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Annual Report 2012-13



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Acting Chair's foreword

Dear Minister

CFA's principle priority is to reduce the incidence and impact of fire and emergencies on the community. To achieve this, our goals are:

- to provide efficient, effective and interoperable service delivery
- to work with communities to build their readiness and resilience
- to improve the safety and capability of our people.

In 2012-13, we have seen major statewide reforms in three key areas: improving emergency service interoperability, the Fire Services Reform Action Plan, and the Victorian Government's White Paper on emergency services *Victorian Emergency Management Reform*.

CFA is working together with other emergency service agencies to develop a common doctrine to build interoperability into the way we deliver services. This strongly aligns with the Victorian Government's emergency sector reform priorities built on the principles of collaboration, community and capability.

Our service delivery model focuses on taking a risk-based approach to the way we deliver front line services. This concept has evolved through the engagement of members, brigades, groups, district planning committees, fellow emergency services and sector partners including Volunteer Fire Brigades Victoria (VFBV) and the United Firefighters Union (UFU).

The Board also strengthened the CFA/VFBV consultative processes, revolving around the operations of the Joint Board Forum. Joint committees are well established addressing issues affecting volunteerism, and the Chief Executive Officers of both organisations are working together to identify and address strategic issues.

In the past 12 months, we have worked to gain a clearer understanding of our whole-of-organisation safety and environmental performance through the establishment by the Board of a Health, Safety and Environment Committee, with a priority to review health and safety at our regional training grounds including Fiskville. Through improved business processes, we aim to reduce injury to our people and our impact on the environment.

Sadly, the summer of 2012-13 will be remembered for CFA and DSE (now DEPI) losing four firefighters in the line of duty. Peter Harry, Peter Cramer, Steven Kadar and Katie Peters will be sadly missed by their families, friends, colleagues and the community. They will be remembered for their dedicated service and their ultimate sacrifice.

We are continuing to work closely with our emergency service colleague agencies to achieve the Government's emergency services reforms which aim to create a strong and resilient Victoria. Our thanks to those who have supported CFA through 2012-13.



Claire Higgins

Our Profile

Services in 2012-13

Incidents	43,084
Brigade turnouts	85,236
Fire Ready Victoria meetings/workshops	1,005
Home Bushfire Advice Service visits	2,224
Community Fireguard sessions	567
School and youth program sessions	932

CFA members

Volunteers: operational	38,099
non-operational ¹	19,509
Total volunteers²	57,608
Staff: operational	810
support staff	1,065
Total staff	1,875
Total members²	59,483

Brigades

Urban brigades	177
Rural brigades	905
Fire brigades	96
Forestry industry brigades	23
Coast guard brigades	17
Total	1,218

Buildings

Fire stations	1,221
Headquarters and offices	37
Training grounds	7
Mechanical workshops	13
Communications workshop	1
State Logistics Centre	1
Protective equipment centre	1
Residences	24

Vehicles

Tankers	1,875
Pumpers	265
Pumper tankers	60
Field command vehicles	248
Rescue vehicles	32
Aerial firefighting vehicles	12
Hazmat vehicles	20
Brigade-owned vehicles	1,521
CFA-owned vehicles	3,021

¹ Includes junior members

² 870 volunteers are also staff members

Who we are and where we're going



CFA is a volunteer and community-based fire and emergency services organisation

Our Mission

To protect lives and property

Our Vision

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

Our Values

Discretion, commitment, agility, attentiveness, compassion, clarity, courage and determination

CFA is all about people – our members and the communities they serve. CFA members not only serve the community, they are part of their local community.

Community expectations are high and our focus is on front line service delivery particularly through our brigades, groups and districts.

We continue to sharpen our focus on the front line through the 'Creating Our Future Together' agenda and have embedded Mission Command as CFA's operational management philosophy. Creating Our Future Together extends across CFA, from our facilities to our senior management team, with a single purpose – to align the entire organisation behind our front line people, whether they are fighting fires or educating communities across the state.

This past year, we addressed three key areas that will help shape our future – the Victorian Government's White Paper on emergency services called *Victorian Emergency Management Reform*, the Fire Services Reform Action Plan, and improving interoperability.

