Country Fire Authority Act 1958* (CFA Act) for the year ended 30 June 2004.

In the past year, CFA took another significant step towards our long term goal of developing into a broader emergency management agency, geared to reducing the many emergency risks facing Victoria's communities, reducing the adverse effects of emergencies and improving the actual and perceived level of safety across the state.

The demand by Victorian communities for CFA services is expected to rise, the increase a flow-on from the State Government policies for a "sustainable" Victoria.

During the year, the Board spent considerable time developing a corporate planning process that will guide CFA's growth and ensure the effective delivery of services. The new planning regime is aligned to the Board's strategic priorities and to the Government's *Growing Victoria Together* policy. Complementing the new planning process, we have also introduced improved reporting arrangements, which will enable the Board to more effectively monitor our continued performance and progress in achieving longer-term goals. Our new corporate planning processes reflect the dynamic nature of planning for Victoria on a whole-of-Government basis. The Board will play an integral role in ensuring safety, self-sufficiency and sustainability of communities during this period of dynamic change.

Operations

Following the record activity levels of last year, the overall number of incidents declined in 2003/04 by 2.5%. The decline was attributed to milder summer temperatures, moderate rainfalls and the underlying drought conditions in parts of the state, which contributed to low fuel loads. The milder summer was also reflected, in the fact that only 11 Total Fire Bans were declared, of these only two for the whole of the state.

Although the total number of incidents decreased, the non-fire related incidents had an increase of 5.7%. The large percentage of incidents that are non-fire related outlines the diversity of calls CFA responds to, and indicates that CFA is more than simply a fire service. There was a 3% decline in the number of false alarms and this reflects the work done by Areas and Regions to reduce false alarms.



Victorian Bushfire Inquiry (VBI)

The past year, CFA has participated in a range of State and interstate inquiries relating to fires and other major events. The State Government's Victorian Bushfire Inquiry into the 2002/03 Alpine fires provided invaluable guidance as to how CFA can improve its operations during major fires. CFA has consequently commenced the implementation of important recommendations. I am pleased to advise that as a result of extra funding from the State Government, CFA is now leading the reform of municipal fire prevention planning and spearheading its transition to an integrated municipal fire and emergency management approach.

Bushfire CRC

CFA has made a major investment in bushfire research, which has seen us commit more than \$2 million cash and, in-kind, support over a seven year period, to the Bushfire Cooperative Research Centre. Research by the Bushfire CRC will address the inherent dangers of bushfire, to ensure communities and firefighters are provided with an increased understanding of fire behaviour and the predictive and mitigative tools necessary to achieving the goal of community safety.

Financial Resources

CFA received contributions from Government and other sources amounting to \$189.5 million. Statutory contributions formed the majority of our total revenue for the period, which increased by 5.6% over last year to a total of \$207 million.

I am pleased to advise that the Strategic Resource Initiative (SRI) program was completed this year and has resulted in a major boost to CFA's resourcing and infrastructure. This State Government initiative, which has provided CFA with an injection of \$98 million in extra funding over four years, has significantly improved the operational efficiency, effectiveness and safety of our people. Overall, the State Government has delivered more than \$185 million in additional funds to CFA since 2000. This substantial investment has directly led to such tangible benefits as new fire stations, better equipment, fire fighting appliances and much needed support for volunteers.

During the year, the Department of Treasury and Finance introduced the Financial Management Compliance Framework across State Government entities. The framework's objective is to ensure that all government entities promote responsible financial management. The framework was released in June 2003 and CFA started full compliance with this framework from August this year.

Review of CFA Act and New Regulations

A complete review of the Country Fire Authority Act has commenced, including clarification on the roles, powers and functions of CFA. The review will also examine CFA's relationship and legislative interaction with other agencies, CFA's liabilities and immunity concerning OH&S issues and a range of other matters.



As CFA is a large and complex emergency organisation, all of our activities are covered by regulations designed primarily to protect life and property against fire and other emergencies. We began the process of drafting a new set of regulations and, as required by law, will provide an independent assessment of their likely effect on people in CFA and the wider community.

Working together

During the year, the Victorian Urban Fire Brigade Association (VUFBA) and Victorian Rural Fire Brigade Associations (VRFBA) took further steps towards closer unity and correlation when they formed a new organisation – Volunteer Fire Brigades Victoria (VFBV). This is an important development and has the total support of the Board. CFA also signed a Joint Operational Activities Memorandum of Understanding (MOU) with Metropolitan Fire and Emergency Services Board (MFESB) to formalise and confirm established protocols for joint operational activities, joint agency operational management, joint service delivery and mutual aid. CFA also formalised other protocols with the Department of Sustainability and Environment (DSE) and Victoria Police.

Volunteerism

I'd like to reiterate my thanks to each and every one of our volunteers for their wonderful efforts and contributions during the past year. CFA volunteers give so much to others in protecting the local and wider communities. They understand what it's like to be called away from their families in the middle of the night to attend very ugly scenes at car accidents and fires. They are dedicated people who commit a staggering amount of dedication in terms of time, enthusiasm and perseverance. Our volunteers are valued, particularly when they are willing to go above and beyond the call of duty, and I'd like to personally thank them for all their efforts year-in, year-out.

Corporate Governance

In line with the contemporary focus on good corporate governance, CFA's corporate planning process saw the enhancement of the governance of CFA through the establishment of committees that, in addition to the Board Committees, will provide clear direction and appropriate control, strong accountabilities, effective monitoring, risk management and good reporting. These processes, Minister, are aimed at ensuring corporate performance, rather than simple corporate compliance.

Board changes

During the year, Anne Fairhall, Sue Heron and Peter Bishop retired from the Board. On behalf of CFA, I thank them for their valuable contribution over many years. Two new members have been appointed to the Board: Michael Tudball was appointed on April 28, 2003, and Peter Marke was appointed on May 18, 2004. They both bring new skills and perspectives to CFA's Board. Given the size, complexity and volunteer basis of the CFA, Board members are required to undertake a range of duties far beyond those of Board room participation. I believe their contribution is outstanding.



Our future

During the year, the Board sought advice from the management team on the future organisational form and organisation structure required to provide greater support in the field for volunteers and service delivery to Victoria's communities. The Board directed management to implement 12 key principles for organisation redesign and sought the views and advice of the volunteer associations, Area Managers and the wider CFA community on this matter. The Board, EMT and our key stakeholders concur that CFA faces many challenges, but must adjust to ensure that it remains one of the most respected and professional fire and emergency services in the world. I commend CEO Neil Bibby and the management team for the progress they have achieved so far in helping guide the future direction of CFA.

As we move further into this decade, the needs of the community will change. Already we are seeing this with the exponential growth in the outer metropolitan area's of Melbourne and in the key regional centres of Victoria. There are many challenging issues that CFA must address and resolve as it develops the future strategic direction of the organisation. These include the sustainability of volunteerism, the rural urban drift, growth of regional centres, greater social diversity, the uncertain impact of ecological change on emergency services and the implications of demographic changes such as the aging population. The Board has approved a timetable for a new form of organisation for CFA and this progressive decision is important for all Victorians. The overhaul will ensure that CFA will have the 'shape', culture and flexibility to continue to provide effective and efficient emergency services in the medium and long term.

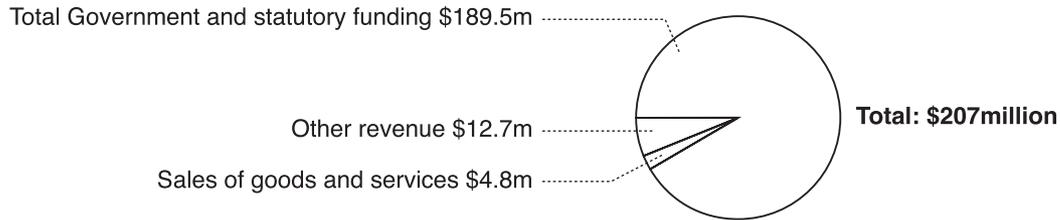
Finally, I would like to thank all CFA members for their dedication and commitment to the organisation and the enduring support of their families during the year.



Len Foster
Chairman

Financial summary

Revenue 2003/04



CFA received contributions from Government and other sources amounting to \$189.5 million. Under the Country Fire Authority Act 1958, CFA receives funding of annual expenditure through the Victorian State Government, insurance companies (through the fire service levy on insurance premiums) and from other companies under Section 80A of the Act. During 2003/04 statutory contributions totalled \$188.2 million, comprising \$40.4 million from the State Government, \$139.3 million from insurance companies, and \$8.5 million from other companies. In addition, the Government provided supplementary funding of \$0.8 million by way of a Treasurer's Advance and \$0.4 million was contributed by other Government sources.

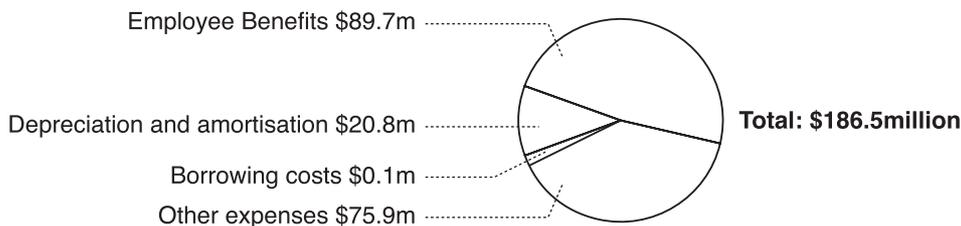
Sales of goods and services

CFA received \$4.8 million during the year from the provision of goods and services to external bodies. These include the provision of external training services, fire protection fees, alarm monitoring, dangerous goods inspections, and hazardous materials incidents.

Other revenue

Other revenue during the year totalled \$12.7 million from a number of sources including the Transport Accident Commission, interest, public donations and the recognition of additional brigade owned vehicles.

Expenses 2003/04



Employee benefits

During 2003/04 \$89.7million 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 \$385.9 million. Depreciation expense totalled \$20.8 million during 2003/04.

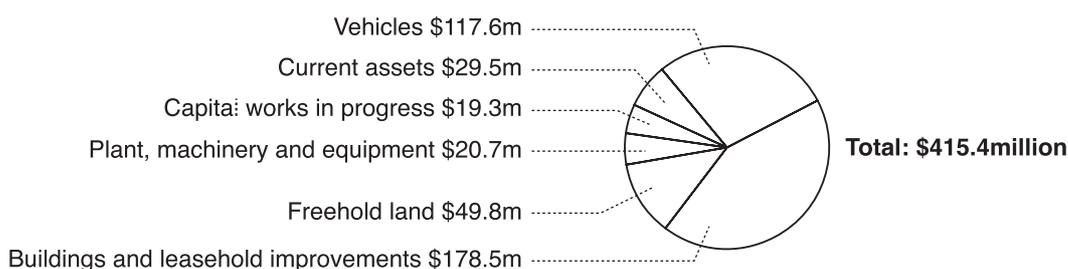
Borrowing costs

Interest payments on loans with Treasury Corporation of Victoria totalled \$57,000 during 2003/04.

Other expenses

CFA spent \$75.9 million on general operating costs and other expenses during 2003/04. These included motor vehicle running costs (\$7.4 million), communications and alarms (\$15.9 million), training (\$3.8 million), uniforms and equipment (\$4.7 million), aircraft hire (\$4.1 million), buildings and other operating and maintenance costs (\$17.3 million), payments to contractors (\$3.2 million), printing stationery and publicity (\$3.2 million), cost of chargeable services (\$1.5 million), volunteer compensation and insurance (\$2.4 million) and other volunteer and brigade support expenses (\$2.9 million).

Assets (at 30 June 2004)



Vehicles

After depreciation, the value of CFA vehicles totalled \$117.6 million. Of these, CFA-owned vehicles are valued at \$98.0 million, and brigade-owned vehicles are valued at \$19.6 million.

Plant, machinery and equipment

This includes computer hardware, software and licence fees, and communications equipment to a total value of \$20.7 million.

Buildings and leasehold improvements

The value of CFA-owned buildings and improvements made to leasehold buildings totalled \$178.5 million.

Freehold land

The value of land owned by CFA totalled \$49.8 million.



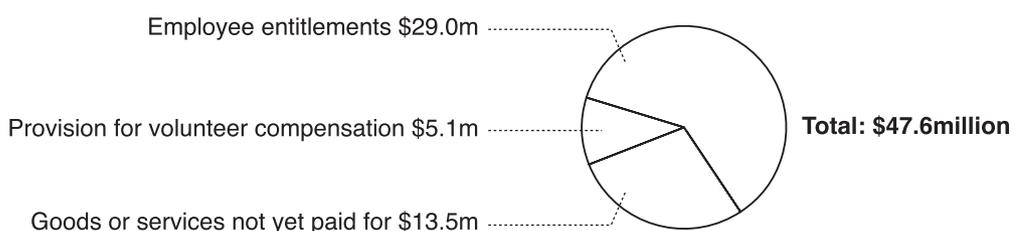
Capital works in progress

At the end of the year, the value of expenditure on capital works such as buildings, firefighting vehicles and plant, machinery and equipment, but which were not yet completed, totalled \$19.3 million.

Current assets

Current assets totalled \$29.5 million and included inventories and goods held in store (\$4.9 million), money owed to CFA (\$5.2 million), and cash at bank, deposits and prepayments made by CFA (\$19.4 million).

Liabilities (at 30 June 2004)



Employee entitlements

A total of \$29.0 million is accrued for annual leave and long service leave payments to staff. Some of this will become payable at a future date. This year, for the first time, the provision for entitlements has been increased to include an amount to cover the potential superannuation costs associated with annual and long service leave payments. The change has been made to comply with Australian Accounting Standard AASB 1028.

Goods or services not yet paid for

At the end of the year a total of \$13.5 million was owed for goods or services already provided but not yet paid for.

Provision for volunteer compensation

Based on previous claims and actuarial calculations, a total of \$5.1 million has been estimated to allow for compensation for injuries to volunteers up to 30 June 2004.

Total revenue

In 2003/04, CFA's revenue totalled \$207 million. Over a five year period revenue has increased by 46%, reflecting increased activity levels and significant improvements to firefighting infrastructure throughout the state. Revenue during that time has reflected funding for the Strategic Resource Initiative (SRI), and significant public safety communications projects.

Total Expenses

During the year, CFA's expenses totalled \$186.5 million. Expenses over a five year period have increased by 62%. The significant increase in expenses during that time reflects the SRI programs for improving operational preparedness, skills enhancement and volunteer support activities. During 2003/04, expenses represented 90% of total revenue, up 3% from the previous year.

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 revenue. After deducting recurrent expenses for the year, CFA's net result is determined. This net result is utilized as the major source of funding for the CFA capital program. In 2003/04, CFA's net result was a surplus of \$20.5 million.

Non-current assets

Non-current assets include all infrastructure – the value of land, buildings, vehicles, plant, machinery and equipment, and capital works in progress. The total of these assets at 30 June 2004 was \$385.9 million. Over a five year period the value of CFA's non-current assets, which includes revaluations, has increased by 42%.

These charts have been compiled from the Statement of Financial Performance, Statement of Financial Position, and associated notes to these accounts for the financial year 2003/04.



Chief Executive Officer's Review 2003/04 Annual Report



This year has been one of dynamic change, growth and outstanding results for CFA. As we continue our evolution from a firefighting group to a contemporary emergency service and finally to our goal of being an emergency management agency, we have taken significant steps in providing our communities with a range of services capable of dealing with virtually any emergency situation. CFA recognises that Victoria is not a single community, but comprises a number of diverse communities, varying in size, demographic make-up, culture and ethnic origin, and therefore requires many varied, relative services and considerations. Our objective is to make communities safer by building partnerships with those we serve and with other departments and agencies.

Much of our focus this year has been on the development of infrastructure and resources we will need to support the exponential growth of communities in coming years. In terms of information communication technology (ICT), considerable advancements have been made in projects such as Country Call Taking (CCT), Emergency Alerting System (EAS), broadband communications and IP telephony.

Collectively these initiatives represent a large investment in technology. The CCT project will see CFA moving away from local fire call numbers to a centralised call-taking system where local fire call numbers will be phased out and replaced with the well-known emergency number '000'. The CCT project will improve the flexibility of CFA volunteers to respond to emergency incidents and also provide Victorians with just one number to call for fire brigade, police and ambulance. The CCT project has seen the new emergency call-taking and dispatch centre established at Mt Helen, near Ballarat. The centre will eventually receive all emergency calls for CFA in regional and rural Victoria.

Following on from the review of Municipal Fire Prevention and the Auditor General's report of 2003, CFA made a submission to the Victorian Bushfire Inquiry this year proposing a review of fire prevention and its integration with other fire and emergency management planning. We have now received Government funding for the purpose of leading the reform of municipal fire prevention planning and guiding its transition through to an integrated municipal fire and emergency management approach.

The 2003/04 Capital Works Program was the most successful in CFA's history, in terms of the number of projects delivered. The total value of the major capital works component of the program was \$34.1 million - an increase of \$6.7 million (25 per cent) over the previous year. The success of the Board's decision to adopt rolling three-year programs for land and buildings and firefighting vehicles is reflected in the number of new fire stations completed and trucks delivered during 2003/04.



The four-year Strategic Resource Initiative (SRI) program was completed this year. The \$98.3 million provided under SRI has enabled CFA to accelerate our priority programs, such as building fire stations, new fire trucks, enhanced training and safety. This gives our people an additional capacity to meet the rising demand for emergency services in fast growing areas around outer metropolitan Melbourne and the provincial centres of Victoria. SRI has also provided 100 additional career firefighters, nine operations officers, 52 instructors and 22 brigade administration support officers.

The SRI land, buildings and appliances program has provided eight new land sites, 22 new fire stations and 11 refurbishments/extensions to stations. A further three remaining SRI building projects will be completed during the 2004/05 financial year with funding assistance from CFA's capital works program.

There has been good progress in skills enhancement, with 36,172 members so far completing training to provide firefighter competencies for wildfire and wildfire-low structural incidents. More than 4000 members have received crew leader or strike team leader/commander competencies. Under the Community Safety Emergency Support Program, the SRI brigade owned vehicle program supported purchases of 64 brigade owned vehicles.

This past year saw CFA awarded a National Commendation by the Planning Institute of Australia for the development of its "Wildfire Management Overlay - Applicant's Kit". This kit is intended to facilitate the implementation of Wildfire Management Overlays. These Planning overlays are being progressively introduced into Municipal Planning Schemes and are intended to assist in managing wildfire risk when individual property developments occur. Programs such as Community Fireguard and Bushfire Blitz street meetings have greatly increased the level of community understanding and involvement in dealing with fire risk.

CFA's "Safety First" culture was again reinforced through the trialling of a new structural firefighting ensemble, implementation of spray protection systems on new tankers, development of guidelines for the use of private equipment on the fire ground, and the positioning of Portable Automatic Weather Stations around Victoria to enhance weather information.

One of our key safety programs has been the joint research project between CFA, NSW Rural Fire Service and CSIRO to develop a vehicle spray protection system. The objective is to conduct research into fire fighting vehicle crew protection systems to increase fire fighter safety in wildfire burn over.

A new initiative introduced this year provides the community with a faster and improved way of getting details about the status of major fires, fire safety and other important information. The Victoria Bushfire Information Line (VBIL) is a joint initiative of CFA and DSE and provides a range of information to the public concerning the status of major fires and advice on matters such as fire safety plans and clarification about fire restrictions. CFA's Environment Strategy has also been developed to improve our environmental awareness while maintaining our high standard of fire and emergency service delivery. It will also ensure that we tackle environmental improvement in a way, which is sustainable for our organisation.



One of our main objectives each year is to improve the direct support we give to our dedicated volunteers. We therefore have increased allowances; including the volunteer travel claim to assist volunteers in attending distant meetings and other events. We have also increased the maximum compensation for destruction, damage or loss of wearing apparel or personal effects for casual firefighters and volunteer auxiliary workers who are not enrolled CFA volunteers. Compensation of up to \$1000 for volunteers for loss of personal effects is proposed in the new CFA Regulations, which came into force this year.

A Volunteer Recruitment Campaign “Does the Hat Fit?” was conducted during May 2004 across Regional Victoria. This proved a highly successful campaign for attracting new volunteer members, particularly women. We also had great success again this year in getting brigades to link to our Online internet service. There are now more than 760 brigades registered with Brigades Online and close to 10,000 individual CFA users.

Finally, let me make special mention of the tremendous efforts of all CFA members – volunteers and staff. Year-in, year-out our volunteers continue to provide a truly professional service to the communities of Victoria and this can only be achieved through enormous dedication and commitment. Their families, friends and employers also play a special part in indirectly supporting CFA. Our career staff have again shown their willingness to adjust and respond to the dynamic change necessary as we move towards evolving as a broader emergency management agency.



Neil Bibby AFSM
Chief Executive Officer



Key achievements during 2003/04

- Completed the four-year \$98.3 million Strategic Resource Initiative (SRI) program

- Introduced the Victoria Bushfire Information Line (VBIL), a joint initiative of CFA and DSE which provides a range of fire-related information to the public

- Commenced a five-year Information Communication Technology strategy to guide CFA's investment in ICT projects

- Launched the Country Call Taking Centre at Mt Helen, near Ballarat

- Delivered the most number of projects ever from the annual Capital Works Program

- Commenced development of the prototype fire tanker of the future

- Commenced roll-out of the emergency alerting system that will deliver 25,000 pagers for volunteer response to incidents

- Continued development of two whole of Government infrastructure and people management systems

- Continued development of a spray protection system for future application on all trucks

- Commenced development of standards for future fire station construction

- Developed guidelines for brigades to build environmental care into mitigation and response activities

- Committed more than \$2 million to the Bushfire CRC program



The year in review

Operations

Following the record activity levels of last year, the overall number of incidents declined in 2003/04 by 2.5%. This decline can be attributed to milder summer temperatures, moderate rainfalls and the underlying drought conditions in parts of the state, which contributed to low fuel loads. This is reflected in an overall decline in vegetation fires of 14%. The milder summer was also reflected in that only 11 Total Fire Bans were declared, of these only two for the whole of the state.

Total Fire Bans Declared 2000 - 2004		
	Whole State	Partial
2000/01	6	9
2001/02	0	9
2002/03	4	20
2003/04	2	9

Declared Total Fire Bans 2003/2004	
T0 December 2003	North West; Central
20 January 2004	North West; South West; Central
8 February 2004	North West; South West; Central; North East
14 February 2004	North West; South West; Central; North East
16 February 2004	North West; North East
20 February 2004	Whole State
3 March 2004	North West; South West; Central
4 March 2004	Whole State
25 March 2004	North West; South West; Central
28 March 2004	North West; South West; Central
15 April 2004	Central; North East

Although the total number of incidents decreased, the non-fire related incidents remained stable, with an increase of 5.7% in hazardous conditions incidents. The large percentage of incidents that are non-fire related shows the diversity of calls CFA responds to and that CFA is more than simply a fire service. Areas and Regions have undertaken significant activities to reduce false alarms, which is reflected in the 3% reduction.



Total Number of incidents						
Incident Type	1999/00	2000/01	2001/02	2002/03	2003/04	Change *
Fire and explosions	11,554	14,510	13,784	14,538	13,034	-10.3%
MVA, rescue, EMS calls	2,877	3,045	3,306	3,332	3,325	-.2%
Hazardous condition	2,001	2,772	2,863	2,715	2,873	+5.7%
Overpressure rupture	15	27	22	35	41	+17%
Service calls	1,545	1,864	1,583	1,867	2,407	+28%
Good intent calls	3,225	4,002	3,839	4,608	4,257	-7.6%
False alarms/false calls	5,694	7,797	7,658	7,654	7,421	-3%
Undetermined and others	3,863	289	267	343	843 #	+145%
Total Incidents	30,774	34,306	33,322	35,092	34,201	-2.5%

* Percentage change from 2002/03 to 2003/04

As at 30 June 2004, these figures are correct. The number of undetermined incidents in 2003/04 was a result of unprocessed information. However, the total number of incidents remain unchanged

Total number of turnouts by CFA brigades						
	1999/00	2000/01	2001/02	2002/03	2003/04	Change
Primary	30,774	34,306	33,322	35,092	34,201	-2.5%
Support	21,788	27,411	25,360	29,889	25,505	-14.6%
Total	52,562	61,717	58,682	64,981	59,706	-8.1%

During the declared fire danger period from 1 December 2003 to 30 April 2004, CFA attended a total of 17,120 incidents throughout the State, including 193 fires that originated on public land.

Major incidents originating on public land: 2003/04 summer fire season			
Date	Location	CFA appliances	Fire Size
14 April 2003	Tonimbuk	54	1000ha
14 April 2003	Blue Rock	22	2400ha

Service Delivery Standards

During 2003/04 compliance with Service Delivery Standards (SDS) was 89.14% on a rolling 12-month basis. While slightly below the 90% benchmark requirements, continual monitoring of performance is being factored into future resourcing and capital works programs.



Victorian Bushfire Inquiry

The Report of the Inquiry into the 2002-2003 Victorian Bushfires was presented to the Government in October 2003. The report made 148 recommendations. Six additional recommendations were also made in an interim report submitted in August 2003. All of the recommendations were accepted, or accepted in principle, by the Government. CFA in concert with other Government agencies are currently implementing these recommendations.

Government has contributed significant additional funding to agencies to realize improvements in Victoria's emergency management arrangements. CFA as the lead agency, has received additional funding for implementing the following initiatives:

- A new integrated municipal based emergency management planning framework, to include planning for both public and private land
- Unified Command and Control System between the fire services
- Interagency Education and Training to provide support agencies with sufficient training to allow them to operate safely on the fireground and also provision of Incident Control System (ICS) training to enhance their ability to support CFA and other agencies in specific roles.
- Development of fire prevention guidelines for the agricultural industry.

In addition to the above, CFA will be represented on a number of initiatives being managed by the Office of Emergency Services Commissioner, namely:

- State Emergency Operations Centre Scoping Project
- Statewide review of emergency co-ordination and/or control centres
- Multi Agency Resource Tracking and Emergency Management Information System Feasibility Study
- Development of a Green Paper on Emergency Management and Security Legislation
- Development of Wildfire standards of Fire Cover

Programs to improve operational effectiveness

A number of projects are being undertaken in accordance with the findings from the Victorian Bushfire Inquiry, the Coronial Inquiry into the Linton fires and the Safer Firefighter program. The projects have the potential to significantly improve the effectiveness of CFA and are summarized below:

Brigade Performance Monitoring

A revision of the process to monitor the efficiency of brigades to comply with section 29 of the CFA Act has been completed, and the revised process was implemented on 1 July 2004.

Regional Preparedness Monitoring

The operational preparedness of each CFA region and the State Emergency Co-ordination Centre was assessed once again prior to the fire season.



Country Call Taking

Implementation of the Country Call Taking Centre at Ballarat is delivering greater efficiencies in the answering of public calls and brigade dispatch in rural Victoria. By October 2004, all fire calls throughout the state will be answered by the centralized call taking centres. The Emergency Alerting System pilot phase will commence in November 2004, the realisation of this system will see even greater benefits to CFA's firefighters.

Operational Analysis

Operations Analysis has been conducted on three significant incidents during 2003/04. A workshop was held for officers undertaking operational reviews.

Near Miss Investigations

Near Miss Investigation arising from the Campaign fires of 2002/03 were completed and actions implemented.

Post Fire Season Survey

A survey was undertaken jointly with DSE, of senior operational managers and incident management team members to determine the effectiveness of the change programs implemented prior to the 2003/04 summer. This survey also sought feedback on any other significant operational issues that may have arisen during the response to wildfire over the summer. The results provided valuable feedback on many aspects of incident management, indicating that there has been marked improvement in areas of concern. Actions to address the issues of concerns raised have been initiated.

Private appliances / Fireground as a Workplace

The draft of guidelines for Operating Private Appliances at Fires is complete, with progression of a policy on the presence of other personnel (non combatants) on the fireground, continuing.

Firefighting Appliance

During 2003/04 a total of 81 appliances were delivered comprising; 48 x 3.4D Tankers, 19 Type 3 Medium Pumpers, 2 Aerial ladder platforms, 4 x 1500 litre Tankers and 8 rebuilt 3.2D / 3.4D Tankers. The remaining 27 appliances to be built will be delivered by the end of August.

In addition, the early approval of the 2004/05 firefighting appliance program by the Board will see the completion of this program, comprising 20 x 3.4D Tankers and 12 Type 3 Medium Pumpers by late 2004, early 2005.

Other highlights include the approval of an additional \$39m, over a five-year period, for the replacement of the aged tanker fleet and funding to enable the development of two of the future tanker prototypes.



Land and Buildings

The adoption of a three year rolling land and building program by the Board has seen both the planning and construction of new / refurbished fire stations proceed on a more structured and consistent basis.

This approach has seen a total of 21 new / refurbished fire stations completed during 2003/04. Work has also progressed on projects planned for 2004/05 through 2006/07. Major projects completed during the year included; Cranbourne, Greenvale, South Morang, Diamond Creek, Torquay, Hoppers Crossing and Nhill as well as eight small rural fire stations.

Funding of \$15m was also approved for the provision of infrastructure to support the deployment of an additional 125 Operational Support Staff.

Thermal Imaging

Six Thermal Imaging Cameras (TIC) have been purchased by CFA and will be distributed to nominated brigades. 12 TIC will then be strategically located across Victoria at CFA stations. An accredited training package has been produced and SOP's are being developed. A strategy has been developed that will see, when funding becomes available, up to 30 cameras across the state.

Chemical, Biological, Radiological (CBR) Response

Enhanced Hazmat/CBR Train the Trainer courses were conducted at Fiskville, which were attended by 24 CFA career staff, six MFB personnel and six EPA Officers. The 24 CFA members were provided with all necessary tools and tasked to deliver training to other career staff and volunteer members. Technical chemical detection equipment has been delivered to Dandenong, Corio and the Protective Equipment Section and 20 Radiation Personal Dosimeters distributed across the state. Training for this equipment has commenced and will be on-going.

Standing Orders Review

This project is the ongoing process of updating Chief Officer's Standing Orders and Standard Operating Instructions to ensure CFA has appropriate procedures to support field operations in a dynamic changing environment. The development of draft Standing Orders and SOPs is complete with distribution programmed for completion in time for the 2004/05 fire season.

Safety Advisor Concept

Safety advisors were utilized over the 2003/04 fire season and a review is being conducted which will assist in the formalizing of skill sets and competencies required for safety advisors.

Vehicle spray protection system

The vehicle validation tests were conducted at test sites around Tumbarumba, NSW, The draft report is scheduled to be completed by July 2004.



Field Command and Field Operations Vehicles

Produced 12 operational command type vehicles and developed prototype systems and technology. Seven Field Command Vehicles have been completed, with one under construction. One prototype Field Operations Vehicle was completed and four under construction.

Operational Response

Significant improvements in CFA's operational procedures were made in CFA's Operations Update Program conducted prior to the 2003/04 fire season. These included:

- Integration of local resources and local knowledge
- Guidance for the development of Incident action Plans and the maintenance of consistency in Incident Action Planning
- Incident management and interagency co-ordination arrangements
- Pre-planning multi-agency Level 3 Incident Management Teams on days of significant fire danger
- Increased flexibility for tactical decisions on the fireground and at strike team level within the general intent of the incident action plan
- Changeovers and briefings
- Increased awareness of welfare issues including fatigue management, dehydration and hygiene
- Safety advisors and OH&S reporting, which have been included in the multi-agency agreement between CFA and DSE

Community Safety

Community engagement and information

Since the NE Victoria/Gippsland campaign fires, work has continued to enhance the provision of information to the community during significant fires. Joint CFA/DSE guidelines have been developed on the integration of information units as a critical part of Incident Management Teams.

CFA and DSE have established the Victorian Bushfire Information Line (VBIL) to provide up to date information about current fires and the CFA website now includes a 'live' current incidents list. The website and VBIL also provide advice on what to do to residents and others in the vicinity of significant fires. Further work is continuing in this area to improve the flow of timely information to the community during emergencies.

Winter program

The joint CFA and MFB winter fire safety campaign focused on home fire safety and in particular the dangers of cooking fires. The campaign was media based utilizing TV, radio and press advertisements.

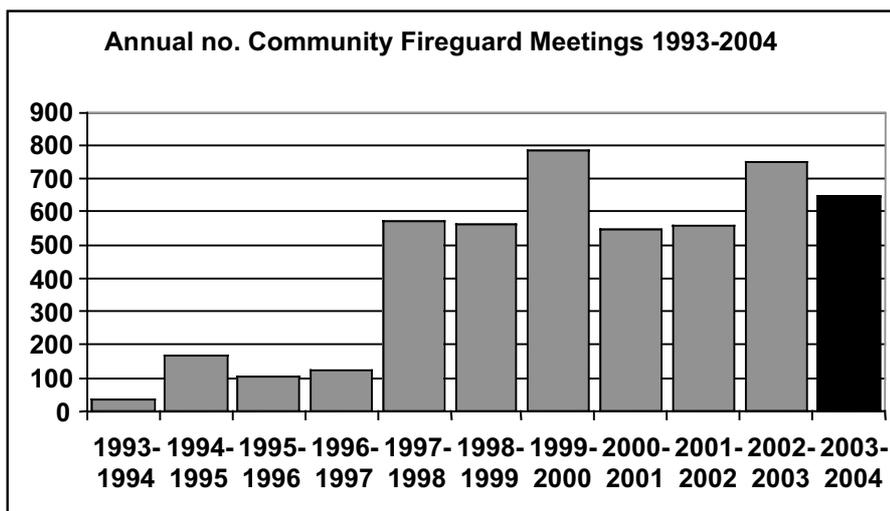
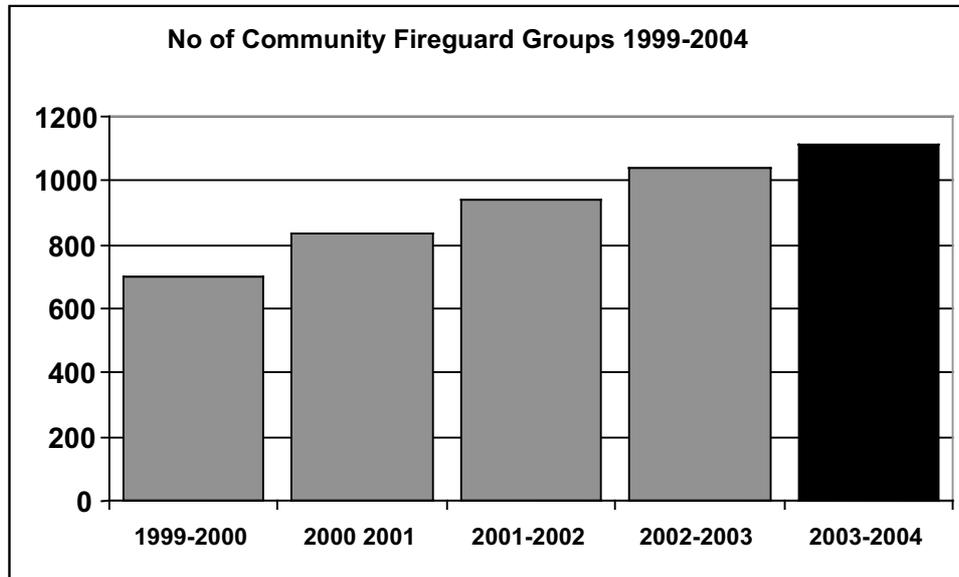
The campaign was supported by the delivery of 326 Home Fire Safety Workshops and more than 130 presentations to specialist groups such as the carers of young children or the elderly.

Summer program

The summer program has been conducted each year since 1997/98 and in most years comprises Community Fireguard, Bushfire Blitz and a media campaign. Despite a relatively quite summer fire season 484 Bushfire Blitz sessions were



delivered across the State reaching more than 6,000 residents of high fire risk areas. Community Fireguard also continued to expand with 88 new groups formed and a total of 642 meetings held.



A review of the Community Fireguard program was conducted and new guidelines to assist Community Fireguard groups operate effectively were developed that incorporate lessons from the Gippsland and North East campaign fire of 2003/03.