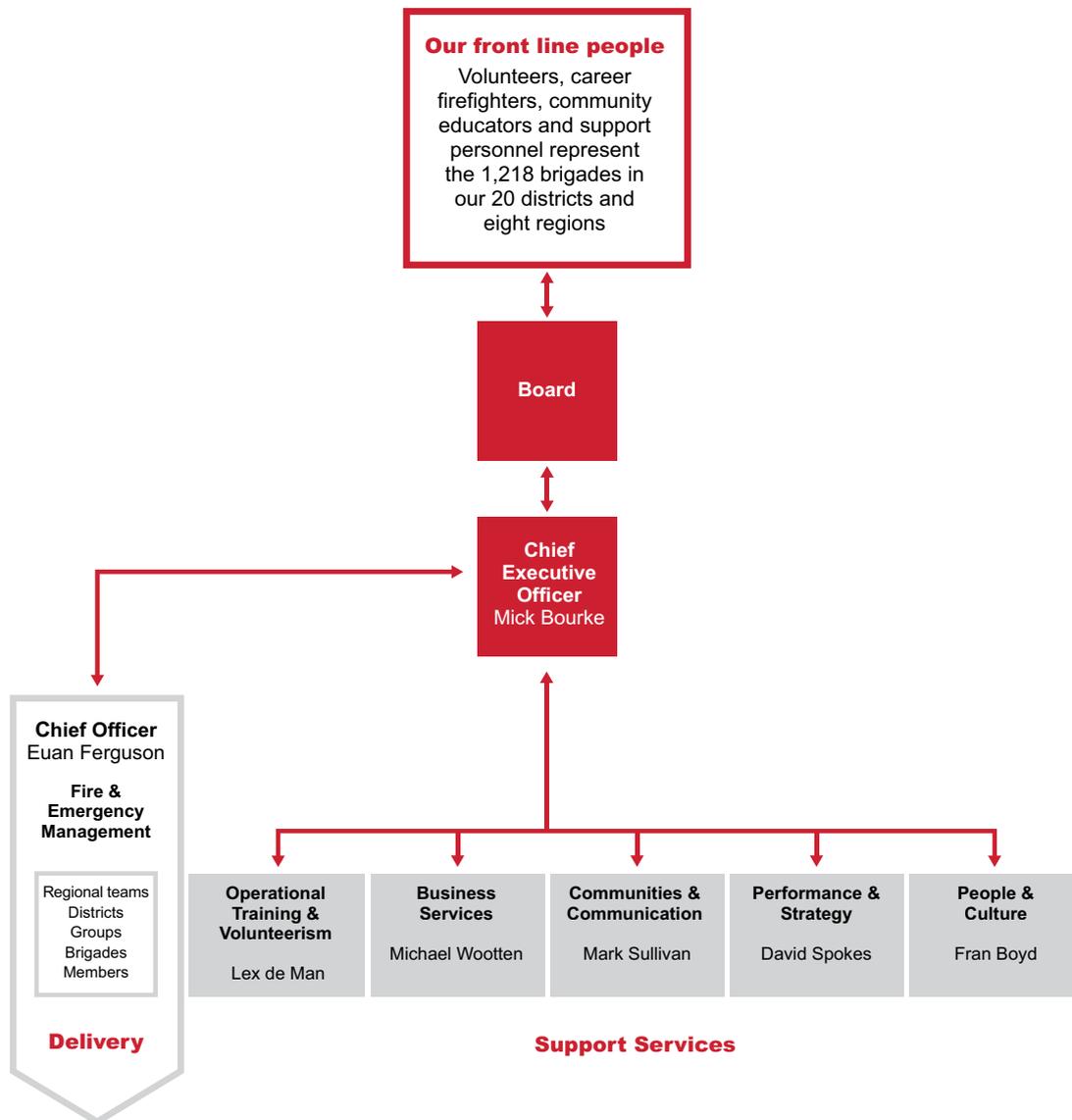
In December 2012, the Victorian Government's White Paper provided its vision for emergency management reform. It included three key principles of community, collaboration and capability; five strategic priorities; and a suite of associated actions to deliver reform. We contributed to the development of the White Paper and we are currently working on activities to support the White Paper's vision.

The Fire Services Reform Action Plan was developed as a result of the Fire Services Commissioner Act 2010. A number of reform activities have started. CFA was represented on all the sector program areas for 2012-13 and led the Common Doctrine program. This work will continue in 2013-14.

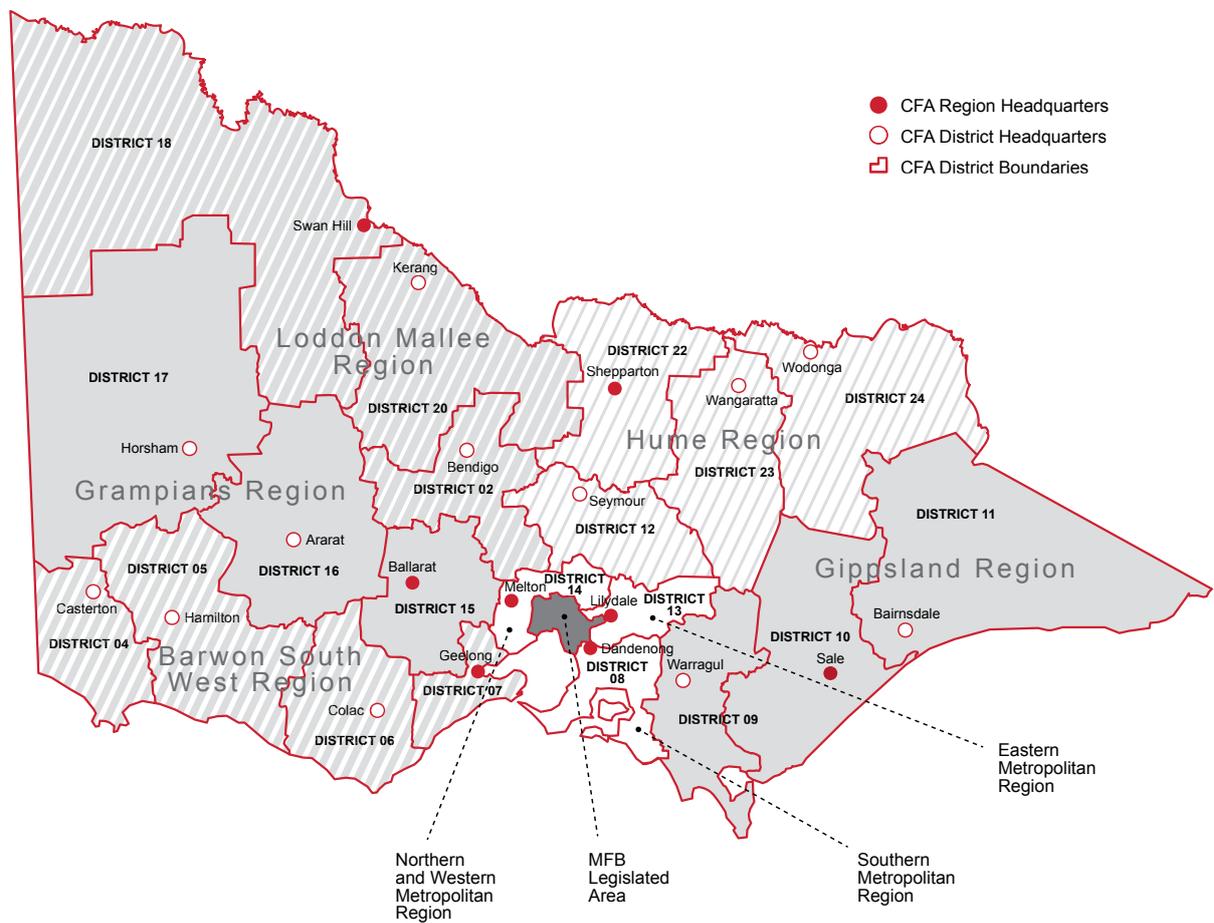
Working cohesively with fellow emergency responders is what we do every day. To further improve our interoperability, we are working with other emergency service agencies to develop common doctrine.