Schools program

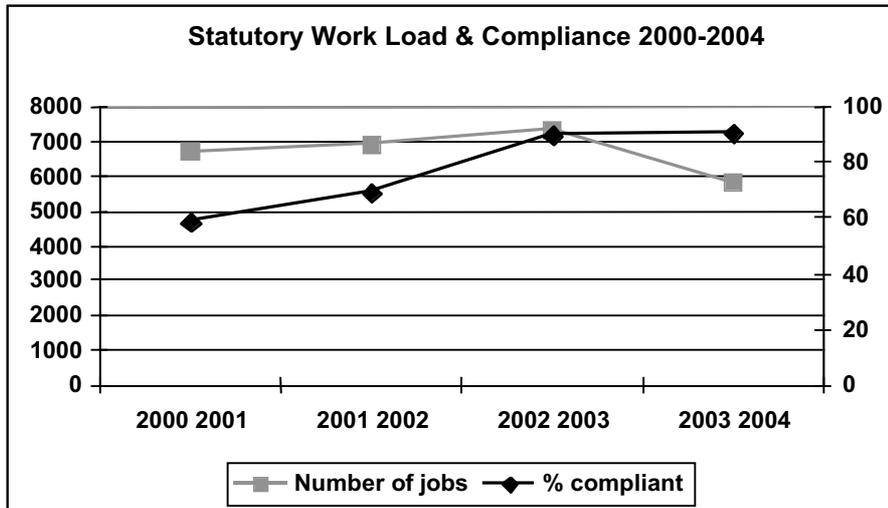
More than 35,000 primary school students received face-to-face fire safety lessons from CFA personnel through Brigades in Schools or the Mobile Education Unit during the 2003/04 financial year.

In addition the Juvenile Fire Awareness and Intervention Program assisted 166 children with a history of fire lighting.



Regulating fire safety in the built environment

CFA provides fire safety input to land use planning, structural fire protection and the handling of dangerous goods and acts as a referral authority in accordance with a range of legislation.



CFA was awarded a National Commendation by the Planning Institute of Australia for the development of its “Wildfire Management Overlay – Applicant’s Kit”. This kit assists people wishing to build homes in high wildfire risk areas to incorporate fire safety requirements into their planning permit application.

CFA also produced guidelines on “Requirements for Water Supplies and Access for Subdivisions in Residential 1 & 2 and Township Zones”, and “Safety Design Guidelines for Prisons” developed in partnership with the Department of Corrections and MFB

Fire equipment maintenance

The aim of CFA’s Fire Equipment Maintenance (FEM) program is to enhance community safety in public and private enterprise.

FEM has two key strategies to support it’s aim.

The first is brigades sell and service first attack fire fighting equipment to public and private enterprises. This program, conducted on a commercial basis currently services approximately 25,000 clients across the State. The outcomes of this strategy are:

- Enterprise premises are appropriately equipped and signed for a first attack response to a fire incident,
- Knowledge of the premises layout and fire protection equipment assists preparedness for and response to emergency incidents at those sites, and
- Funds raised by brigades through FEM are redirected by the brigades to other community safety activities.

The second strategy is training and education of persons who have responsibilities or a need to know about preparedness and response to fire emergency incidents. This is achieved by:



- Training and accrediting brigade members to undertake FEM client servicing to ensure that enterprises who are FEM customers receive services and equipment that meet Australian Standards, and
- Training and education of persons who because of their role or business activity need to be able to deal with fire emergency situations on a range of levels. This activity is generally conducted on a fee for service basis.

FEM continues to develop as a key CFA community safety strategy and source of fund-raising for brigades. In 2003 –2004:

- Sophisticated client management and accounting software was introduced to FEM to create efficiencies and to open the potential for new ways to communicate on community safety with our client base.
- FEM client services systems achieved certification to AS/NZS ISO 9001:2000.
- FEM developed a pilot program with a private partner to explore the market potential to establish a hydrant-servicing arm of FEM. The program outcomes are due to be considered in the 2004 – 2005 financial year.
- FEM has client service centers in Ballarat and Bendigo supporting over 300 brigades who service approximately 25,000 customers.

Municipal fire prevention planning

CFA continued its schedule of audits of Municipal Fire Prevention Plans with a total of 38 municipalities audited during the 2003/04 financial year. Of these 36 met the audit criteria and 2 are scheduled for re-audit during 2004/05. The audit role is supplemented by the provision of planning guidelines, accredited training for Municipal Fire Prevention Officers and a series of information seminars that were held around the State.

The Victorian Bushfire Inquiry (VBI) into the 2002- 2003 fires recommended the adoption of a new municipal based planning system to encapsulate all aspects of fire and emergency management planning.

The VBI report built on the recommendations of two earlier reports - CFA's Best Practice Review of Municipal Fire Prevention Planning (2001) and the Auditor General's report (May 2003).

These reports highlighted consistent themes, including the need for:

- A more integrated process of fire management planning on private and public lands;
- Participation of all stakeholders associated with fire management planning;
- Reform of the system and the development of mechanisms that support broader cooperation in fire prevention, preparedness, response and recovery (i.e. legislation, policy, and accountable planning processes); and
- Improved implementation by municipal councils;

Funding for this project has been granted by the State Government as part of its commitment to funding the implementation of the VBI recommendations.



Environmental management

CFA's Board approved the CFA Environment Strategy in November 2003 following consultation with staff, volunteers, agencies and the wider community.

The strategy has been developed to guide our environmental improvement while maintaining our high standard of fire and emergency service delivery, as set out in our Environment Policy. It will also ensure that we tackle environmental improvement in a way that is sustainable for our organisation.

CFA's Environment Program promotes good environmental practice, assists brigades and business units to deliver actions in the strategy, and monitors progress.

Achievements during the last year include completion of guidelines to assist Brigades and Areas to build environmental care into their daily activities. 'Environmental Notes' have also been included in the Chief Officer's Standard Operating Procedures'.

The CFA Brigade Environment Grants were well-received and assisted twelve brigades to undertake small environmental projects and increase awareness of environmental issues.

Yanakie Brigade received national recognition for its work with 6 other partners, including the South Gippsland Conservation Society, Department of Sustainability and Environment, Parks Victoria, VicRoads, South Gippsland Shire Council and the Prom Plains Landcare Group. They have developed and are now implementing a 25 year fire management plan to improve both fire safety and environmental values of the scenic Prom Road. This project was one of four finalists in the Environmental Leadership section of the prestigious 2004 Banksia Environmental Awards, which are supported by the Prime Minister.

CFA is assisting the development of the Australasian Fire Authorities Council's Environmental Management Working Group. This group will assist member agencies to work towards best practice in environmental care in all aspects of their business.



CFA People

As at 30 June 2004, CFA was served by 59,795 members, comprising 58,583 (or 99%) volunteers, 1,212 Operational & Administrative staff.

Overall volunteer numbers have decreased by 1% compared with last year, however the number of non-operational support volunteers has increased by 16.8%. This is as a result of CFA's ongoing strategy to recruit more people in support roles. We continue to monitor the general trend in volunteer attrition and the impact it has on the workload of active volunteers.

During the year, an additional 20 career firefighters were recruited to support volunteer brigades.

The HR Directorate has been undergoing major realignment to better position itself to service the diversity of geographical and regional needs of CFA and its members. As part of this program, a Workforce Information Management System (WIMS) has been scoped, incorporating rostering, payroll and all facets of Human Resource Management. The Enhanced Project Plan for this was approved in May 2004 as part of the 2004/05 budget.

Total CFA personnel: by job type (at 30 June 2004)

Job type	2000	2001	2002	2003	2004
Volunteers	64,340	61,657	57,985	59,136	58,583
Operational & Administrative staff	838	1,055	1,129	1,175	1,212
Total	65,178	62,712	59,114	60,311	59,795



Equity and Diversity

During the year, Equal Opportunity (EO) training continued to be provided across all areas of the State to ensure members are provided with a greater understanding and awareness of their rights and responsibilities in this area. A total of 353 members received training during this year.

There are 44 EO Contact Officers throughout the State who provide support and information to CFA members regarding discrimination or harassment concerns.

CFA has developed a further Relationship and Diversity program to commence in 2004/2005. This program is due for delivery across CFA and is aimed at providing additional support to current initiatives in ensuring an environment of respect, empowerment and accountability for CFA's diverse workforce.

Learning and Development

Development of skills and knowledge is integral to the achievement of our objectives and goals as we evolve into an integrated emergency management agency. Our extensive training program not only supports, but is an important part of our corporate planning and encompasses both volunteer and career staff. The single most important training initiative is the five-year Minimum Skills Program which commenced on 1 July, 2000. This program will ensure that all volunteer firefighters possess the required minimum operational skills for their respective roles and brigade risk profile. Importantly, this also enhances the safety of CFA members.

Progress in the implementation of Minimum Skills – Wildfire and Operational Leadership role training continues to progress ahead of expectation. However Minimum Skills progress at the higher-level qualifications of Wildfire with Structural and Structural with Wildfire requires a new approach. A review of the Minimum Skills Program is currently being conducted to ensure that the intent of the program is achieved by December 2005.



Public Safety Training Package

Implementation of the Public Safety Training Package (PSTP) was delayed during the year due to industrial action by the UFU. The mapping of module outcomes to PSTP elements has been completed and reviewed. This work provides the basis of credit transfer for volunteer and career members. The PSTP implementation plan was activated to communicate and provide information to people, develop a new version of our training record system (TRAIN), and review the learning and assessment strategies for compliance with the PSTP units.

CFA continues to monitor the PSTP's compliance with the Australian Qualifications Training Framework standards as they relate to Registered Training Organisations so that all competency-based training can be appropriately recognised. All new learning materials developed during the year have been based on CFA requirements and applicable PSTP units.

During the last year, 143 staff and volunteers attended the 3rd International Wildland Fire Conference and exhibition in Sydney. This was an outstanding success with many benefits for CFA.

Work commenced on the design of an Executive Performance Management System to cover all Executive Officers and provide this group with performance objectives related to CFA corporate priorities and a mechanism to better capture and manage development needs.

28 professional development courses were conducted during 2003-04 including two Diploma of Business programs, which have been very successful with all participants.



Occupational Health and Safety

During this financial year significant progress has continued to be made on the implementation of CFA's Safety First program. Health and safety is promoted as a key responsibility for all levels of management and forms a component for relevant Directorate/Area performance monitoring.

Apart from the ongoing progress involving the legislative compliance projects other major initiatives have included,

- Development and commencement of a Wellbeing, Health and Fitness program for career operational personnel in line with Enterprise Bargaining Agreements;
- The continuation of the manual handling injury prevention program involving the provision of fire service related training programs and ongoing risk assessments of plant, firefighting appliances and work locations;
- The completion of an external and internal audits of specific sites in line with the OHS Management System (AS 4801) AS 4801 audits;
- A range of educational and guidance material has been developed to assist in raising awareness to a broad range of health and safety issues. This is aimed at continuing the positive cultural change program in regard to health and safety within CFA;



Compensation

Claims	02/03	03/04	5 year Avg	Claim Frequency rate 03/04 *	Claim Frequency rate 5 year avg *
Volunteer	230	169	236.8		
Career	86	84	97.6	0.577	0.759

* The 'claims frequency rate' determines the number of claims per 100 employees.

WorkCover have recently amended their method of determining an employer's premium, commencing in the 2004/05 period. The premium for 04/05 has been shown as a percentage to enable a comparison with previous periods.

Premiums

(as percentage of remuneration)

2004/05 1.212%

2003/04 1.286%

2002/03 1.622%

Employee Relations

The collective agreement covering approximately 500 non-operational employees engaged in administrative, professional and technical roles was certified by the Australian Industrial Relations Commission in March of this year. This agreement is progressively being implemented throughout the organisation.

Negotiations in relation to collective agreement covering employees engaged as mechanical maintenance and tower overseers have been finalised. This agreement is the second collective agreement that has been negotiated for this group of employees. It is anticipated that the Australian Industrial Relations Commission will certify this agreement by November 2004.

Finance and Administration

Financial summary

Major issues dealt with by Finance & Administration during 2003/04 were:

- **Moving to a Single ABN**

Following submissions from CFA and other organisations to the Board of Taxation, the Government decided the *Charities Bill 2003* would not proceed. Despite this, the Australian Taxation Office formed the view that CFA does not qualify as a charity under the current tests imposed by the courts and, from 1 July 2004, CFA lost its *charity* status.

CFA was successful, however, in being incorporated in Division 30 of the Income Tax Assessment Act (ITAA) which entitles people who make gifts to CFA of \$2 and over, to claim the gift as a tax deduction. An entity in Division 30 of the ITAA is relieved of many of the obligations under the GST law.



A Division 30 entity must have a gift fund into which all donations are paid. A trust fund has been established to fulfil this requirement. Further, because of CFA's loss of charity status, and legal advice that the brigades are not separate legal entities, the CFA Board resolved that all brigades report under the one ABN number.

- **Financial Management Compliance Framework**

In 2003-04, the Department of Treasury and Finance introduced the Financial Management Compliance Framework across State Government entities. The framework's objective is to ensure that all government entities promote responsible financial management. To assist in this objective, a framework has been developed using areas of "best" financial practice, and agencies are required to measure whether they are in compliance with the framework or where there needs to be improvements. The framework was released in June, 2003. CFA will reach full compliance with this framework from August 2004.

- **Review of CFA's Regulations and the CFA Act**

New Regulations were implemented from 1 February 2004.

The CFA Act has undergone extensive and detailed analysis as part of the review process of CFA's legislation. This process has been overseen by the Act Review Steering Committee, consisting of the Chairman and representatives of the Board, Volunteer Associations and senior management. The detailed analytical work and policy development has been undertaken by an Act Review Working Party which has also involved volunteer representatives from both the Urban and Rural Associations. This work has resulted in the identification of key principles on which the new CFA Act will be based. The process now entails first-phase consultation on the key principles, with all key stakeholders.

The Board

The Board of the Authority is constituted under the Country Fire Authority Act 1958.

The Act provides for a Board of 12, consisting of the Chairman Len Foster and 11 other members, appointed by the Governor in Council for up to three years. Members are chosen from bodies named in the Act as being able to nominate people to the Board. The current nominating bodies includes the Minister for Sustainability and Environment, Victorian Rural Fire Brigades Association Inc (VRFBA), Victorian Urban Fire Brigades' Association Inc (VUFBA) and Municipal Associations of Victoria (MAV). The Insurance Council of Australia is also entitled to nominate members, but currently does not do so.

The Chairman and Board Members are paid a remuneration determined by the Governor-in-Council.

Board Members are required to observe CFA's Code of Conduct as well as the Code of Conduct for the Victorian Public Sector. In addition to requirements concerning the disclosure of pecuniary interests, members also submit a Declaration of Private Interests annually, as do senior CFA staff.

Board Role

The Board is responsible for CFA's overall performance, ensuring its compliance with legislation and best practice principles in delivering its emergency services work. The Board is:

- responsible and accountable to the Minister for Police and Emergency Services
- responsible for the development and implementation of strategic plans to meet CFA's legislated responsibility;
- responsible for policy formulation - responsible and accountable for its delegations to management;
- responsible for monitoring the performance of all delegations;

The Board sets the corporate objectives and strategies through the three-year Corporate Plan and detailed Annual Plans. Progress is monitored and reported against CFA's Annual Plan.



Board Committees

There are currently four committees that reflect the key objectives and functions of CFA. They are:

- Audit
- Remuneration and Appointments
- Service Delivery
- People Strategy

The Charter for each of the Committees is presently under review to ensure that they meet current and future organisational needs within an appropriate governance context.

Audit Committee

The Authority sets high standards for policies and procedures that relate to corporate governance issues. It also provides leadership for the achievement of high standards of accountability throughout CFA.

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

It does this by reviewing and monitoring the:

- integrity and quality of annual financial reporting and disclosure;
- adequacy and integrity of management reporting;
- identification and management of key business, financial and regulatory risks;
- compliance with relevant laws, regulations, standards and codes;
- adequacy of the internal control framework; and
- development, coordination and overall management of CFA's Corporate Governance, Compliance and Risk Management processes and practices;

CFA's internal audit function is undertaken by PricewaterhouseCoopers (PwC), who report to the Audit Committee at each of its meetings.

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

Membership:

1. Clif Lang (Chair)
2. Len Foster
3. Ken King
4. Rick Hill



Remuneration and Appointments Committee

The Remuneration and Appointments Committee's role is to overview the remuneration of executive officers in compliance with the Victorian Government's Policy on Executive Remuneration for Government Business Enterprises and Statutory Authorities and has the responsibility for:

- the management of the appointment process of the CEO, CO and DCO's and making recommendations to the Board;
- advising the Board of all matters relating to reimbursement for CFA Board members; and
- reporting to the Board all relevant matters within its Charter, so that the Board can take any necessary decisions and/or actions.

Membership:

1. Len Foster (Chair)
2. Jan Boynton
3. Sue Heron
4. Clif Lang

Service Delivery Committee

The Service Delivery Committee's role is to oversee the development and implementation of plans for the efficient and economic delivery of CFA operations. It does this by:

- providing an independent communication forum for Board members and management in relation to CFA operations;
- reviewing operations policies adopted by CFA and any changes made or contemplated, including giving proactive consideration to the implications of new legislation, standards, code of practice or Government policy affecting CFA operations;
- reviewing significant acquisitions of operations assets;
- advising the Board on budgetary and financial aspects of CFA operations and reviewing physical and human resources requirements for operations;
- determining whether CFA has instituted adequate reporting systems and internal controls on operational matters;
- overseeing CFA's operational audit program and reviews conducted for the purposes of section 29 of the CFA Act 1958;
- ensuring that CFA has taken appropriate steps to identify the significant operational risks to which it is exposed and that risk management plans in place are adequate and appropriate;
- recommending to the Board directions to be issued by the Authority under section 27 or section 28(2) of the CFA Act 1958; and
- advising the Board on matters which, in the Committee's opinion, are having or are likely to have significant adverse effect on CFA operations;

Membership:

1. Max Maher (Chair)
2. Robyn Hale
3. Michael Tudball
4. Frank Zeigler



People Strategy Committee

The People Strategy Committee's role is to ensure that well-developed human resource strategies, policies and compliance systems relating to CFA's personnel are in place and that due diligence reporting requirements are fulfilled.

The People Strategy Committee has been established to assist the Board to fulfil its obligations in relation to CFA personnel. As part of its role, CFA monitors personnel numbers, insuring that appropriate training and safety processes are in place and that CFA can meet its service delivery role.

In addition the Committee addresses a range of compliance obligations arising from legislation such as equal opportunity and occupational health and safety to ensure that CFA is meeting its statutory requirements.

Membership:

1. Frank Zeigler (Chair) *(Note -Anne Fairhall, resigned 30/6/04)*
2. Jan Boynton
3. Robyn Hale
4. Rick Hill

Attendance by Board Members

	Board Meetings	Special Meetings	Committee Meetings			
			Audit	Remuneration and Appointments	Service Delivery	People Strategy
Number of meetings 30/6/2004	12	3	4	4	4	4
Len Foster	11	3	4	4	-	-
Sue Heron ²	12	3	3	4	-	-
Jan Boynton	11	1	-	2	-	3
Peter Bishop ¹	5	-	-	1	1	-
Anne Fairhall ²	11	-	-	-	-	4
Robyn Hale	10	-	-	-	3	4
Richard Hill	12	1	4	-	3	4
Ken King ³	11	1	4	-	-	-
Clif Lang	11	3	4	3	-	-
Max Maher	12	-	2	-	4	-
Peter Marke ⁵	3	-	-	-	-	-
Michael Tudball ⁴	8	-	1	1	3	-
Frank Zeigler	12	-	-	-	4	4

¹ Resigned 9 October 2003

² Resigned 30 June 2004

³ Appointed 1 July 2003

⁴ Appointed 28 October 2003

⁵ Appointed 18 May 2004

THE 12 MEMBER AUTHORITY COMPRISES THE CFA CHAIRMAN AND MEMBERS APPOINTED BY THE GOVERNOR IN COUNCIL. THE CHIEF EXECUTIVE OFFICER (CEO) IS APPOINTED BY THE AUTHORITY AND IS RESPONSIBLE FOR IMPLEMENTING POLICIES AND GENERAL BUSINESS ADMINISTRATION.

BOARD MEMBERS



Len Foster LLB, BA, BEd, MAICD

Chairman

Board Committees: Audit, Remuneration and Appointments (Chair)

Former Secretary to the State Electricity Commission of Victoria and Director General of the Department of Conservation, Forests and Lands before joining CFA as Executive Chairman from 1991-2001. Appointed as non-executive Chairman of CFA in 2001. Is currently also Chief Executive Officer of the Australasian Fire Authorities Council. Chairman of the Federal Minister for Education, Science and Technology's Bushfire Research Advisory Committee.



Robyn Hale FAICD, GradCert (eBusiness & Communication)

Deputy Chairman

Board Committees: People Strategy, Service Delivery
Mayor of the Shire of Yarra Ranges in 2000. Served as a Councillor of the Shire of Sherbrooke from 1990 until amalgamation, and was elected to the newly formed Shire of Yarra Ranges in 1997. Council's delegate to the Executive Fire Prevention Committee for 12 years, and currently Chair of the Ferny Creek Fire Alert and member of numerous community groups. Has co-directed a small business for the past 21 years. Her family members are all CFA volunteers.





Rick Hill, MAICD

Board Committees: Audit, People Strategy

Has had a 39-year association with CFA as a volunteer. Captain of Glenaladale Rural Fire Brigade for 16 years. Is a Board member of Volunteer Fire Brigades Victoria, and has been State Vice-President of the Victorian Rural Fire Brigades Association Inc State Council since 1984. Has been a member of the VRFBA State Council for the past 15 years, and VRFBA Region 11 President since 1983. Has also been RPC Chairman for Region 11 for the past 13 years. Is presently a registered domestic and commercial builder and has been owner manager of East Gippsland Book Store since 1999. Was an owner manager of a farming enterprise until 1992 and has been a member of the Gippsland Home & Hospital Board for eight years.



Ken King BForSc (Hons), DipFor (Creswick)

Board Committees: Audit

Currently Executive Director, Parks and Forests with the Department of Sustainability and Environment and was a Board member of the Phillip Island Nature Park (1997-2003). Has had extensive experience in wildfire activities since 1971 and has been a forester in the Public Service since 1974. Was previously Regional Manager for Department of Conservation Forests and Lands through to the former Department of Natural Resources and Environment in South Gippsland, North West and Port Phillip Regions. Was awarded the National Medal in 1989.



Clif Lang FAII, GAICD

Board Committees: Audit (Chair); Remuneration and Appointments

Retired insurance executive. Appointed to the CFA Board as a representative of the insurance sector. Has had extensive experience in various senior management roles throughout Australia.



Max Maher AFSM

Board Committees: Service Delivery (Chair)

Joined Lubeck Fire Brigade in 1957. Member of the Victorian Rural Fire Brigades Association Inc and member of the Joint Fire Prevention, Training and Equipment Review Committees. Also a member of various working parties involved with training and volunteer support. Member of Consultative Group, Wimmera Mallee Water Piping Project. Has acted as director/facilitator on numerous projects related to training. Actively promoted the introduction of Junior Rural Fire Brigade Championships.



Frank Zeigler VA, GDip. OHS, GradDip (Disaster Mgt), MAHu, MAICD

Board Committees: Service Delivery; People Strategy

Managing Director of Hyperbaric Technologies Australia. Councillor Glenelg Shire and former Mayor of Glenelg Shire. Chairman of Portland Eco Trust and Glenelg Community Technologies Inc. Member of Ministerial Crime Prevention Council and Historical Shipwrecks Advisory Committee. 28 years experience in emergency services.



Michael Tudball FAICD, AFAIM, Grad Dip Bus-Mgt,
MBA, Dip CD

Board Committees: Service Delivery

Currently MD of own business consultancy with over 20 years experience in Strategic & Business Planning and Quality Management. Serves as Board Treasurer & Audit Committee Chair with Djerriwarrh Health Services: External member of the Audit Committee, Moorabool Shire Council and Chairman of the Regional Planning Committee (Region 14). Served as a CFA employee (Finance & Administration) for 4 years, CFA Volunteer (Captain, Lieutenant and Brigade Executive Manager) for 23 years.



Peter Marke JP, MAICD

Served with the Upwey Fire Brigade as a member for 45 years and as Captain for the past 31 years continuing. Current provider of Emergency Procedures, Risk Assessments and Disaster Recovery Planning and Training. Held past memberships of numerous national and international Fire Protection industry committees and served as Chairman and member to MEMC and remains a member of MFPC. Also serves as Chairman and member for various community groups and as Shire President and Councillor for the Shire of Sherbrooke over 7 years. Held various positions such as Manager Fire Safety for Telstra Victoria, Principal Director for Fire & Recovery Planning Pty. Ltd.

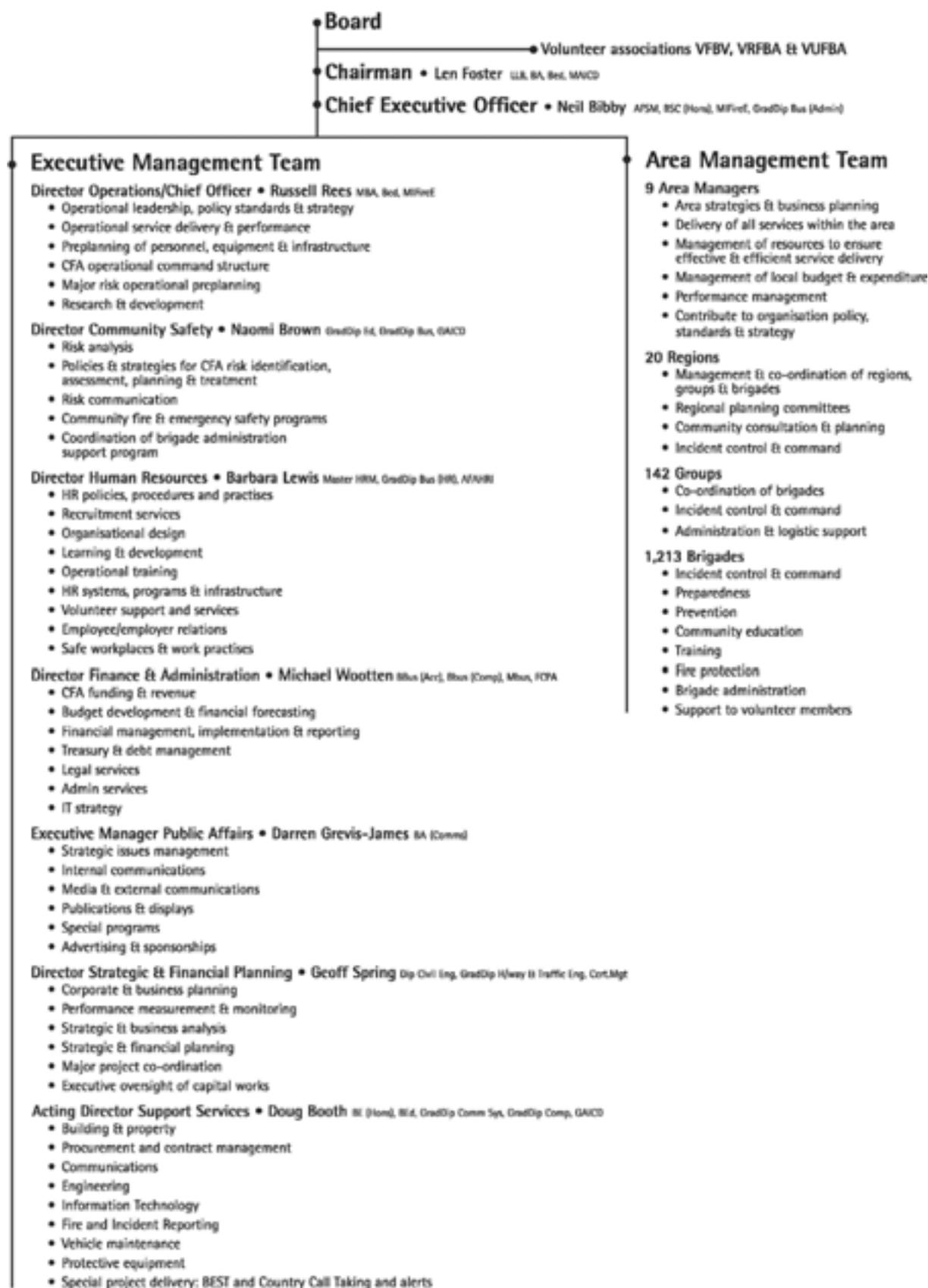


Jan Boynton BTRP, FPIA, FAICD

*Board Committees: Remuneration and Appointments;
People Strategy*

Director of Planning and Development, City of Greater Bendigo. Formerly North West Regional Manager of Department of Natural Resources and Environment; CEO of the North Central Catchment Management Authority; General Manager Strategy & Planning for the Shire of Campaspe; Principal of her own regional planning and development consultancy business; and a rural affairs advisor with Department of Agriculture. Has extensive background working in rural and regional Victoria.

CFA Organisation and senior management



Country Fire Authority

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE 2004

	NOTES	2004 \$'000	2003 \$'000
Revenue from Ordinary Activities			
Contributions	2	189,481	184,027
Sales of Goods and Services	2	4,772	3,956
Other revenue and revenue from other parties	2	12,736	8,108
		206,989	196,091
Expenses from Ordinary Activities			
Employee Benefits	3	89,748	80,372
Depreciation and amortisation	3 7(b)	20,837	20,222
Other expenses	3	75,878	69,904
Borrowing costs	3	57	543
		186,520	171,041
Result from Ordinary Activities		20,469	25,050
Net Increase (decrease) in asset revaluation reserve	11(b)	(3,983)	18,480
Adjustment resulting from change in accounting policy (note 1 (g))	11(c)	0	(303)
Total expense and revaluation adjustments recognised directly in equity		(3,983)	18,177
Total changes in equity other than those resulting from transactions with the Victorian State Government in its capacity as owner.		16,486	43,227

The above statement of financial performance should be read in conjunction with the accompanying notes.

Country Fire Authority

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2004

	Notes	2004 \$'000	2003 \$'000
Current Assets			
Cash Assets	4,12	16,281	9,831
Receivables	5,12	5,192	11,514
Inventories	6	4,940	5,032
Prepayments		2,111	508
Deposits - Land Acquisitions		986	2,307
Total Current Assets		29,510	29,192
Non Current Assets			
Property, plant and equipment	7	385,861	373,316
Total Assets		415,371	402,508
Current Liabilities			
Payables	8,12	13,493	21,613
Provisions	10	13,795	12,201
Total Current Liabilities		27,288	33,814
Non Current Liabilities			
Interest bearing liability	9,12	0	2,000
Provisions	10	20,275	16,626
Total Non Current Liabilities		20,275	18,626
Total Liabilities		47,563	52,440
Net Assets		367,808	350,068
Equity			
Contributed Capital	11(a),1(k)	183,257	182,003
Asset Revaluation Reserve	11(b)	116,849	120,832
Accumulated Surplus	11(c)	67,702	47,233
Total Equity	11(d)	367,808	350,068

The above statement of financial position should be read in conjunction with the accompanying notes.

Country Fire Authority

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2004

	Notes	2004 \$'000	2003 \$'000
Cash flows from Operating Activities			
Receipts from Government		44,282	49,961
Receipts from other entities		154,402	135,232
Payments to suppliers and employees		(176,023)	(151,243)
		22,661	33,950
Goods and services tax recovered from the ATO		11,401	9,455
Goods and services tax paid to the ATO		(1,420)	(2,008)
Interest received		1,794	1,134
Other revenue		2,683	5,601
Borrowing costs		(81)	(626)
Net cash inflow from operating activities	20	37,038	47,506
Cash flows from Investing Activities			
Payments for property, plant and equipment		(37,502)	(35,068)
Deposits on land acquisitions		(60)	(2,307)
Proceeds from sale of property, plant and equipment		8,974	5,048
Net Cash (outflow) from investing activities		(28,588)	(32,327)
Cash flows from Financing Activities			
Proceeds from borrowings		0	500
Repayment of borrowings		(2,000)	(7,000)
Net Cash inflow (outflow) from financing activities		(2,000)	(6,500)
Net increase(decrease) in cash held		6,450	8,679
Cash at the beginning of the financial year		9,831	1,152
Cash at the end of the financial year	4	16,281	9,831

The above statement of cash flows should be read in conjunction with the accompanying notes.

Country Fire Authority

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2004

1 Summary of Significant Accounting Policies

This general purpose financial report has been prepared in accordance with the Financial Management Act 1994, Australian Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and Urgent Issues Group Consensus Views.

It is prepared in accordance with the historical cost convention using the accrual basis of accounting, except for certain assets and liabilities which, as noted, are at valuation. The accounting policies adopted, and the classification and presentation of items, are consistent with those of the previous year, except where a change is required to comply with an Australian Accounting Standard or Urgent Issues Group Consensus View, or an alternative accounting policy permitted by an Australian Accounting Standard, is adopted to improve the relevance and reliability of the financial report.

(a) Recognition of Revenue

(i) Statutory Contributions, Government Grants and Transport Accident Commission

Statutory contributions, Government grants and monies due from the Transport Accident Commission are recognised as revenue when they are received or receivable.

(ii) Sales of Goods or Services Revenue

Sales of Goods and Services comprise revenue earned (net of returns, discounts and allowances) from the provision of goods or services to external entities and are recognised when the goods or services are provided.

(iii) Interest Income

Interest income is recognised as it accrues.

(b) Receivables

All trade debtors are recognised at the amounts receivable as they are due for settlement at no more than 30 days from the date of recognition.

The collectibility of debtors is assessed at balance date. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised when some doubt as to collection exists.

(c) Inventories

All inventories and consumable stores were physically counted and valued as at 30th June 2004 at the lower of cost and net realisable value.

(d) Property, Plant and Equipment

(i) Acquisition of Assets

All assets acquired are initially recorded at their cost of acquisition. Cost is measured as the fair value of the assets given up or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

Costs incurred on fixed assets subsequent to initial acquisition are capitalised when it is probable that future economic benefits, in excess of the originally assessed performance, will flow to the Authority in future years. Where these costs represent separate components they are accounted for as separate fixed assets and are separately depreciated over their useful lives to the Authority.

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.

(ii) Revaluations of Non-current Assets

Subsequent to initial recognition as assets, non-current physical assets, other than plant and equipment, are measured at fair value. Land and buildings revaluations are made with sufficient regularity to ensure that the carrying amount of each asset does not differ materially from its fair value at the reporting date. Independent assessments are obtained from the Valuer General at least every three years by dividing the State of Victoria on a geographical basis. Revaluations are conducted in accordance with the Victorian Government Policy, *Revaluation of Non - Current Physical Assets* .

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the net result, the increment is recognised immediately as revenue in the net result.

Revaluation decrements are recognised immediately as expenses in the net result, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

Revaluation increments and decrements are offset against one another within a class of non-current assets.

Country Fire Authority

Volunteer Brigade Land and Buildings

The Authority acknowledges the significant contributions made by Volunteer Brigades to the capital value of their fire stations. It has over 1,200 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 three 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.

Brigade Owned Vehicles

The Authority fully recognises the major community contribution by bringing to account at cost fire fighting vehicles acquired by volunteer brigades (Brigade Owned Vehicles).

Brigade Owned 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 the Authority for operational purposes.

Other Non Current Assets

All other non-current assets appear at original cost less accumulated depreciation.

(iii) Depreciation

Depreciation is calculated on a straight line method at rates appropriate to the Assets estimated useful life to the Authority. A review of all rates was conducted during the year, and no changes were deemed necessary.

	Expected useful life	Depreciation Rate Per Annum
Buildings at Cost	67 years	1.5%
Buildings at Valuation	52 years	1.9%
Vehicles :		
Fire fighting		
Vehicles up to 30 June 1992	15 years	6.8%
All other vehicles after 30 June 1992	20 years	5.0%
Transport	10 years	10.0%
Trailers	20 years	5.0%
Plant, Machinery and Equipment, Communications Equipment and minor items	10 years	10.0%
Office Furniture	10 years	10.0%
Computer Hardware/Software	3 years	33.33%

(iv) Leasehold Improvements

The cost of improvements to or on leasehold properties is amortised over the unexpired period of the lease or the estimated useful life of the improvement to the Authority, whichever is the shorter. Leasehold improvements held at the reporting date are being amortised over periods ranging from 3 to 45 years.

(e) Trade and Other Creditors

These amounts represent liabilities for goods and services provided to the Authority prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(f) Interest Bearing Liabilities

Loans are carried at historical cost. Interest is accrued over the period it becomes due and is recorded as part of Other Creditors and Accruals.

(g) Employee Benefits

(i) Wages and salaries

Liabilities for wages and salaries are recognised, and are measured as the amount unpaid at the reporting date at current pay rates and on-costs in respect of employees' services up to that date.

Change in Accounting Policy for Employee Benefits (Annual Leave).

In the reporting periods prior to 30 June 2003, provisions for employee benefits (annual leave) were measured using remuneration rates current at reporting date.

For the period ended 30 June 2003, the Authority is required by AASB 1028 'Employee Benefits' to measure provisions for employee benefits at remuneration rates expected to apply when the obligation is settled, including the expected future increase in remuneration rates.