As common doctrine is agreed and progressively developed, we will be able to reduce the number of agency-specific standard operating procedures. Similarly, as the roles of the Fire Services Commissioner and Emergency Management Victoria expand to formalise arrangements between partner agencies, we will replace agency-to-agency arrangements with broader sector agreements.

Our structure



Our regions and districts



Our achievements 2012-13

CFA's foremost priority as stated in our 2012-13 Corporate Plan is to reduce the incidence and impact of fire and emergencies on the community. Here, we highlight our main achievements, grouped under our three goals.

1 Provide efficient, effective and interoperable service delivery

Together with the Department of Justice, a contract was signed with Telstra to build and maintain infrastructure for a new generation, high-quality digital radio dispatch service across regional Victoria. In time this will be implemented across the sector

In partnership with Ambulance Victoria, we successfully completed a 12-month trial of the Emergency Medical Response program that involved five volunteer brigades and five integrated brigades

One Source One Message (OSOM) upgraded to improve useability. The system is now being used by MFB and SES to issue warnings

Assisted the Fire Services Commissioner's Office as a member of review teams assessing the impacts and lessons learned from recent significant fires

CFA and the Department of Environment and Primary Industries (DEPI) launched eMap mapping platform for bushfire and other natural hazards

New incident control centre completed at Seymour and local command centres completed at Wycheproof, Tallangatta and Toolong

New Brigade and Member Classification, where classification is based on local risk, has been approved by the Board

New Template Toolkit gives CFA a consistent, professional look as well as access to a centralised range of communications, campaign and marketing resources for all members

Completed redesign and integration of the CFA website and CFA Connect (now called News & Media)

Refreshed CFA Strategy 2013-18 developed in response to CFA Board Strategic Statement with associated Annual Plan for 2013-14

Established the Enterprise Priorities Investment Panel to ensure coordination and advice is provided on investment and funding proposals to CFA Executive

New station wear clothing issued to staff

Plans for 96 new rural fire stations progressed through project planning stages and site acquisitions

New vehicles delivered to replace older ones: two mobile communications vehicles-heavy, 119 medium tankers, 10 heavy pumpers, 10 heavy tankers, seven specialist vehicles

The Board adopted new assets and fleet management strategies that will improve the service life and suitability of CFA's major assets

59 new fire stations built and eight fire stations under construction. One new district office built

Two additional mobile education units delivered and in service

7,754 pairs of bunker boots delivered

1,750 transportable bag radios delivered and installed

18 digital radio repeater sites upgraded

Eight additional radio communications repeater towers built to deal with radio black spots

274 brigades actively engaged in planned fuel reduction burns on roadsides, rail corridors, private land and other community assets

2 Work with communities to build their readiness and resilience

Increased emphasis on releasing timely and relevant warnings and information. During the 2012-13 bushfire season, the following messages were issued: 2,162 Advice Messages, 419 Watch and Act Warnings, 153 Emergency Alerts and 71 Emergency Alerts (telephone alerting)

Partnered with Department of Planning and Community Development to provide introductory bushfire training to more than 1,000 council planners and planning consultants

Launched *Planning for Bushfire Victoria* publication

CFA responded to over 7,500 applications for fire safety reports triggered by the Bushfire Management Overlay, Victoria Planning Provisions, Building Code of Australia, and Dangerous Goods (Storage and Handling) Regulations 2012

1,450 bushfire and Home Fire Safety Program sessions delivered

Fire Safe Youth program launched for secondary school students

CFA's core publications are now provided in 31 languages

The Grampians community-led planning pilot project completed. This has evolved to become a statewide demonstration project involving an additional 19 communities

21 culturally and linguistically diverse (CALD) spokespeople trained to deliver bushfire education

Fire Ready Kit made available in Easy English, and also available as a DVD in Auslan format

Delivered information at 257 community events attended by 19,782 people, in addition to the numerous events attended by our brigades at a local level

663 one-to-one conversations with community leaders held across Victoria and more than 24,000 Community Information Guides distributed

Social media played an increasingly integral role in incident response this summer. CFA's Facebook page grew to 192,000 followers and CFA Twitter has over 30,000 followers

Almost 300 brigades participated in the annual CFA Sunday event

CFA members raised \$1.4 million for the Good Friday Appeal 2013

Surveyed 1,234 households in areas of high bushfire and high grassfire risk about preparedness levels and attitudes to bushfires, as part of the 2012-13 post fire season survey

Completed a segmentation study of community attitudes towards bushfire survival planning and motivation to adopting fire safety behaviours in high-risk bushfire locations

3

Improve the safety and capability of our people

Of the 10 recommendations from Professor Rob Joy's report *Understanding the Past to Inform the Future* into Fiskville Training College, CFA has completed two and all the others are well underway. Of the 11 management initiatives, eight are completed and the others are underway

884 tankers retrofitted with crew protection systems

40 career firefighters recruited

New student accommodation and shower block facilities under construction at Fiskville Training College and upgrade of instructors' accommodation completed

Launched CFA Member ID cards with over 23,500 cards issued

Launched the Volunteer Support Program focusing on volunteer development, sustainability and support

CFA Honours and Awards Toolkit developed to promote a consistent, statewide approach to recognising the commitment of volunteers

Adopted the Fire and Emergency Management Operational Training Strategy to deliver operational training

CFA training campuses transitioned from regional management to centralised management by the Operational Training & Volunteerism directorate

Launched *Engaging your Community* video containing practical advice for brigades

Established action plans to achieve CFA's preferred culture, based on the Organisational Culture Inventory (OCI) survey. Measures put in place to determine movement to preferred culture

Over 900 CFA members completed a wellbeing survey, with the results guiding training

New Health, Safety and Environment Strategy approved by the Board, covering leadership, effective systems, environmental management and a strong focus on wellbeing

Provided significant welfare support and associated initiatives, including to individuals impacted by the 2009 fires and 2011-12 floods

More than 2,600 members participated in our health and fitness programs

Established CFA's first Disability Action Plan

Completed several research projects with Deakin University investigating the physical demands of firefighting

Over 200 CFA members were trained in-house in media relations

More than 3,000 members engaged through online 'question and answer' sessions with the CEO and Chief Officer

Published a monthly community update in the *Weekly Times* to reach members who are not online and live in regional Victoria

Produced the *Victorian Fire Agency Bushfire Handbook*



Our service delivery

1 Provide efficient, effective and interoperable service delivery

Undertake interagency preparedness, response and control activities

CFA, Department of Sustainability and Environment (now the Department of Environment and Primary Industries (DEPI)), Metropolitan Fire Brigade (MFB), State Emergency Service (SES) and the Fire Services Commissioner (FSC) worked side-by-side in fire readiness and response roles throughout the year. Major fires in the Alpine, Gippsland and Grampians regions saw a substantial resource commitment shared between these agencies for an extended period. Incident management and fireground resources from all agencies also worked closely during deployments to New South Wales and Tasmania following requests for support to deal with major fires.

Before the bushfire season, CFA members undertook joint preparedness activities with the other emergency services, including the delivery of pre-season briefings for Level 3 incidents (significant fires). The most notable exercise was a statewide event testing the upgraded State Control Centre.

As the season drew to a close, agencies shared their reflections on response and fireground incidents in debriefs and after-action reviews. This work not only builds a culture of continuous improvement, but also greatly advances interoperability.

In addition to bushfire preparedness, throughout the year brigades and groups continued to undertake exercises with other agencies to prepare for other types of incident including structure fires, car accidents, floods and hazardous material (hazmat) incidents.



Deaths in the line of duty

The destructive force of bushfires and structure fires was felt acutely by fire agencies, with the deaths of four firefighters, two of whom were volunteers.

CFA was impacted by the deaths of Gisborne 2nd Lieutenant Peter Harry and Firefighter Peter Cramer from Tyers brigade. Mr Harry died while attending a house fire in Gisborne, and Mr Cramer died on active duty as an employee of the Department of Sustainability and Environment (now the Department of Environment and Primary Industries (DEPI)) while deployed to Tasmania.

DEPI firefighters Steven Kadar and Katie Peters died on the fireground at Harrietville. We appreciate the dedicated service given by these four firefighters to their communities and their sacrifice will never be forgotten.

Implement the philosophy and principles of Mission Command throughout CFA

Mission Command is a philosophy of devolving operational decision-making down through the organisation and, as we develop and review other CFA-specific doctrine, Mission Command will be implemented throughout all facets of CFA service delivery. A doctrine document called Implementation of Mission Command is in its final stages of preparation.

The CFA Capstone Doctrine, which was developed this year, will be distributed early in the 2013-14 financial year. It sets the direction of CFA service delivery and explains how the organisation works towards its stated mission. Capstone is an important stocktake for our evolving agency. The Doctrine brings together critical knowledge from a range of sources, both recent and from the past, which is important for guiding the future direction of CFA operations. It details who we are, what we do and how we do it. The Mission Command doctrine document will sit within the Fundamental Layer of a broader hierarchy of doctrine and will take its direction from the Capstone Layer.