The transitional arrangements of AASB 1028 on adoption at 1 July 2002 give rise to an adjustment to opening annual leave liabilities and a corresponding change to accumulated surplus/(deficit).

The impact of this change is:-

Decrease	Accumulated Surplus/(Deficit)	\$303K
Increase	Annual Leave Provision	\$(303)K

Country Fire Authority

(ii) Long service leave

A liability for long service leave which includes current pay rates and on-costs is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

Expected future payments are discounted using interest rates on national Government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows. The amount anticipated to be paid during the next 12 months is shown as a current liability.

(iii) Superannuation

The amount charged to the statement of financial performance in respect of superannuation represents the contributions made by the Authority to the superannuation funds.

(h) Goods and Services tax.

Revenues, expenses and assets are recognised net of GST except where the amount of GST incurred is not recoverable, in which case it is recognised as part of the cost of acquisition of an asset or part of an item of expense. The net amount of GST recoverable from, or payable to, the Australian Taxation Office (ATO) is included as part of receivables or payables in the statement of financial position. The GST component of a receipt or payment is recognised on a gross basis in the statement of cash flows in accordance with Accounting Standard AAS 28 *Statement of Cash Flows*.

(i) 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 2004.

Outstanding claims are assessed on an actuarial basis. Future payments are projected using the Payment Per Claim Incurred (PPCI) method and 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.

(j) Joint Venture Operation

The Joint Agreement between the Country Fire Authority and the Metropolitan Fire and Emergency Services Board (MFESB) to jointly use and manage the facilities at the South Eastern Training Ground, involves CFA retaining legal ownership of the asset and MFESB retaining a right to hold property with CFA as tenants in common. The agreement is in the nature of a Joint Venture Operation and has been accounted for accordingly. Details of the Joint Venture Operation are set out in Note 18.

(k) Contributed Capital

Consistent with UIG Abstract 38 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* appropriations for additions to net assets have been designated as contributed capital. Other transfers that are in the nature of contributions or distributions have also been designated as contributed capital.

(l) Rounding of amounts

Amounts in the financial statements have been rounded to the nearest thousand dollars.

(m) Comparatives

There are no changes to the comparative figures unless otherwise stated.

(n) The impacts of adopting AASB equivalents to IASB standards

For interim and annual reporting periods ending on or after 30 June 2004, AASB 1047 *Disclosing the Impacts of Adopting AASB Equivalents to International Financial Reporting Standards (IFRS)* requires an explanation of how the transition process is being managed and a narrative explanation of the key differences in accounting policies that are expected to arise from the adoption of Australian equivalents to IFRS. Refer to Note 21 for further details.

Country Fire Authority

2 Revenue	2004 \$'000	2003 \$'000
Revenue from operating activities		
Contributions		
State Government	41,288	53,234
Insurance companies	139,263	120,998
Owners and insurance intermediaries	8,533	9,410
Commonwealth Government	397	385
	189,481	184,027
Sale of goods	2,044	1,609
Services	2,728	2,347
	4,772	3,956
Revenue from outside the operating activities		
Property rental	105	115
Interest	1,817	1,191
Other	2,696	4,423
Brigade owned vehicles recognised	8,118	2,379
	12,736	8,108
	206,989	196,091
3 Expenses from Ordinary Activities		
Employee Benefits		
Salaries	77,655	69,965
Superannuation	3,714	2,476
Other on-costs (payroll tax, fringe benefits tax, workcover premium)	5,360	3,607
Employee Support	3,019	4,324
Total employee costs	89,748	80,372
Depreciation		
Buildings	3,334	3,043
Vehicles	12,351	12,493
Other plant and equipment	4,646	4,180
Total depreciation	20,331	19,716
Amortisation		
Leasehold Improvements	506	506
Total amortisation	506	506
Total depreciation and amortisation	20,837	20,222

Country Fire Authority

	2004 \$'000	2003 \$'000
Other expenses		
Buildings Operating and Maintenance	6,617	4,354
Motor Vehicle	7,385	7,166
Cost of Goods Sold / Services Provided	1,526	952
Operating Lease payments	2,516	2,149
Other Operating and Maintenance	3,832	6,217
Computer equipment and systems	4,286	1,907
Communications and Alarms	9,222	5,685
Contract payments to external services	6,689	2,211
Volunteer Compensation and Insurance	2,413	3,747
Training and Skills Maintenance	3,788	3,316
Uniforms and Equipment	4,718	5,760
Other Volunteer and Brigade Support	2,907	2,401
Audit Fees (note 15)	407	289
Obsolete stock written off	605	0
Consultants Fees	211	341
Aircraft Hire	4,062	9,461
Hire Fees - Other	244	1,185
Legal Fees	1,574	1,496
CFA Share of Commissioner of Emergency Services	1,319	1,319
Grants to Volunteer Associations and Local Government	784	90
Printing and Stationery	1,657	1,284
Publicity and Advertising	1,510	1,093
General Expenses	5,770	6,606
Net loss on disposal of property, plant and equipment	1,836	875
Total other expenses	75,878	69,904
Borrowing costs		
Interest paid/payable to Treasury Corporation of Victoria (TCV)	57	543
4 Cash Assets		
Cash at bank and on hand	1,281	(169)
Deposits at call	15,000	10,000
	16,281	9,831
The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:		
Balances as above	16,281	9,831
Balances per statement of cash flows	16,281	9,831
Deposits at call		
The deposit at balance date is bearing a floating interest rate of 5.2% (2003 : 4.7%)		
5 Receivables		
Current:		
Trade Debtors	2,236	3,195
Less: Provision for Doubtful Debts	(30)	(36)
	2,206	3,159
Other Debtors	1,428	4,205
Net GST Recoverable	1,558	4,150
	5,192	11,514
6 Inventories		
Stores and consumables - at lower of cost and net realisable value	4,715	4,241
Publications - at cost	44	681
Work in progress - at cost	210	139
Provision for Obsolete Stock	(29)	(29)
	4,940	5,032

Country Fire Authority

7 Property, plant and equipment

(a) Value and Depreciation	2004	2003
	\$'000	\$'000
Freehold Land		
At cost	2,710	1,816
At independent valuation 2001	0	26,624
At independent valuation 2002	7,980	8,205
At independent valuation 2003	13,855	8,935
At independent valuation 2004	25,228	-
	<u>49,773</u>	<u>45,580</u>
Buildings		
At cost	22,081	19,586
Less: Accumulated Depreciation	(431)	(346)
At independent valuation 2001	0	89,712
Less: Accumulated Depreciation	0	(3,409)
At independent valuation 2002	57,716	55,635
Less: Accumulated Depreciation	(2,115)	(1,040)
At independent valuation 2003	49,594	9,546
Less: Accumulated Depreciation	(992)	-
At independent valuation 2004	48,200	-
	<u>174,053</u>	<u>169,684</u>
Leasehold Improvements - at cost		
	9,717	9,675
Less: Accumulated amortisation	(5,308)	(4,802)
	<u>4,409</u>	<u>4,873</u>
Vehicles - at cost		
	189,662	170,054
Less: Accumulated Depreciation	(91,605)	(84,311)
	<u>98,057</u>	<u>85,743</u>
Brigade Owned - at cost		
	23,393	19,784
Less: Accumulated Depreciation	(3,829)	(2,977)
	<u>19,564</u>	<u>16,807</u>
	<u>117,621</u>	<u>102,550</u>
Plant and Equipment - at cost		
	52,670	50,665
Less: Accumulated Depreciation	(31,993)	(27,952)
	<u>20,677</u>	<u>22,713</u>
Property, Plant and Equipment in the course of construction (at cost)		
	19,328	27,916
Total Property, Plant and Equipment	<u><u>385,861</u></u>	<u><u>373,316</u></u>

Country Fire Authority

7(b) Reconciliations

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	Buildings	Leasehold Improve'ts	Vehicles	Plant, Mach. & Equipment	Work in Progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2004							
Carrying amount at the start of year	45,580	169,684	4,873	102,550	22,713	27,916	373,316
Additions						40,056	40,056
Disposals	(787)	(247)	0	(7,275)	(2,500)		(10,809)
Revaluation Increments/(Decrements) (Note 11(b))	2,279	(6,262)					(3,983)
Transfers to Fixed Assets	2,701	14,213	42	26,578	5,110	(48,644)	0
Brigade Owned Vehicles Recognised (Note 2)				8,118			8,118
Depreciation/amortisation expense (Note 3)	0	(3,335)	(506)	(12,350)	(4,646)		(20,837)
Carrying amount at the end of year	49,773	174,053	4,409	117,621	20,677	19,328	385,861

Country Fire Authority

	2004 \$'000	2003 \$'000
8 Payables		
Creditors	6,761	13,098
Other Creditors and Accruals	6,732	8,515
	13,493	21,613
9 Interest-Bearing Liabilities		
Non Current		
Secured		
Treasury Corporation of Victoria Loans	0	2,000
Total Interest-Bearing Liabilities	0	2,000
10 Provisions		
Current		
Employee Benefits	12,477	10,876
Volunteer Compensation	1,318	1,325
	13,795	12,201
Non Current		
Employee Benefits	16,506	12,829
Volunteer Compensation	3,769	3,797
	20,275	16,626
Aggregate carrying amount of provisions		
Current	13,795	12,201
Non Current	20,275	16,626
	34,070	28,827
Employee Benefits	28,983	23,705
Volunteer Compensation	5,087	5,122
	34,070	28,827
11 Equity and movements in equity		
(a) Contributed Capital		
Balance 1 July	182,003	182,003
Capital Contribution from other Government entities	1,254	0
Balance 30 June	183,257	182,003
(b) Reserve		
Asset Revaluation Reserve	116,849	120,832
	116,849	120,832
Movements		
Asset revaluation reserve		
Balance 1 July	120,832	102,352
Revaluation increment (decrement) of freehold land and buildings	(3,983)	18,480
Balance 30 June	116,849	120,832
Nature and purpose of reserve		
Asset revaluation reserve		
The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in accounting policy note 1(d).		
(c) Accumulated Surplus		
Accumulated Surplus at the beginning of the financial year	47,233	22,486
Adjustment resulting from change in accounting policy (note 1 (g))	0	(303)
Adjusted beginning Balance	47,233	22,183
Net Result from Ordinary Activities	20,469	25,050
Accumulated surplus at the end of the financial year	67,702	47,233
(d) Change in Equity		
Total equity at the beginning of the financial year	350,068	306,841
Total changes in equity recognised in the statement of financial performance	16,486	43,227
Contributions of equity (note 11(a))	1,254	0
Total equity at the end of the financial year	367,808	350,068

Country Fire Authority

12 Financial Instruments

(a) Credit risk exposures

The Authority'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 Statement of Financial Position.

The Authority minimises concentrations of credit risk in relation to trade accounts receivable by undertaking transactions with a large number of customers. All our customers are based in Australia. 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.

(b) Interest rate risk exposures

The Authority's exposure to interest rate risks and the effective interest rates of financial liabilities, at the balance date, are as follows:

2004	Floating Interest Rate	Fixed interest rate maturing in:			Non-interest bearing	Total carrying amount as per balance sheet	Weighted average effective interest rate %
		1 year or less	Over 1 to 5 years	More than 5 years			
Financial Instruments	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
(i) Financial assets							
Cash and Term Deposits	16,263				18	16,281	5.01
Receivables					5,192	5,192	N/A
Total financial assets	16,263	0	0	0	5,210	21,473	-
(ii) Financial liabilities							
Trade creditors and accruals					13,493	13,493	N/A
Total financial liabilities	0	0	0	0	13,493	13,493	-

2003	Floating Interest Rate	Fixed interest rate maturing in:			Non-interest bearing	Total carrying amount as per balance sheet	Weighted average effective interest rate %
		1 year or less	Over 1 to 5 years	More than 5 years			
Financial Instruments	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
(i) Financial assets							
Cash and Term Deposits		9,814			17	9,831	4.91
Receivables					11,514	11,514	N/A
Total financial assets	0	9,814	0	0	11,531	21,345	-
(ii) Financial liabilities							
Trade creditors and accruals					21,613	21,613	N/A
Interest bearing liabilities - Non-current			2,000			2,000	5.82
Total financial liabilities	0	0	2,000	0	21,613	23,613	-

(c) Net fair values

The aggregate net fair values of financial assets and financial liabilities, at the balance date, are as follows:

	2004 \$'000	2003 \$'000
Financial assets		
Cash and Term Deposits	16,281	9,831
Receivables	5,192	11,514
Total financial assets	21,473	21,345
Financial liabilities		
Trade creditors and accruals	13,493	21,613
Interest bearing liabilities - Non-current	0	2,098
Total financial liabilities	13,493	23,711

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities:

Recognised financial instruments

Cash and cash equivalents:

The carrying amount approximates fair value because of their short-term to maturity.

Trade receivables and payables:

The carrying amount approximates fair value.

Non-current investments:

The carrying amount approximates fair value.

Short-term borrowings:

The carrying amount approximates fair value because of their short-term to maturity.

Long-term borrowings:

The net fair value of long-term borrowings are at their quoted market price.

Country Fire Authority

13 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 year ended 30 June 1994.

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

Authority Members

L R Foster (Chairman)
 S P Heron (Deputy Chairman) (Tenure expired 30/06/04)
 P R Bishop (Resigned - 30/10/03)
 J E Boynton
 E A Fairhall (Tenure expired 30/06/04)
 R J Hale
 R W Hill
 K W King
 G C Lang
 B M Maher
 P G Marke (Commenced 18/05/04)
 M G Tudball (Commenced 28/10/03)
 F P Zeigler

Accountable Officer

N G Bibby

Remuneration (other than the Responsible Minister)

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

Income Band	2004	2003
	No.	No.
\$0 - \$9,999	5	6
\$10,000 - \$19,999	7	6
\$30,000 - \$39,999	0	1
\$40,000 - \$49,999	1	0
\$170,000 - \$179,999	0	1
\$230,000 - \$239,999	1	0
Total Numbers	14	14
Total Amount \$'000	378	318

There were no other transactions between the Country Fire Authority and the Authority Members or Member related entities.

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

14 Remuneration of Executives

The numbers of executive officers, other than Responsible Persons included under "Remuneration of Responsible Persons" in Note 13, whose total remuneration exceeded \$100,000 during the reporting period are shown below in their relevant income bands:

Income Band	TOTAL REMUNERATION		BASE REMUNERATION	
	2004 No.	2003 No.	2004 No.	2003 No.
\$100,000 - \$109,999	2	7	0	6
\$110,000 - \$119,999	1	1	4	4
\$120,000 - \$129,999	6	6	6	2
\$130,000 - \$139,999	2	0	11	2
\$140,000 - \$149,999	7	4	3	2
\$150,000 - \$159,999	6	0	2	1
\$160,000 - \$169,999	2	1	0	0
\$170,000 - \$179,999	1	0	0	0
\$210,000 - \$219,999	1	0	0	0
Total Numbers	28	19	26	17
Total Amount \$'000	4,002	2,336	3,455	2,021

These figures include payments for accumulated leave and other entitlements upon resignation.

The increase in the number of executive officer salaries in 2003/04 is attributable to existing executive officers who were previously paid less than \$100k pa.

Country Fire Authority

15 Remuneration of auditors	2004 \$'000	2003 \$'000
Audit fees paid or payable to the Victorian Auditor-General's Office for audit of the Authority's financial statements pursuant to the Audit Act 1994.		
Paid as at 30 June 2004	31	37
Payable as at 30 June 2004	48	35
	79	72
Audit fees - Internal Audit : Paid or payable as at 30 June 2004	328	217
	407	289

16 Commitments for expenditure and Contingent Liabilities

Capital commitments

Commitments for the acquisition of plant and equipment contracted for at 30 June 2004 but not recognised as liabilities, payable:

Within one year	10,779	11,742
Later than one year, not later than 5 years	0	0
	10,779	11,742

Lease commitments

Commitments for minimum lease payments in relation to non-cancellable operating leases contracted for at 30 June 2004 but not recognised as liabilities, payable:

Within one year	2,212	2,071
Later than one years not later than 5 years	7,027	6,465
Later than 5 years	1,301	2,560
	10,540	11,096

Other commitments

There is an ongoing Service Agreement with Emergency Services Victoria for the provision of emergency call taking facilities at Burwood East (Outer Metro) and at Mt. Helen (Country). There is currently no termination date for this agreement.

At 30 June 2004 the management fee stood at \$4.937m. p.a. This fee is revised periodically when circumstances change.

With the expansion of Country Call Taking the fee is expected to increase to approximately \$8.8m during 2004/2005.

Contingencies

In the context of CFA's business and recognising the Authority's existing insurance arrangements, there are some matters which may be subject to judicial process. None of those items are considered likely to have a material effect on the financial statements at 30 June 2004.

Country Fire Authority

17 Employee Benefits	2004 \$'000	2003 \$'000
Provision for employee benefits		
Current (note 10)		
Annual leave	11,293	9,651
Long service leave	801	638
Other	383	587
	12,477	10,876
Non-current (note 10)		
Long service leave	16,506	12,829
Aggregate employee benefit liability	28,983	23,705
Employee numbers		
	No.	No.
Average number of employees during the financial year	1,193	1,140

As explained in Note 1(g)(ii), the amount for long service leave is measured at its present value. The following assumptions were adopted in measuring present values:

	2004	2003
Long Service Leave		
Weighted average rates of increase in annual employee entitlements to settlement of the liabilities	4.73%	4.75%
Weighted average discount rates	4.81%	4.72%
Weighted average terms to settlement of the liabilities	12 years	12 years

CFA Employees' Superannuation Funds

Superannuation contributions for the reporting period are included as part of employee benefits in the statement of financial performance of CFA.

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

Fund	\$'000	\$'000
Defined Benefits Schemes		
State Superannuation Fund: Contributions	38	34
: Movement in unfunded liability	(113)	627
Emergency Services Superannuation Scheme (ESSS)	1,804	0
Accumulation Schemes		
Emergency Services Superannuation Plan (ESS Plan)	1,968	1,801
Other	17	14
Total (See note 3)	3,714	2,476

The bases for contributions are determined by the various schemes. There were no contributions to defined benefits schemes outstanding at balance date.

All employees of CFA are entitled to benefits on retirement, disability or death from the above Superannuation Funds. The Defined Benefits Schemes provide defined lump sum benefits based on years of service and final average salary.

An actuarial assessment of the Defined Benefits Schemes is made on an annual basis. Information relating to the Funds based on the latest actuarial assessment and the financial report of the Funds for the year ended 30 June 2004 is set out below.

Emergency Services Superannuation (ESSS)

Net Assets	177,523	153,377
Accrued Benefit Liabilities	(157,404)	(135,420)
Surplus	20,119	17,957

State Superannuation Fund

Net Assets	669	931
Accrued Benefit Liabilities	(1,987)	(2,354)
Contributions to Consolidated Fund	271	263
Net Unfunded Liability	(1,047)	(1,160)

The above amounts were measured as at 30 June of each year, or in the case of employer contributions they relate to the years ended 30 June.

In accordance with the requirements of the Financial Management Act 1994 the excess of the present value of employees' accrued benefits over assets held to meet future benefit payments is recognised as a liability in the statement of financial position.

Country Fire Authority

18 Joint Venture Operation

CFA is involved in a Joint Venture Operation with the Metropolitan Fire and Emergency Services Board (MFESB) at the South Eastern Training Ground - Carrum Downs. The joint venture operation involves resource sharing between the CFA and MFESB, primarily to provide core training needs to operational personnel of both agencies and CFA volunteers.

Each agency had an equal interest in the output of the Joint Venture Operation during the year ended 30 June 2004.

CFA's interests in the assets employed in the joint venture are included in the statement of financial position, in accordance with the accounting policy described in note 1(j), under the following classifications:

	2004	2003
	\$'000	\$'000
Current assets		
Cash	213	93
Other	158	117
Total current assets	371	210
Non-current assets		
Land and buildings - at cost	0	714
Land and buildings - at valuation 2001	0	816
Less: Accumulated depreciation	0	(42)
Land and buildings - at valuation 2004	868	0
Vehicles - at cost	60	60
Less: Accumulated depreciation	(38)	(31)
Plant and equipment - at cost	786	786
Less: Accumulated depreciation	(447)	(408)
Plant and equipment in the course of construction	0	2
Total non-current assets	1,229	1,897
Share of assets employed in Joint Venture	1,600	2,107

At balance date, there are no significant commitments for expenditure and contingent liabilities. (2003 : Nil)

19 Volunteer Brigade Activities

The major assets of CFA volunteer brigades - Land, Buildings and Brigade Owned Vehicles - are recognised as assets by the Authority. (note 1(d)(ii)). New Brigade Owned Vehicles are included annually in CFA's financial statements and reflected in notes 2 and 7.

The Brigades are funded by CFA and community fundraising and donations. Brigade costs borne by CFA are included in the expense analysis in note 3, either by specific reference (e.g. Volunteer Compensation; Other Volunteer and Brigade Support; Grants to Volunteer Associations, or are included (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, etc.).

As the majority of Brigade costs are thus included in CFA's accounts, the separate revenues and expenses of the Brigades are not reflected in the Authority's financial statements.

The annual financial statements of Brigades are required to be audited each year in accordance with *Country Fire Authority Regulations 2004* (Reg. 60).

In order to comply with the Income Tax Assessment Act 1997, relating to tax deductible gifts, a trust fund has been established to receive and distribute donations received by or on behalf of CFA brigades. The "CFA and Brigades Donations Fund" was established under a Trust Deed dated 7 June 2004 and deposits commenced on 20 July 2004. In future the trustees will be responsible for the preparation of separate financial statements which will be subject to independent audit.

20 Reconciliation of result from ordinary activities to net cash inflow from operating activities

Net Result from Ordinary Activities	20,469	25,050
Adjustments to reconcile the net result to net cash provided by Operating Activities:		
Depreciation and Amortisation	20,837	20,222
Brigade Owned Vehicles Recognised	(8,118)	(2,379)
Provision for Doubtful Debts and obsolete stock	(7)	(65)
(Gain) / Loss on sale of non-current assets	1,836	875
Changes in Operating assets and liabilities		
(Increase) Decrease in Receivables and Prepayments	4,696	(6,316)
(Increase) Decrease in Inventory	92	31
(Decrease) Increase in Payables	(8,010)	5,873
(Decrease) Increase in Employee Entitlements	5,278	3,696
(Decrease) Increase in Volunteer Compensation	(35)	519
Total Adjustments	16,569	22,456
Net cash inflow from operating activities	37,038	47,506

Country Fire Authority

21 Impact of adopting AASB equivalents to IASB standards

For reporting periods beginning on or after 1 January 2005, all Australian reporting entities are required to adopt the financial reporting requirements of the Australian equivalents to International Financial Reporting Standards (IFRS). This requirement also extends to any comparative financial information included within the report. The first day of the comparative period, 1 July 2004, effectively becomes the transition date for CFA. Any adjustments arising from changes in the recognition or measurement of assets and liabilities at the transition date arising from the adoption of IFRS will be made against accumulated funds at the transition date.

CFA has taken the following steps in managing the transition to Australian equivalents to IFRS: appointed the Chief Financial Officer for the oversight of the transition to and implementation of the Australian equivalents to IFRS; reviewed CFA's current accounting policies and the proposed new standards to identify key issues and the likely impacts resulting from the adoption of Australian equivalents to IFRS; and commenced an education process for key financial staff to raise awareness of the changes in reporting requirements and the processes to be undertaken.

CFA has identified a number of changes to the existing accounting policies that may have a material impact on CFA's future financial position and performance following the adoption of the requirements of Australian equivalents to IFRS (the new standards). These include:

Valuation of assets: In accordance with the *Victorian Government Policy – Revaluation of Non-Current Physical Assets*, CFA currently measures its non-current physical assets, other than plant, equipment and vehicles, at fair value subsequent to initial recognition. Plant, equipment and vehicles are measured on a cost basis. Revaluations are assessed annually and supplemented by independent assessments on a three year cyclical basis. The new standard continues to offer a choice for measuring each class of non-current physical assets either at cost or at fair value. However, non-current assets measured at fair value will only be required to be revalued at least every three to five years and all assets in a class must be revalued at the same time. The Victorian government has not yet concluded whether it will make any changes to the valuation basis of any class of asset or the methodology or frequency at which revaluations are performed. The financial effects of any such changes are unknown.

Impairment of assets: Under the new standards, an asset will be required to be assessed for impairment each year. If indicators of impairment exist, the carrying value of an asset will need to be assessed to ensure that the carrying value does not exceed its recoverable amount, which is the higher of its value-in-use and fair value less costs to sell. For CFA, value-in-use of an asset is its depreciated replacement cost. Other than inventories, financial assets and assets arising from construction contracts, impairment testing will apply to all assets regardless of whether they are measured on a cost or fair value basis. Where the carrying value of an asset exceeds its recoverable amount, the difference will be written-off as an impairment loss to the statement of financial performance except to the extent that the write-down can be debited to an asset revaluation reserve amount applicable to that asset. Any impairment losses at transition date will be adjusted against the accumulated funds.

Inventories held for distribution: Under existing accounting policies, costs incurred on goods and services distributed for no consideration or at a nominal amount are currently expensed. The new standard on inventories requires such costs be capitalised as inventories held for distribution. Inventories held for distribution will be measured at the lower of cost and current replacement cost. Inventories held for distribution which are on hand as at transition date will need to be recognised with the resulting adjustment against accumulated funds. Other inventories, other than inventories held for distribution, will continue to be measured at the lower of cost and net realisable value.

Superannuation: CFA recognises a liability for the present value of the unfunded superannuation liability arising from the service of employees who are members of defined benefit superannuation schemes. This present value liability is currently calculated using the expected long-term earnings rate of investments held by the superannuation funds. Under the new standard, the present value of the net defined benefit liability must be calculated using a long-term bond rate. These two rates may be different, leading to a difference in the calculation of the present liability. It is expected that the long-term bond rate may be revised more frequently than the expected long-term earnings rate, leading to greater volatility. In addition, the measurement of assets held by the defined benefit superannuation fund will also change. Under the existing accounting standard, plan assets are measured at net market value, taking into account the cost of realisation. The new standard requires plan assets to be measured at fair value and is silent on the issue of cost of realisation. This may result in an adjustment to CFA's unfunded superannuation liability at transition date.

Volunteer Compensation: The new accounting standards applying to future estimated liabilities may have different requirements as to the methodology, prudential margin and discount rates to be applied when calculating claim liabilities and provisions. As a result, the measurement of these liabilities may change with the resulting adjustment at transition date being made against accumulated funds.

No other changes have been identified which are expected to have a material impact on CFA's future financial position.

22 Events occurring after reporting date

Unless otherwise stated in the above notes there were no events occurring after the balance date, but prior to the time of completion of these financial statements which may have a significant effect on the operations of CFA in subsequent years.

Country Fire Authority

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

We certify that the attached financial statements for CFA have been prepared in accordance with the 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 statement of financial performance, statement of financial position, statement of cash flows and notes to and forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2004 and financial position of CFA as at 30 June 2004.

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

L R Foster
Chairman
8 September 2004

N G Bibby
Chief Executive Officer
8 September 2004

M J Wootten
Director Finance & Administration
8 September 2004

AUDITOR-GENERAL'S REPORT



AUDITOR GENERAL VICTORIA

AUDITOR-GENERAL'S REPORT

To the Members of the Parliament of Victoria, responsible Ministers and Members of the Country Fire Authority

Matters relating to the electronic presentation of the Audited Financial Report

This audit report relates to the financial report of Country Fire Authority for the financial year ended 30 June 2004 included on its web site. The Chief Executive Officer of the Country Fire Authority is responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The audit report refers only to the statements named below. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

Audit Scope

The accompanying financial report of the Country Fire Authority for the financial year ended 30 June 2004, comprising statement of financial performance, statement of financial position, statement of cash flows and notes to the financial statements, has been audited. The Members of the Authority are responsible for the preparation and presentation of the financial report and the information it contains. An independent audit of the financial report has been carried out in order to express an opinion on it to the Members of the Parliament of Victoria, responsible Ministers and Members of the Authority as required by the *Audit Act 1994*.

The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. The audit procedures included an examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Financial Management Act 1994*, so as to present a view which is consistent with my understanding of the Authority's financial position, and its financial performance and cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Financial Management Act 1994*, the financial position of the Country Fire Authority as at 30 June 2004 and its financial performance and cash flows for the year then ended.

MELBOURNE
8 September 2004



J.W. CAMERON
Auditor-General

Victorian Auditor-General's Office Level 34, 140 William Street, Melbourne Victoria 3000
Telephone (03) 8601 7000 Facsimile (03) 8601 7010 Email comments@audit.vic.gov.au Website www.audit.vic.gov.au

Auditing in the Public Interest



Appendix 2 – Disclosure index

The Annual Report of the Department of Technology is prepared in accordance with all the relevant Victorian legislations. This index has been prepared to facilitate identification of the Department's compliance with statutory disclosure requirements.

Legislation	Requirement	Page Reference
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Ministerial Directions

Report of Operations

Charter and purpose

FRD 22	Manner of establishment and the relevant Ministers	3
FRD 22	Objectives, functions, powers and duties	3:4
FRD 22	Nature and range of services provided	4

Management and structure

FRD 22	Organisational structure	37
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Financial and other information

FRD 22	Statement of workforce data and merit and equity	27:28
FRD 22	Summary of the financial results for the year	9-12
FRD 22	Significant changes in financial position during the year	9-12
FRD 22	Operational and budgetary objectives and performance against objectives	16:32
FRD 22	Major changes or factor affecting performance	17:32
FRD 22	Subsequent events	58
FRD 22	Application and operation of <i>Freedom of Information Act 1982</i>	62
FRD 22	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	66
FRD 22	Statement of National Competition Policy	67
FRD 22	Application and operation of the <i>Whistleblowers Protection Act 2001</i>	68
FRD 22	Details of consultancies over \$100,000	62
FRD 22	Details of consultancies under \$100,000	62
FRD 12	Disclosure of major contracts	55
FRD 22	Statement of availability of other information	66
FRD 22	Occupational health and safety	30
FRD 10	Disclosure index	61
FRD 25	Victorian Industry Participation Policy disclosures	67

Financial Statements

Financial statements required under part 7 of the FMA

SD 4.2(b)	Statement of financial performance	42
SD 4.2(b)	Statement of financial position	43
SD 4.2(b)	Statement of cash flow during the year	44
SD 4.2(c)	Compliance with Australian accounting standards and other authoritative pronouncements	59
SD 4.2(c)	Compliance with Ministerial Directions	59
SD 4.2(c)	Accountable officer's declaration	59
SD 4.2(d)	Rounding of amounts	47

Other disclosures in notes to the financial statements

FRD 21	Responsible person and executive officer disclosures	54
FRD 23	Superannuation liabilities and disclosure	56



Consultancies

During 2003/04, a total of 13 approved consultancies were undertaken at a combined cost of \$211,000. Of these, no consultancies were greater in value than \$100,000.

Freedom of Information

The following information is provided pursuant to section 7(1)(a)(ii) of the *Freedom of Information Act* 1982 (the FOI Act).

Requests for access to documents in the possession of CFA are dealt with by CFA's Freedom of Information (FOI) Officer and FOI Project Officer.

Making a Request

A request generally falls into one of two categories:

1. Requests for access to documents of the agency which must contain sufficient information to identify the documents sought.
2. Requests for amendment of personal records, which must identify the record involved sufficiently and specify the amendment sought.

The two main categories of information normally requested under the FOI Act include individuals asking for their personal documents and documents relating to the activities of the agency.

CFA has various record keeping systems. The main ones are described below. They may assist applicants to identify the types of documents to which access is sought. CFA holds files relating to employees and volunteers, operational and policy matters, general administrative responsibilities and correspondence. The FOI Officer can provide assistance in determining the categories of files relevant to a request.

Some documents are destroyed in accordance with the *Public Records Act* 1972. It should also be noted that the FOI Act does not entitle an applicant to have access to a document created before July 1978 unless the document relates to the applicant's personal affairs.

A request for access to a document must be made in writing and should be addressed as follows:

Freedom of Information Officer
Country Fire Authority
P.O. Box 701
Mt Waverley Vic 3149

Fees and Charges

A request must be accompanied by an application fee of \$20. The application fee may be waived in cases where payment is likely to cause financial hardship to the applicant. An application for waiver of the fee should state grounds such as that the applicant has a low income or is the holder of a Commonwealth Health Care Card. Once documents have been located and processed access charges may also apply. These include charges for searching time (\$20 per hour) and photocopying (20c per page). Some access charges may be waived in certain cases.

Further Information

Further information regarding the FOI Act may be obtained from:

- the FOI Act and regulations under the FOI Act; and
- www.foi.vic.gov.au



The FOI Act and regulations under it may be purchased from:

Information Victoria
356 Collins Street
Melbourne Vic 3000
Tel: 1300 366 356
Website: www.information.vic.gov.au

Freedom of Information Contacts

FOI Officer	FOI Project Officer
Tel: (03) 9262 8517	Tel: (03) 9262 8512

Record-keeping systems

Accounting records

CFA's computerised accounting system records accounts receivable, accounts payable, general ledger entries, budget information, an asset register and other accounting function information.

Personnel records filing system

The filing system contains individual personal files for CFA staff and volunteers. Current files are held at CFA Headquarters at 8 Lakeside Drive, Burwood East and at CFA's Area and Region Headquarters across the State. Older files are stored in offsite secondary storage facilities. CFA also maintains computerised personnel records for staff and volunteers.

Agency records management filing

This system contains general files, including FOI files. Current and recent files are held at CFA Headquarters at

8 Lakeside Drive, East Burwood and at CFA's Area and Region Headquarters across the State. Older files are stored in offsite storage facilities.

Contributing insurance companies

for the year ended 30 June 2004

ACE Insurance Limited
AIOI Insurance Co. Ltd
AIS Insurance Brokers Pty Ltd
Allianz Australia Insurance Limited
American Home Assurance Company
American Re-Insurance Company
Aon Risk Services Australia Limited
Armbro Insurance Brokers Pty Ltd
Ausnet Underwriting agency Pty Ltd
Australian Alliance Insurance Company Limited
Australian Associated Motor Insurers Limited
Australian International Insurance Limited
Australian Unity General Insurance Limited
Axis Underwriting Services Pty Limited
BHP Billiton Marine & General Insurances Pty Ltd
Catholic Church Insurance Limited
CGU Insurance Limited
CGU-VACC Insurance Limited
Chambers Gallop McMahon Pty Limited
Chubb Insurance Company of Australia Limited
Commonwealth Insurance Limited



Continental Insurance Company
Corrvas Insurance Pty Ltd
Cumis Insurance Society, Inc
Defence Service Homes Insurance
EIG-Ansvar Limited
Elders Insurance Limited
Encompass Insurance Agency Pty Ltd
Farmers' Mutual Insurance Limited
FM Insurance Company Limited
Gerling Australia Insurance Company Pty Limited
GIO General Limited
Global Underwriting Services Pty Ltd
Guild Insurance Limited
H W Wood Australia Pty Ltd
Hallmark General Insurance Company Ltd
Heath Lambert Australia Pty Ltd
Holland Insurance Company Pty Ltd (The)
Insurance Australia Limited
Insurance Manufacturers of Australia Pty Limited
InterPacific Underwriting Pty Limited
Jardine Lloyd Thompson Pty Ltd
JMD Ross Insurance Brokers Pty Ltd
JUA Underwriting Agency Pty Limited
Liberty International Underwriters
Lowe Lippmann Bott Pty Ltd
Lumley General Insurance Limited
Marsh Pty Ltd
Mercantile Mutual Insurance (Australia) Limited
Mitsui Sumitomo Insurance Company Limited
Mutual Community General Insurance Proprietary Limited
NIPPONKOA Insurance Company Pty Ltd
NZI Insurance Australia Limited
Orica Insurance Pty Limited
Ovoid Insurance Pty Limited
QBE Insurance (Australia) Limited
QBE Insurance (International) Limited
QBE Mercantile Mutual Ltd
Reward Insurance Limited
Sompo Japan Insurance Incorporated
Sportscover Australia Pty Ltd
St Paul International Insurance Company Limited
Stirling Risk Services Pty Ltd
Suncorp Metway Insurance Limited
Territory Insurance Office
TGI Australia Limited
Tokio Marine & Fire Insurance Company Limited (The)
Universal Underwriting Agencies Pty Ltd
Vero Insurance Limited
Wesfarmers Federation Insurance Ltd
Westpac General Insurance Limited



Willis Australia Limited
XL Insurance Company Ltd
Zurich Australian Insurance Limited

Contributions by owners and brokers under Section 80A

for the year ended 30 June 2004

AIS Insurance Brokers Pty Ltd
Amcor Limited
Aon Risk Services
Ausnet Underwriting agency Pty Ltd
BHP Billiton Limited
BMW Australia Finance Limited
Cargill Australia Limited
Coles Myer Ltd
Dominion Underwriting Agents Pty Limited
East Victoria Plantation Forest Company of Australia
Esso Australia Pty Ltd
Ford Motor Company of Australia Limited
Green Triangle Plantation Forest Company of Australia Pty Ltd
Guardian Underwriting Services Pty Ltd
Heath Lambert Australia Pty Ltd
Industrial & Commercial Insurance Brokers Ltd
Intervet Australia Pty Ltd
Jardine Lloyd Thompson Pty Ltd
Mahony & Company Ltd
Marsh Pty Ltd
Miller & Associates Insurance Broking Pty Ltd
Mobil Oil Australia Pty Ltd
Munich-American Risk Partners Australia Pty Ltd
Ricegrowers Co-operative Limited
Rosemaur Properties Pty Ltd
Rural & General Insurance Broking Pty Ltd
Shell Australia Limited
Specialised broking Associates Pty Ltd
Strathearn Insurance Brokers
Triton Underwriting Insurance Agency Pty Ltd
Unilever Australasia
Unimutual Insurance Limited
Wesfarmers Limited
Willis Australia Ltd



Legislation

Legislative changes

Country Fire Authority Act 1958 and Country Fire Authority Regulations 2004.