Implement funding strategies in alignment with service delivery strategy and risk

An Enterprise Priorities and Investment Panel (EPIP) was established in 2012-13. It is made up of representatives from across CFA who advise the Executive Leadership Team on investment and funding proposals.

In an environment of strict financial accountability and transparency, its purpose is to help the executive ensure CFA projects and investments are aligned with CFA's corporate business priorities (based on a risk management approach), support the government's emergency management sector reform priorities, while offering both value for money and fiscal sustainability. All projects are required to drive efficiency and innovation across the organisation and help build a coherent and sustainable program of change.

During 2012-13, EPIP coordinated the Budget and Expenditure Review Committee Cabinet process for the coming year's cycle.



Victorian Bushfires Royal Commission projects

CFA reported to the Bushfires Royal Commission Implementation Monitor (BRCIM) that initiatives arising from the Victorian Bushfires Royal Commission's recommendations had been satisfactorily implemented. These were:

- The target to retrofit crew protection to 844 tankers was completed in April, and 884 were retrofitted by the end of June.
- The One Source One Message project was extended to include MFB, which means that CFA, DEPI and MFB now show the same incidents and warnings on their individual web pages.
- CFA provided the evidence required to allow BRCIM to align Township Protection Plans (now known as Community Information Guides) with the Integrated Fire Management Planning structure. 217 Community Information Guides are now available on CFA's website.
- The interconnections of radio networks between CFA and DEPI were standardised. The architecture has been designed and the majority of sites will be connected to the CFA network by the end of August 2013.
- The new publication *Planning for Bushfire Victoria* allows municipal councils and the community to align permit applications with the new planning provisions. This publication provides current and comprehensive advice about permit applications in Bushfire Management Overlay areas.



Implement sector reform priority deliverables for this year

The Fire Services Reform Action Plan was developed and approved by the Minister for Police and Emergency Services.

CFA is carrying out a number of key reform activities including: improved delivery of summer and residential fire safety programs; further refining a model for capability building that can be used across the whole emergency services sector; implementing a model for training, accrediting and maintaining the capability of regional controllers and incident controllers; taking a role in multi-agency pre-season briefings; and participating in the development of the State Control Centre and various regional and incident control centres.

CFA is represented in all the sector program areas for 2012-13 and managed the Common Doctrine program.

CFA participation has also enabled more than 46 fire station sirens to be activated for community alerting. CFA also contributed to the Dandenong Ranges Landscape fire planning pilot. We have participated in the publishing of the 2012-13 *Victorian Fire Agency Bushfire Handbook*.

In addition, CFA has worked with our emergency management partners to develop protocols and procedures for traffic management points; warnings and advice to the public; readiness of incident management teams; readiness and dispatch of firefighting aircraft; and public land planned burns.

In December 2012, the Victorian Government released its White Paper on emergency services titled *Victorian Emergency Management Reform*. This outlined the Victorian Government's vision which included the three key principles of community, collaboration and capability, five strategic priorities and a suite of associated actions to deliver reform. CFA

contributed to the development of the White Paper, as did Volunteer Fire Brigades Victoria (VFBV). CFA recognises the opportunity the White Paper offers and is currently adapting its strategy and activities prioritised in the White Paper.

Drive effective and efficient management of change

CFA has applied industry standard change management methodology as part of a major organisational redevelopment project titled 'Creating our Future Together'. This supports stakeholder engagement as well as capacity building and member mentoring. This year we have implemented the Risk Management Framework, developed the CFA Plan and developed and implemented business continuity practices.

Throughout 2012-13, CFA applied tools and practices from the Project Management Excellence (PME) framework to sharpen our project management practices. PME comes from a collaborative development approach championed by Department of Justice and emergency service agencies, and the PME framework now provides the minimum standard for anyone involved in CFA project management.

Develop and enhance inter-agency cooperation and interoperability including the review of inter-agency agreements

CFA is working with other emergency service agencies associated with fire and flood to develop common operating doctrine. As common doctrine is agreed, we are able to reduce the number of agency-specific standard operating procedures.

Memorandums of understanding with DEPI, Ambulance Victoria and MFB have been updated.

Complete our service delivery model, supporting systems and strategy

Significant analysis has been undertaken to address future service needs, the impact of changing climatic conditions, changing demographics and societal development. This work is critical in supporting the development of a new service delivery strategy that will provide the overarching strategy for the future operational development of CFA. Work is progressing with stakeholders to refine key elements of this strategy. One important element is the development of relevant performance measures to better understand

the organisation's service delivery performance measured in terms of public value and community outcomes.

There has been an investment in the development of a revised service delivery and support model for CFA in 2012-13. The new model focuses on the delivery of front line services via brigades with a greater focus on a risk assessment approach. This concept has evolved through the engagement of members, brigades, groups, district planning committees and sector partners including VFBV.



Progress on Project 2016

Project 2016 is a program of works to address the pressures on our service delivery in key regions. The objective is to maintain CFA's service delivery capacity in growth corridors in both metropolitan and provincial Victoria.

Project 2016 is an organisation-wide project that fully aligns with the business objectives of CFA.

The program includes the creation of 342 additional career firefighter and officer positions; the training and promotion of existing career staff; and the funding of new or modified integrated fire stations and infrastructure at specific growth locations.

To date, Project 2016 has created 106 new positions, located at integrated fire stations in accordance with the Chief Officer's Principles for Allocating Resources for Operational Service Delivery. Firefighters have been deployed to integrated fire stations at Rowville, Mornington, Rosebud, Patterson River, Point Cook, Melton, Traralgon and Sunbury. Extra operational staff have been placed at Hallam, Shepparton, Dandenong and Pakenham. The Chief Officer approved the creation of further positions under phase two of the Project.

Project 2016's infrastructure program has achieved significant milestones this year. This includes the purchase of land and commencement of construction of a new integrated fire station at Rowville; the completion of modifications to Ocean Grove fire station; and the purchase of land for a new fire station at Eltham.

Work has also advanced on the Project 2016-funded element of the Fiskville Redevelopment Project. The improvements to the instructors' accommodation and Stage 1 of the existing student accommodation upgrade are now complete. Construction works have commenced on the new shower block and the new 30-bed student accommodation. Project 2016 is also supporting the redevelopment of the waste water treatment plant to support these new facilities.



2

Work with communities to build their readiness and resilience

Develop fire management planning framework

CFA is constantly working towards a more systematic approach to fire safety, by participating at the state, regional and municipal fire management planning levels, including representation at all three levels of Integrated Fire Management Planning (IFMP).

We work with local government and the Department of Planning and Community Development to ensure that bushfire risk is being considered in future settlement planning.

CFA has assessed the bushfire risk of proposed developments within the Bushfire Management Overlay. The goal here is to ensure there is a balance between vegetation management, construction levels, access/egress and the provision of firefighting water to ensure that all new dwellings and vulnerable buildings are constructed to give the highest priority to the

primacy of life. Where risks to safety are too extreme CFA has objected to such development.

Our work with industry and key enforcement agencies, such as the Building Commission and WorkSafe, is aimed at ensuring the standard provisions of the Building Code of Australia are met and premises that store or handle dangerous goods have fire safety and emergency management processes in place.

Develop community capability and delivery of initiatives

A wide body of research shows that locally-developed initiatives that use local knowledge are an effective way to build community readiness and resilience. CFA uses a number of formal and informal summer programs to engage with communities and ensure they are aware of their risk. Key formal programs are Community Fireguard (CFG) and Fire Ready Victoria



Victorian Fire Risk Register

The Victorian Fire Risk Register (VFRR) was evaluated by Ernst and Young in September 2012 against the State Fire Management Planning Committee (SFMP) common assessment criteria for decision support tools. The report highlighted ways in which the Register's operations could be enhanced, including publishing VFRR information online for public access.

In March 2013, the SFMP endorsed the Register as the best available tool to identify and assess assets at risk from bushfire and continues to use the Register's results to inform fire management planning.

State agencies and departments including Department of Education and Early Childhood Development, Department of Human Services and Vic Roads refer to the VFRR results to enhance emergency management planning and prioritise mitigation works. CFA provides community education and additional resources to areas of increased risk in the light of VFRR results.

(FRV) meetings, and we also hold Bushfire Planning Workshops and distribute Community Information Guides. CFA is open to new ways of supporting the community to develop safer behaviours in high-risk areas and on days of significant threat.

Simply providing information to communities about risk doesn't always directly lead to changes in behaviour. We must strive to support communities and consult on issues affecting them, helping to support and foster activities and behaviours that will enhance safety. Programs such as CFG have been shown to contribute to social capital, which can in turn increase connectedness and ultimately safety during emergencies. To this end, we should continue to adopt ways to help communities connect, whether it's through taking part in CFG, or other similar local activities and initiatives.

CFG celebrated its 20th year in April 2013 with the establishment of the Carson Award. Named after CFG pioneer Chris Carson, the award is presented to CFG groups that are outstanding in their commitment to the program. A research partnership was established with the University of Melbourne to explore ways to build social capital and stronger community capacity and, with it, raise levels of community preparedness.

CFA has developed the Program Guidance and Strategic Direction 2012-2015. This helps guide service delivery based on the Fire Services Commissioner's HABIL Framework for behaviour change (The HABIL acronym stands for highlight, audience, behaviour, intervention and test). This framework aims to improve the success of community development or engagement programs through careful consideration of the key factors that contribute to successful outcomes. The program guidance document also helps presenters and facilitators in the field to deliver community education programs in a consistent way using up-to-date key messages.

Previous community evaluations conducted by CFA indicate that people's needs for bushfire information and planning vary greatly. Community members' preferences and learning styles also vary. The development of alternative engagement activities is, in part, an acknowledgement that communities are not homogenous and we need to tailor our approach to better reflect the make-up of local communities.



We are gaining new levels of access to local public events where we are able to pass on local bushfire preparedness information and have conversations with people at risk. We have seized the opportunity to engage with people who may not otherwise participate in CFA's more traditional programs.

Building community capability isn't limited to bushfire risk. Our key annual residential campaigns – the Home Fire Safety Campaign and Change Your Clock, Change Your Smoke Alarm Battery – are supported across the state at the community level by regional and brigade-based community activities. This local engagement around home fire safety builds a community's capacity to deal with the risk of house fire with a focus on the message that *'where home fire safety is concerned, we are all responsible'*.

Promote a shared responsibility with the Victorian community

Resilient communities are safer and bounce back from disasters faster and better. Communities are encouraged to understand their share of responsibility in planning for and responding to emergencies.