The Country Fire Authority Act is currently undergoing an extensive review to ensure that it meets the needs of CFA as an emergency management organisation. New regulations came into operation on 31/01/04.

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. CFA maintains a high extent of compliance with building standards and regulations. During the year, all new building works were undertaken in accordance with the relevant standards.

Financial Management Act 1994

Information applicable to the report of the financial year is retained by CFA in accordance with Part 9.1.3(iv) of 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 ("the Act"), during the reporting year:

- (a) CFA established procedures in accordance with Part 6 of the Act. A copy of the current procedures is attached to this report;
- (b) CFA did not receive any disclosure under the Act;
- (c) CFA did not refer any disclosure to the Ombudsman for determination as to whether it is a public interest disclosure;
- (d) The Ombudsman did not refer any disclosed matter to CFA;
- (e) CFA did not refer any disclosed matter to the Ombudsman to investigate;
- (f) The Ombudsman did not take over from CFA any investigation of a disclosed matter;
- (g) CFA did not decline to investigate any disclosed matter;
- (h) The Ombudsman substantiated one disclosed matter on investigation, as outlined below.

The Ombudsman made recommendations regarding the need for improved systems and processes in relation to the management and accounting of:

- Minor mobile assets and assets that are written-off (condemned, obsolete, scrap),
- Petty Cash,
- Social Clubs fundraising activities.

It was further recommended that consideration be given to extending CFA's external auditors' role to include all activities involved in the disposal of assets.

The Ombudsman also recommended CFA implement guidelines for the proper management of alcohol by employees and visitors, and noted management's prior failure to take action to investigate allegations relating to such.

CFA takes very seriously the findings and recommendations made by the Ombudsman. CFA has adopted the recommendations and has instigated actions to review and improve the processes and systems found to be wanting by the Ombudsman.

National Competition Policy

CFA, to the extent applicable, complies with the requirements of this policy.

Affiliations

Emergency groups

AFAC	Australasian Fire Authorities Council
DSE	Department of Sustainability and Environment
EMA	Emergency management Australia
EMC	Emergency Management Council, Victoria
MFESB	Metropolitan Fire and Emergency Services Board
OESC	Office of the Emergency Services Commissioner

Volunteer Associations

CFA has a number of joint working parties, committees and project teams with the two volunteer fire brigade associations, Victorian Rural Fire Brigades' Association and Victorian urban Fire Brigades' Association, and their co-ordinating body, Volunteer Fire Brigades Victoria.

INDUSTRY DISCLOSURES

FRD 25 Victorian Industry Participation Policy Disclosures in the Report of Operations

Contracts commenced to which the VIPP applied:

- During Financial Year 2003/2004, this agency commenced four contracts totalling \$12,195,000 in value to which the VIPP applied.
- The number and value of these contracts can be split into Metropolitan and Regional Victoria.
- The commitments by contractors under VIPP included:
 1. An estimated overall level of local content of the total value of the contracts is \$5,100,000;
 2. 48 full time equivalent jobs;
 3. The following benefits (as highlights) to the Victorian economy in terms of skills and technology transfer increases is unknown;

Contracts completed to which the VIPP applied:

- During Financial Year 2003/2004, this agency completed 4 contracts totalling \$12,195,000 in value to which the VIPP applied.
- The number and value of these contracts can be split into Metropolitan and Regional Victoria
- The outcomes reported by contractors under VIPP included:
 1. An overall level of local content of the total value of the contracts is \$5,100,000;
 2. 48 full time equivalent jobs;

The following benefits (as highlights) to the Victorian economy in terms of skills and technology transfer increases is unknown;



Whistleblowers Protection Act 2001

PROCEDURES

1.0 Statement of support to whistleblowers

CFA is committed to the aims and objectives of the Whistleblowers Protection Act. It does not tolerate improper conduct by its employees, officers or members, nor the taking of reprisals against those who come forward to disclose such conduct.

CFA recognises the value of transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources or conduct involving a substantial risk to public health and safety or the environment.

CFA will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for the making of the disclosure.

2.0 Purpose of these procedures

These procedures establish a system for the reporting of disclosures of improper conduct or detrimental action by CFA or its employees or members of brigades. The system enables such disclosures to be made to the Protected Disclosure Coordinator or to one of the nominated Protected Disclosure Officers.

Employees, members of brigades, or members of the public may make disclosures to CFA.

These procedures are designed to complement normal communication channels between supervisors and CFA personnel. Employees and members of brigades are encouraged to continue to raise appropriate matters at any time with their supervisors. As an alternative, personnel may make a disclosure of serious misconduct in accordance with these procedures.

3.0 Objects of the Act

The Whistleblowers Protection Act 2001 commenced operation on 1 January 2002. The purpose of the Act is to encourage and facilitate the making of disclosures of improper conduct by public officers and public bodies. The Act provides protection to whistleblowers who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and for rectifying action to be taken.

4.0 Definitions of key terms

Three key concepts in the reporting system are “improper conduct”, “corrupt conduct” and “detrimental action”. Definitions of these terms are set out below:



4.1 Improper conduct

A disclosure may be made about improper conduct by a public body or public official. Improper conduct means conduct that is:

corrupt,
a substantial mismanagement of public resources, or
conduct involving substantial risk to public health or safety or to the environment.

The conduct must be serious enough to constitute, if proved, a criminal offence or reasonable grounds for dismissal.

Examples

In order to avoid closure of a town's only industry, an Environmental Health Officer ignores or conceals evidence of illegal dumping of waste.

An agricultural officer delays or declines imposing quarantine to allow a financially distressed farmer to sell diseased stock.

A building inspector tolerates poor practices and structural defects in the work of a leading local builder.

4.2 Corrupt conduct

Corrupt conduct means:

- Conduct of any person (whether or not a public official) that adversely effects the honest performance of a public officer's or public body's functions;
- The performance of a public officer's functions dishonestly or with inappropriate partiality;
- Conduct of a public officer, former public officer or a public body that amounts to a breach of public trust;
- Conduct by a public officer, former public officer or a public body that amounts to the misuse of information or material acquired in the course of the performance of their official functions; or
- A conspiracy or attempt to engage in the above conduct.

Examples

A public officer takes a bribe or receives a payment other than his or her wages or salary in exchange for the discharge of a public duty.

A public officer favours unmeritorious applications for jobs or permits by friends and relatives.

A public officer sells confidential information.

4.3 Detrimental action

The Act creates an offence for a person to take detrimental action against a person in reprisal for a protected disclosure. Detrimental action includes:

- Action causing injury, loss or damage;
- Intimidation or harassment; and
- Discrimination, disadvantage or adverse treatment in relation to a person's employment, career, profession trade or business, including the taking of disciplinary action.

Examples

A public body refuses a deserved promotion of a person who makes a disclosure.

A public body demotes, transfers, isolates in the work place or changes the duties of a whistleblower due to the making of a disclosure.

A person threatens, abuses or carries out other forms of harassment directly or indirectly against the whistleblower, his or her family or friends.

A public body discriminates against the whistleblower or his or her family and associates in subsequent applications for jobs, permits or tenders.

4.4 CFA and State Ombudsman

As CFA has an internal Ombudsman, references in this document to the Victorian Ombudsman shall use the term 'State Ombudsman' with references to CFA's internal Ombudsman being 'CFA Ombudsman'.

4.5 CFA Personnel

As CFA has both employed and volunteer personnel, all of whom are covered by the requirements of the Act and these procedures, the terms 'personnel', 'employees' and 'members of brigades' are used throughout these procedures.

5.0 The reporting system

Disclosures can be made in writing or orally to a Protected Disclosure Officer or the Protected Disclosure Coordinator.

Be aware: CFA cannot guarantee the confidentiality of information transmitted by e-mail or fax and advises that disclosures should not be made via e-mail or fax.



5.1 Contact persons within CFA

Disclosures of improper conduct or detrimental action by CFA or its employees or members of brigades may be made to the following officers.

- *Protected Disclosure Officers in CFA Areas*

In each CFA Area throughout the State, the Area Manager is the Protected Disclosure Officer. Personnel within a CFA Area should direct their disclosure to the Area Manager of that Area.

- *Protected Disclosure Officer at CFA Headquarters*

Where a person is contemplating making a disclosure and is concerned about making the disclosure to the Area Manager, (s)he can make the disclosure to a Protected Disclosure Officer at CFA Headquarters or the Protected Disclosure Coordinator.

Where a person is contemplating making a disclosure and is concerned about approaching the Protected Disclosure Coordinator or a Protected Disclosure Officer in the workplace, he or she can call the relevant officer and request a meeting in a discreet location away from the workplace.

Contact details for CFA's Protected Disclosure Officers and Protected Disclosure Coordinator are listed at the end of these procedures

5.2 Alternative contact persons

Where a person does not wish to make a disclosure about improper conduct or detrimental action by CFA or its employees or members of brigades to a CFA Protected Disclosure Officer or the Protected Disclosure Coordinator, that person may make such disclosure directly to the State Ombudsman:

The Ombudsman Victoria
Level 22, 459 Collins Street
Melbourne Victoria 3000
(DX 210174)

Internet: www.ombudsman.vic.gov.au
Email: ombudvic@ombudsman.vic.gov.au

Telephone: 9613 6222
Toll Free: 1800 806 314



Disclosures not about CFA

The following table sets out where disclosures about persons other than CFA employees or members of brigades should be made:

Person subject of the disclosure	Person/body to whom the disclosure must be made
Employee of a public body other than CFA	That public body or the State Ombudsman
Member of Parliament (Legislative Assembly)	Speaker of the Legislative Assembly
Member of Parliament (Legislative Council)	President of the Legislative Council
Councillor (Local Government)	The State Ombudsman
Chief Commissioner of Police	The State Ombudsman or Deputy Ombudsman
Member of the Police Force	The State Ombudsman, Deputy Ombudsman or Chief Commissioner of Police

6.0 Roles and responsibilities

6.1 *Employees and Members of Brigades*

Employees or members of brigades are encouraged to report known or suspected incidences of improper conduct or detrimental action to a Protected Disclosure Officer in accordance with these procedures.

All CFA employees and members of brigades have an important role to play in supporting those who have made a legitimate disclosure. They must refrain from any activity that is, or could be perceived to be, victimisation or harassment of a person who makes a disclosure. Furthermore, they should protect and maintain the confidentiality of a person they know or suspect to have made a disclosure.

6.2 *Protected Disclosure Officers*

Protected Disclosure Officers will:

- Be a contact point for general advice about the operation of the Act for any person wishing to make a disclosure about improper conduct or detrimental action;
- Make arrangements for a disclosure to be made privately and discreetly, and if necessary, away from the workplace;
- Receive any disclosure made orally or in writing (from internal and external whistleblowers);
- Record in writing any disclosure made orally;
- Impartially assess the allegation, based upon verification of the facts, and determine whether it is a disclosure made in accordance with Part 2 of the Act (ie “a protected disclosure”);



- Take all necessary steps to ensure that the identity of the whistleblower and the identity of the person who is subject of the disclosure are kept confidential; and
- Forward all disclosures and supporting evidence to the Protected Disclosure Coordinator.

6.3 Protected Disclosure Co-ordinator

The Protected Disclosure Co-ordinator has a central “clearinghouse” and coordination role in the management of the disclosures. He will:

- Receive all disclosures forwarded from the Protected Disclosure Officers and any disclosures made directly to him by personnel or members of the public.
- Impartially assess each disclosure to determine whether it is a public interest disclosure;
- Refer all matters considered to be “public interest disclosures” to the State Ombudsman;
- Be responsible for carrying out or appointing an investigator to carry out an investigation referred to the public body by the State Ombudsman;
- Be responsible for overseeing and coordinating an investigation where an investigator has been appointed;
- Appoint a welfare manager to provide the whistleblower with support and protection from reprisals;
- Advise the whistleblower of the progress of an investigation into the disclosed matter;
- Establish and manage a confidential filing system;
- Arrange the collation and publishing of statistics on disclosures made;
- Take all reasonable steps to ensure that the identity of the whistleblower and the identity of the person who is subject of the disclosure are kept confidential; and
- Liaise with the Chief Executive Officer.

6.4 Investigator

The investigator appointed by the Protected Disclosure Coordinator will be responsible for carrying out an internal investigation into a disclosure that has been referred to CFA by the State Ombudsman. An investigator may be a person from within CFA or a consultant engaged by CFA for that purpose.

6.5 Welfare Manager

The Welfare Manager is responsible for looking after the general welfare of the whistleblower. The Welfare Manager will:

- Examine the immediate welfare and protection needs of a whistleblower who has made a disclosure and seek to foster a supportive work environment whilst maintaining confidentiality;
- Advise the whistleblower of the legislative and administrative protections available to him or her;
- Listen and respond to any concerns of harassment, intimidation or victimisation in reprisal for making disclosure; and
- Ensure that the expectations of the whistleblower are realistic

7.0 Confidentiality

CFA will take all reasonable steps to protect the identity of the whistleblower. Maintaining confidentiality is crucial in ensuring that reprisals are not made against a whistleblower. A whistleblower must take all reasonable steps to protect and not reveal his/her identity as a whistleblower.

The Whistleblowers Protection Act requires any person who receives information due to the handling or investigation of a protected disclosure, not to disclose that information except in certain limited circumstances. Disclosure of information in breach of Section 22 of the Act constitutes an offence that is punishable by a maximum fine of 60 penalty units (\$6000) or six months imprisonment or both.

The circumstances in which a person may disclose information obtained about a protected disclosure include:

- Where exercising the functions of the public body under the Act;
- When making a report or recommendation under the Act;
- When publishing statistics in the annual report of a public body; and
- In criminal proceedings for certain offences in the Act.

The Act prohibits, however, the inclusion in any report or recommendation particulars that are likely to lead to the identification of the whistleblower. The Act also prohibits the identification of the person who is the subject of the disclosure in any particulars included in an annual report.

CFA will ensure that all files that might identify the whistleblower or the person who is the subject of the disclosure, whether paper or electronic, are kept securely and are accessed only by the Protected Disclosure Coordinator, a Protected Disclosure Officer, investigator or welfare manager. All such printed material will be kept in files which are clearly marked as a Whistleblower Protection Act matter and which warn of the criminal penalties that apply to any unauthorised divulging of information concerning a protected disclosure. All such electronic files will be produced and stored on a stand-alone computer and be given password protection. Back-up files will be kept on floppy disc. All materials relevant to an investigation, such as tapes from interviews, will also be stored securely with the whistleblower files.

CFA will not email documents that might identify the whistleblower or a person who is subject of the disclosure and will ensure that, as far as practicable, all phone calls and meetings relating to disclosures are conducted in private.

Be aware: CFA cannot guarantee the confidentiality of information transmitted by email or fax

As CFA does not consider that email is a secure system for the transmission of confidential information, it advises persons wishing to make disclosures under the Whistleblowers Act not to use email.



8.0 Collating and publishing statistics

The Protected Disclosure Co-ordinator will establish a secure register to record the information required to be published in the annual report and to generally keep account of the status of whistleblower disclosures. The register will be confidential and will not record any information that may identify the whistleblower.

The register will contain the following information:

- The number and types of disclosures made to CFA during the year;
- The number of disclosures referred to the State Ombudsman for determination as to whether they are “public interest disclosures”;
- The number and types of disclosed matters referred to CFA by the State Ombudsman for investigation;
- The number and types of disclosures referred by CFA to the State Ombudsman for investigation;
- The number and types of investigations taken over from CFA by the State Ombudsman;
- The number of requests made by a whistleblower to the State Ombudsman to take over an investigation by CFA;
- The number and types of disclosed matters that CFA has declined to investigate;
- The number and types of disclosed matters which were substantiated upon investigation and the action taken on completion of the investigation; and
- Any recommendations made by the State Ombudsman that relate to CFA.

9.0 Receiving and assessing disclosures

9.1 Has the disclosure been made in accordance with Part 2 of the Act?

Where a disclosure has been received by the Protected Disclosure Officer or by the Protected Disclosure Co-ordinator, he or she will assess whether the disclosure has been made in accordance with Part 2 of the Act and is, therefore, a “protected disclosure”.

9.1.1 Has the disclosure been made to the appropriate person?

For the disclosure to be responded to by CFA it must concern an employee, member or officer of CFA. If the disclosure concerns an employee, officer or member of another public body, the person who has made the disclosure must be advised of the correct person or body to whom the disclosure should be directed. (Refer to the table in paragraph 5.2). If the disclosure has been made anonymously, it should be referred to the State Ombudsman.

9.1.2 Does the disclosure contain the essential elements of a protected disclosure?

To be a protected disclosure, a disclosure must satisfy the following criteria:

- Did a natural person (ie an individual person rather than a corporation) make the disclosure?



- Does the disclosure relate to conduct of a public body or public officer acting in their official capacity?
- Is the alleged conduct either improper conduct or detrimental action taken against a person in reprisal for making a protected disclosure?
- Does the person making a disclosure have reasonable grounds for believing that the alleged conduct has occurred?

Where a disclosure is assessed to be a “protected disclosure” it is referred to the Protected Disclosure Co-ordinator. The Protected Disclosure Coordinator will determine whether the disclosure is a “public interest disclosure”.