CFA's programs aim to support resilience by empowering those at risk to make good decisions as they plan and prepare for fire. This is best achieved by providing opportunities for discussion with CFA members who can pass on information about dealing with bushfires.

In 2012-13, CFA staff and volunteers engaged people through conversations at shopping centres and country shows, while the Fire Safe Kids and Fire Safe Youth school programs aim for longer-term generational behaviour change. We have visited households in extreme fire-risk areas, and partnered with other agencies to reach more vulnerable community members, such as those with special needs or from a culturally and linguistically diverse (CALD) background.

This year the Community Information Guide Engagement project talked to community leaders about the value of local Community Information Guides. Football club presidents, school principals and Probus leaders were just some of the people engaged. They were encouraged to discuss the guides within their social or cultural circles to encourage locals to take charge of planning for and taking action against fire risk. Through this project 663 one-to-one conversations with community leaders were held across Victoria and more than 24,000 guides distributed.

CFA's core publications are now provided in 31 languages. The *Fire Ready Kit* has been made available in Easy English, and this year's version is also available as a DVD in Auslan format. CFA's educational programs are adaptable into other languages, formats and translations to cater for groups with special needs, and are increasingly promoted through networks such as multicultural groups and events using trained translators and presenters.



Reaching the community

In 2012-13, CFA ran 805 FRV meetings (down 21 per cent on 2011-12) with 18,981 attendees (up 21 per cent), 98 Bushfire Planning Workshops (up 16 per cent) and 567 CFG meetings, which is 34 per cent higher than last year. Twenty-nine new CFG groups joined the program, though the number of new groups fell 27 per cent compared with 2011-12. During the financial year, CFA also carried out 2,224 property inspections in the Home Bushfire Advice Service program.

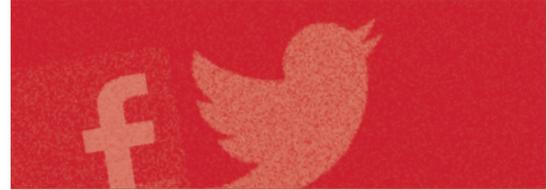
In 2012-13, CFA delivered information at 257 community events attended by 19,782 people, in addition to the many events attended by our brigades at a local level.

CFA has 21 interpreters trained in bushfire safety messages. These CALD spokespeople, each speaking a different language, delivered radio interviews, attended community CALD events and interpreted FRV sessions in targeted high-risk areas.

Explore new approaches to community bushfire preparedness

In early 2012, CFA conducted a pilot to test the capacity of communities to develop their own risk reduction plans. The outcomes of this research reinforced the principle that communities, when supported, are in the best position to lead activities that result in the ownership of disaster risk reduction plans.

Based on the research, CFA is now supporting a demonstration project to test this finding in 19 communities across Victoria, also known as community-led planning. Linking broad community knowledge of vulnerability with agency knowledge of all hazards, communities are empowered to lead the planning process and tailor it to meet their own needs. CFA is providing support through the engagement of a facilitator along with information to help the communities make informed decisions throughout the process of risk analysis.



Social media

The significant growth in the number of people using social media and mobile devices to receive emergency information continued this year.

CFA's Facebook page and the CFA updates Twitter account were the two official social media sources for emergency warnings and incident information. CFA's Facebook followers grew from just over 100,000 at the start of December 2012 to more than 190,000 by April 2013. On the evening of a fire at Epping on 18 February 2013, an extra 10,000 people signed up to the page.

During busy fire periods we were reaching more than one million people per week via Facebook and Twitter.

We also saw a large rise in the number of people using mobile devices to access our online information. Almost 30 per cent of the 8.5 million visits to the CFA website this fire season came from mobile devices compared with 19 per cent last summer.

The largest technology-related increase was in the number of people using the FireReady app. First released in 2010, the app had been downloaded to about 90,000 devices by the beginning of November 2012. However, by the end of the fire season, 440,000 devices had downloaded the app and millions of notifications were being sent to users who had set up 'watch zones'. In early January, CFA experienced record usage of its website and an unprecedented demand from people wanting to use the FireReady app. The app was found to be a very heavy user of data and an interim investment was made to ensure its ongoing performance across the fire season.



3

Improve the safety and capability of our people

Build operational leadership and incident management capability and capacity

Through the Multi-Agency Capability Committee (MACC), the Incident Management Team Training Project (IMTTP) and our emergency services partners, CFA is developing a multi-agency approach to building operational leadership capability. We are refining training packages for incident management team roles, developing an exercising framework for regional and state level incidents, a lessons-learned staff session in the Cobaw Ranges, together with a coaching and mentoring approach.

Ground observer, fire mapper and bushfire behaviour analyst roles continue to be developed. Much of this work is ongoing with a target completion date of June 2014.

Develop and implement a workplace safety and wellbeing strategy for our people

The safety and wellbeing of our people is CFA's first priority. We aim to achieve and maintain the highest safety standards in protecting our volunteers, employees, contractors and members of the public.

To achieve this, the Board established the Health, Safety and Environment Committee to support it in the overall oversight of health, safety and environmental developments across the organisation. As a first step, the Board approved a new Health, Safety and Environment Strategy built around four strategic objectives: build committed and accountable leadership; establish effective control systems; minimise our environmental impact; and improve the wellbeing and resilience of our people.