Where a disclosure is assessed not to be a “protected disclosure”, the matter does not need to be dealt with under the Whistleblowers Protection Act. The Protected Disclosure Officer will decide in consultation with the Protected Disclosure Co-ordinator how the matter should be responded to.

9.2 Is the disclosure a “public interest disclosure”

Where the Protected Disclosure Officer or Co-ordinator has received a disclosure which has been assessed to be a “protected disclosure”, the Protected Disclosure Co-ordinator will determine whether the disclosure amounts to a “public interest disclosure”. This assessment will be made within 45 days of the receipt of the disclosure.

In reaching a conclusion as to whether a protected disclosure is a “public interest disclosure”, the Protected Disclosure Co-ordinator will consider whether the disclosure *shows or tends to show* that the public officer to whom the disclosure relates:

- Has engaged, is engaging or proposes to engage in improper conduct in his or her capacity as a public officer; or
- Has taken, is taking or proposes to take detrimental action in reprisal for the making of the protected disclosure.

Where the Protected Disclosure Co-ordinator concludes that the disclosure amounts to a “public interest disclosure”, he or she will:

1. Notify the person who made the disclosure of that conclusion; and
2. Refer the disclosure to the State Ombudsman for formal determination as to whether it is indeed a public interest disclosure.

Where the Protected Disclosure Co-ordinator concludes that the disclosure is not a “public interest disclosure”, he will:

1. Notify the person who made the disclosure of that conclusion; and
2. Advise that person that he or she may request CFA to refer the disclosure to the State Ombudsman for a formal determination as to whether the disclosure is a *public interest disclosure* and that this request must be made within 28 days of the notification.

In either case, the Protected Disclosure Co-ordinator will make the notification and the referral within 14 days of the conclusion being reached by CFA. Notification to the whistleblower will not occur where the disclosure has been made anonymously.

10.0 Investigations

10.1 Introduction

Where the State Ombudsman refers a protected disclosure to CFA for investigation, the Protected Disclosure Co-ordinator will appoint an investigator to carry out the investigation.

The objectives of an investigation will be:

- To collate information relating to the allegation as quickly as possible. This may involve taking steps to protect or preserve documents, materials and equipment;
- To consider the information collected and to draw conclusions objectively and impartially;
- To maintain procedural fairness in the treatment of witnesses and the person who is the subject of the disclosure; and
- To make recommendations arising from the conclusions drawn concerning remedial or other appropriate action.

10.2 Terms of reference

Before commencing an investigation terms of reference will be established and authorised by the Chief Executive Officer. The terms of reference will set a date by which the investigation report is to be concluded and will describe the resources available to the investigator to complete the investigation within the time set. An extension of time requested by the investigator may, if reasonable, be approved by the Protected Disclosure Coordinator. The terms of reference will require the investigator to make regular reports to the Protected Disclosure Coordinator, who in turn is to keep the State Ombudsman informed of general progress.

10.3 Investigation plan

The investigator will prepare an investigation plan for approval by the Protected Disclosure Co-ordinator. The plan will list the issues to be substantiated and describe the avenue of inquiry. It will address the following issues:

- What is being alleged?
- What are the possible findings or offences?
- What are the facts in issue?
- How is the inquiry to be conducted?
- What resources are required?

The investigator will notify the whistleblower that he or she has been appointed to conduct the investigation. The whistleblower will be asked to clarify any matters or provide any additional material he or she might have. The investigator will be



sensitive to the whistleblower's possible fear of reprisals and will be aware of the statutory protections provided to the whistleblower.

10.4 Natural Justice

The principles of natural justice will be followed in any investigation of a public interest disclosure. The principles of natural justice concern procedural fairness and ensure that a fair decision is reached by an objective decision-maker. Maintaining procedural fairness protects the rights of individuals and enhances public confidence in the process.

CFA will have regard to the following issues in ensuring procedural fairness:

- The person who is subject of the disclosure is entitled to know the allegations made against him or her and must be given the right to respond. (This does not mean that the person must be advised of the allegation as soon as the disclosure is received or the investigation has commenced);
- If the investigator is contemplating making a report adverse to the interests of any person, that person should be given the opportunity to put forward further material which may influence the outcome of the report and that person's defence should be fairly set out in the report;
- All relevant parties to a matter should be heard and all submissions should be considered;
- A decision should not be made until all reasonable inquiries have been made;
- The investigator or any decision maker should not have a personal or direct interest in the matter being investigated;
- All proceedings must be carried out fairly and without bias. Care should be taken to exclude perceived bias from the process; and
- The investigator must be impartial in assessing the credibility of the whistleblower(s) and any witnesses. Where appropriate, conclusions as to credibility should be included in the investigation report.

10.5 Conduct of the investigation

The investigator will make contemporaneous notes of all discussions and phone calls. Interviews with witnesses may be taped. All information gathered in an investigation will be stored securely. Interviews will be conducted in private and the investigator will take all reasonable steps to protect the identity of the whistleblower. Where disclosure of the identity of the whistleblower cannot be avoided, due to the nature of the allegations, the investigator will warn the whistleblower and his or her welfare manager of this probability.

It is in the discretion of the investigator to allow any witness to have legal or other representation or support during an interview. Generally, if a witness has a special need for legal representation or support, permission will be granted.

Where a witness chooses to have legal representation or other support, it shall be the responsibility of the witness to obtain and fund that legal representation or other support.

10.6 Referral of an investigation to the State Ombudsman

The Protected Disclosure Co-ordinator will make a decision regarding the referral of an investigation to the State Ombudsman where, on the advice of the investigator:

- The investigation is being obstructed, for example, by the non-cooperation of key witnesses; or
- The investigation has revealed conduct that may constitute a criminal offence.

10.7 Reporting requirements

The Protected Disclosure Co-ordinator will ensure that the whistleblower is kept regularly informed of the progress of the handling of a protected disclosure and an investigation.

The Protected Disclosure Co-ordinator will report to the State Ombudsman about the progress of an investigation.

Where the State Ombudsman or the whistleblower requests information about the progress of an investigation, that information will be provided within 28 days of the date of the request.

11.0 Action taken after an investigation

11.1 Investigator's final report

At the conclusion of the investigation, the investigator will submit a written report of his or her findings to the Protected Disclosure Co-ordinator. The report will contain:

- The allegation(s);
- An account of all relevant information received and if the investigator has rejected evidence as being unreliable, the reasons for this opinion being formed;
- The conclusions reached and the basis for them; and
- Any recommendations arising from the conclusions.

Where the investigator has found that the alleged conduct disclosed by the whistleblower has occurred, recommendations made by the investigator will include:

- The steps that need to be taken by CFA to prevent the conduct from continuing or occurring in the future;
- Any action that should be taken by CFA to remedy any harm or loss arising from the conduct. This action may include the bringing of disciplinary proceedings against the person responsible for the conduct, and the referral of the matter to an appropriate authority for further consideration.



The report will be accompanied by:

- The transcript or other record of any oral evidence taken, including any tape recordings;
- All documents, statements or other exhibits received by the officer and accepted as evidence during the course of the investigation.

Where the investigator's report is to include an adverse comment against any person that person will be given the opportunity to respond and his or her defence will be fairly included in the report.

The report will not disclose particulars likely to lead to the identification of the whistleblower.

11.2 Action to be taken

If the Protected Disclosure Coordinator is satisfied that the investigation has found that the disclosed conduct has occurred, he or she will recommend to the Chief Executive Officer the action to be taken to prevent the conduct from continuing or occurring in the future. The Protected Disclosure Coordinator may also recommend that action be taken to remedy any harm or loss arising from the conduct.

The Protected Disclosure Coordinator will provide a written report to Minister for Police and Emergency services, the State Ombudsman and the whistleblower setting out the findings of the investigation and any remedial steps taken.

Where the investigation concludes that the alleged conduct did not occur, the Protected Disclosure Coordinator will report these findings to the State Ombudsman and to the whistleblower.

12.0 Managing the welfare of the whistleblower

12.1 Commitment to protecting whistleblowers

CFA is committed to the protection of genuine whistleblowers against detrimental action taken in reprisal for the making of protected disclosures. The Protected Disclosure Coordinator is responsible for ensuring that whistleblowers are protected from direct and indirect detrimental action and that the culture of the workplace is supportive of protected disclosures being made.

The Protected Disclosure Coordinator will appoint a welfare manager to all whistleblowers who have made a protected disclosure. The welfare manager will:

- Examine the immediate welfare and protection needs of a whistleblower who has made a disclosure and where the whistleblower is an employee, seek to foster a supportive work environment whilst still maintaining confidentiality;
- Advise the whistleblower of the legislative and administrative protections available to him or her;
- Listen and respond to any concerns of harassment, intimidation or victimisation in reprisal for making disclosure;



- Keep a contemporaneous record of all aspects of the case management of the whistleblower including all contact and follow up action; and to
- Ensure that the expectations of the whistleblower are realistic.

All employees and members of brigades will be advised that it is an offence for a person to take detrimental action in reprisal for a protected disclosure. The maximum penalty is a fine of 240 penalty units (\$24,000) or two years imprisonment or both.

The taking of detrimental action in breach of this provision can also be grounds for the making of a disclosure under the Act and can result in an investigation.

Detrimental action includes:

- causing injury, loss or damage to person or property;
- intimidation or harassment; and
- discrimination, disadvantage or adverse treatment in relation to a person's employment, career, profession, trade or business (including the taking of disciplinary action).

12.2 Keeping the whistleblower informed

Except in the case of an anonymous disclosure, the Protected Disclosure Coordinator will ensure that the whistleblower is kept informed of action taken in relation to his or her disclosure and the time frames that apply. The whistleblower will be informed of the objectives of an investigation, the findings of an investigation and the steps taken by CFA to address any improper conduct that has been found to have occurred. The whistleblower will be given reasons for decisions made by CFA in relation to a protected disclosure. All communication with the whistleblower will be in plain English.

12.3 Occurrence of detrimental action

Where a whistleblower reports an incident of harassment, discrimination or adverse treatment that would amount to detrimental action taken in reprisal for the making of the disclosure, the Welfare Manager will:

- Record details of the incident
 - Advise the whistleblower of his or her rights under the Act
- AND
- Advise the Protected Disclosure Coordinator or Chief Executive Officer of the detrimental action.

The taking of detrimental action in reprisal for the making of a disclosure can be an offence against the Act as well as grounds for making a further disclosure. Where such detrimental action is reported, the Protected Disclosure Coordinator will assess the report as a new disclosure under the Act. Where the Protected Disclosure Coordinator is satisfied that the disclosure is a public interest disclosure, he or she will refer it to the State Ombudsman. If the State Ombudsman subsequently determines the matter to be a public interest disclosure, the State Ombudsman may

investigate the matter or refer it to another body for investigation as outlined in the Act.

12.4 Whistleblowers implicated in improper conduct

Where a person who makes a disclosure is implicated in misconduct, CFA will handle the disclosure and protect the whistleblower from reprisals in accordance with the Act, the State Ombudsman's guidelines and these procedures.

CFA acknowledges that the act of whistleblowing does not shield whistleblowers from the reasonable consequences flowing from any involvement in improper conduct. Section 17 of the Act specifically provides that a person's liability for his or her own conduct is not affected by the person's disclosure of that conduct under the Act. However, in some circumstances an admission may be a mitigating factor when considering disciplinary or other action.

The Chief Executive Officer will make the final decision on the advice of the Protected Disclosure Coordinator as to whether disciplinary or other action will be taken against a whistleblower. Where disciplinary or other action relates to conduct which is the subject of the whistleblower's disclosure, the disciplinary or other action will only be taken after the disclosed matter has been appropriately dealt with.

In all cases where disciplinary or other action is being contemplated, the Chief Executive Officer must be satisfied that it has been clearly demonstrated that:

- The intention to proceed with disciplinary action is not causally connected to the making of the disclosure (as opposed to the content of the disclosure or other available information);
- There are good and sufficient grounds which would fully justify action against any non-whistleblower in the same circumstances;
- There are good and sufficient grounds that justify exercising any discretion to institute disciplinary or other action.

The Protected Disclosure Coordinator will thoroughly document the process including recording the reasons why the disciplinary or other action is being taken and the reasons why the action is not in retribution for the making of the disclosure. The Protected Disclosure Coordinator will clearly advise the whistleblower of the proposed action to be taken and of any mitigating factors that have been taken into account.

13.0 Management of the person against whom a disclosure has been made

CFA recognises that employees and members of brigades against whom disclosures are made must also be supported during the handling and investigation of disclosures. CFA will take all reasonable steps to ensure the confidentiality of the person subject of the disclosure during the assessment and investigation process. Where investigations do not substantiate disclosures, the fact that the investigation has been carried out, the results of the investigation and the identity of the person subject of the disclosure will remain confidential.



The Protected Disclosure Coordinator will ensure that the person subject of any disclosure that is investigated by or on behalf of CFA is:

- Informed as to the substance of the allegations;
- Given the opportunity to answer the allegations before a final decision is made;
- Informed as to the substance of any adverse comment that may be included in any report arising from the investigation; and has
- His or her defence set out fairly in any report.

Where the allegations in a disclosure have been investigated, and the person who is subject of the disclosure is aware of the allegations or the fact of the investigation, the Protected Disclosure Co-ordinator will formally advise the person subject of the disclosure the outcome of the investigation.

CFA will give its full support to a person subject of a disclosure where the allegations contained in a disclosure are clearly wrong or unsubstantiated. If the matter has been publicly disclosed, the Chief Executive Officer of CFA will consider any request by that person to issue a statement of support setting out that the allegations were clearly wrong or unsubstantiated.

14.0 Criminal Offences

CFA will ensure that officers appointed to handle protected disclosures and all other personnel are aware of the following offences created by the Act:

1. It is an offence for a person to take detrimental action against a person in reprisal for a protected disclosure being made. The Act provides a maximum penalty of a fine of 240 penalty units (\$24,000) or two years imprisonment or both.
2. It is an offence for a person to divulge information obtained as a result of the handling or investigation of a protected disclosure without legislative authority. The Act provides a maximum penalty of 60 penalty units (\$6000) or six months imprisonment or both.
3. It is an offence for a person to obstruct the State Ombudsman in performing his responsibilities under the Act. The Act provides a maximum penalty of 240 penalty units (\$24,000) or two years imprisonment or both.
4. It is an offence for a person to knowingly provide false information under the Act with the intention that it be acted on as a disclosed matter. The Act provides a maximum penalty of 240 penalty units (\$24,000) or two years imprisonment or both.

15.0 Review

These procedures will be reviewed annually to ensure that they meet the objectives of the Act and accord with the State Ombudsman's guidelines and may be amended from time-to-time as necessary.



CFA's Protected Disclosure Officers and Coordinator

Protected Disclosure Officers in Areas

South West Area

Mr J Rowe
Area Manager
182 Mt Baimbridge Road
Hamilton 3300

P.O. Box 389
Hamilton 3300

Phone 5572 3122

Barwon/Corangamite Area

Mr P Stacchino
Area Manager
61 Separation Street
North Geelong 3215

P.O. Box 586
North Geelong 3215

Phone 5277 1499

Westernport Area

Mr A Ford
Area Manager
120 Princes Hwy
Dandenong 3175

Phone 9793 4088

Gippsland Area

Mr I Symons
Area Manager
Level 3 Port of Sale Business Centre
Foster Street
Sale 3850

P.O. Box 1212
Sale 3853

Phone 5144 2933



North East Area

Mr A Davies
Area Manager
270 Maude Street
Shepparton 3630

P.O. Box 932
Shepparton 3630

Phone 5831 4075

Yarra Area

Mr T White
Area Manager
18-22 Lakeview Drive
Lilydale 3140

Phone 9735 0511

Outer Metro Norwest Area

Mr L De Man
Area Manager
15 Melton Valley Drive
Melton 3337

PO Box 50
Melton 3337

Phone 9747 6014

Midlands - Wimmera Area

Mr D Kelly
Area Manager
1120 Sturt Street
Ballarat 3350

Phone 5331 7966



North West Area

Mr P O'Brien
Area Manager
120 Curlewis Street
Swan Hill 3585

P.O. Box 558
Swan Hill 3585

Phone 5033 1884

Protected Disclosure Officers at CFA Headquarters

Ms A. Burton

8 Lakeside Drive,
Burwood East

P.O. Box 701
Mt Waverley 3149

Phone 9262 8444

The Protected Disclosure Coordinator

Mr K. J. Maynes
CFA Ombudsman
8 Lakeside Drive,
Burwood East

P.O. Box 701
Mt Waverley 3149
Phone 9262 8444



Glossary

AFAC	Australasian Fire Authorities Council
ABC	Activity Based Costing
AIRS	Australasian Incident Reporting System
ANTA	Australian National Training Authority
BEST	Bureau of Emergency Services Telecommunications
CAD	Multi-agency computer aided call taking and dispatch system.
CADCMG	CAD Contract Management Group
CFA Act	Country Fire Authority Act 1958
Community Fireguard	A Statewide community education program to help communities for bushfires. Information is provided to Community Fireguard groups on high bushfire risk days.
CSESP	Community Safety Emergency Support Program
DNRE	Former Department of Natural Resources and Environment; now known as the Department of Sustainability and Environment
DPI	Department of Primary Industry
DSE	Department of Sustainability and Environment (formerly Department of Natural Resources and Environment – DNRE)
EBA	Enterprise Bargaining Agreement
ECV	Emergency Communications Victoria
EO	Equal Opportunity
ERC	Victoria Government Expenditure Review Committee
ERS	Emergency Reporting System
FIRS	Fire Incident Reporting System
GIMS	Government Infrastructure Management System
ICC	Incident Control Centre
IMT	Incident Management Team
MFESB	Metropolitan Fire and Emergency Services Board
OHS	Occupational Health and Safety
PPRR	Prevention, Preparation, Response and Recovery – the emergency management continuum
PSTP	National Public Safety Training Package
PV	Parks Victoria
SAP	Systems Applications Processes
SAU	State Aircraft Unit
SDS	Service Delivery Standards
SECC	State Emergency Control Centre
SES	State Emergency Service
SIPSaCS	Statewide Integrated Public Safety Communications Strategy
SOP's	Standard Operating Procedures
SRI	The State Government's Strategic Resource Initiative – funding provided for special projects to improve CFA's operational preparedness, skills enhancement and volunteer support
StOMP	State Operations Management Plan
TFB	Total Fire Ban (days)
UFU	United Firefighters' Union
VRFBFA	Victorian Rural Fire Brigades' Association Inc
VUFBA	Victorian Urban Fire Brigades' Association Inc