A key element of the strategy is to improve our capacity to manage mental health issues in the workplace, and to take the same approach to psychological safety that we take to physical safety – identify potential hazards and, wherever possible, prevent exposure. Two current initiatives to prevent exposure are the development of a psychological hazard identification process, and pilot education programs that will support our members in better managing psychological safety.

Develop knowledge management and innovation mechanisms to support a learning organisation

It is vital CFA fully capitalises on years of investment into research, including at the Bushfire Cooperative Research Centre and the newly-established Bushfire and Natural Hazards Cooperative Research Centre.

To take better advantage of external and internal research activities, a Research Agenda Steering Committee has been established, together with an associated coordination group. The Committee has linked to relevant sector research communities and is now providing oversight and governance of CFA's research programs.

The Committee ensures that money spent on research either supports or guides CFA corporate strategic directions, and projects that influence the broader Victorian and Australian research community. This work now provides a building block in the development of submissions into further sector and organisational research. It also better enables CFA to evaluate the effectiveness of past findings and their uptake into strategic decisions.

Work has also progressed on a knowledge management strategy that demands an evidence-based approach as part of its decision-making at all levels of the organisation.

Develop improved risk-based business planning and performance monitoring processes

The risk-planning environment has matured in 2012-13, with the Board approving CFA's Enterprise Risk Management Framework. The corporate risk register was further analysed and a quarterly reporting mechanism put in place.

Corporate and annual business planning tools and templates incorporate risk and require an alignment of



any new initiative with agreed strategic objectives. The integration and identification of risk at each layer of planning through the organisation will inform a quarterly monitoring report, update the corporate risk register, and help CFA clarify and communicate our priorities and resources focus.

CFA believes outcome measures linked to strategy and performance are integral in understanding our direction and the success of underpinning activities and programs. To ensure appropriate outcome measures have been defined, CFA has endeavoured to reconcile over time our performance against both service delivery and organisational strategy performance indicators.

As a result of understanding clearly our baselines, CFA has progressed the development of a framework within which service delivery is actively reviewed, analysed, risk assessed and performance improvement implemented. Integral to this framework is the introduction and review of long and intermediate-term outcome measures, which assist efficient resource allocation, improved decision-making and effective service provision.

Develop brigade engagement and service delivery capacity

Community engagement is core business for CFA and we are improving the capacity of brigades to talk with their communities as they undertake fire prevention activities and increase local fire preparedness.

CFA conducted its second annual Volunteer Community Engagement and Fire Awareness Forum in July 2012, which attracted members from more than 100 brigades. This was supported by regional forums in Eastern Metropolitan, Southern Metropolitan and Gippsland regions.

Two support tools were also developed this financial year aimed at boosting brigade members' knowledge and confidence to talk about fire safety with their communities. The *Members Quick Reference Guide* contains all the references necessary for members interested in their community's safety. All the key messages, publications and support are included in the pocket-sized booklet. The *Engaging Your Community* video takes members through some of the practical ways brigades are engaging their communities about fire safety, and was distributed to brigades on a USB memory stick in June 2013.

Review and develop effective recruitment, retention and member engagement programs

CFA began to roll out its Volunteer Support Program in 2012-13, focusing on strengthened volunteer development, sustainability and support. The initial project design and delivery will enable ongoing support programs and resources to promote effective volunteer sustainability. The project resources will focus on a range of statewide member engagement initiatives including: volunteer leadership; wellbeing, training and assessment; recruitment, retention and recognition; engaging with diverse communities; growth and decline; and information sharing of volunteer best practice. A CFA alumni and Member 1800 help desk phone number are also being scoped.

Following the release of the Jones Inquiry's final report into the *Effect of Arrangements Made by CFA on its Volunteers*, an implementation plan was developed in 2012 in consultation with VFBV, and this is now being implemented.

CFA's Training Materials Online site became operational this financial year. Accessible to volunteers, this site is regularly updated as new content is approved. Materials on the website include learning manuals, presentations and learning and assessment strategies including instructor notes for facilitating training sessions. Access to the site means volunteers can be better equipped with relevant and consistent training information.

The Chief Officer has endorsed a model for the delivery of Level 2 first-aid training, which will enable any CFA member wanting to complete that level of training to do so. CFA is currently considering appropriate funding sources to determine how to implement and maintain this program.

A new Honours and Awards Toolkit includes a manual and a colour poster showing images of all medals, ribbons, badges and certificates most frequently awarded to CFA members. This is another step in appropriately recognising the service of CFA members and brigades and their contribution to the community. It is a tangible outcome of one of the important themes of the recent Jones Inquiry and subsequent report that focused on CFA's recognition of volunteers.

Emergency Memberlink is an important recognition program that thanks members for their significant



contribution and dedication to CFA and their communities. In 2012, the program was expanded to include other fire and emergency services in Victoria, and now partners with SES, Coast Guard and Ambulance Victoria. There has been an increase in discounts available on a range of products and services because of the additional members participating in the program.

Following the principles of consultation contained in the *Country Fire Authority Act 1958*, CFA and VFBV reviewed the existing peak state committee structures and realigned them into six consultative committees, aligned to CFA's new structure. The role of these committees is to discuss matters that impact volunteers – in particular, volunteerism, welfare and operational efficiency. In addition, the Board established the CFA/VFBV Consultative Committee, which allows the Chief Executive Officers of both organisations to identify strategic issues.

An operational training discussion paper was released for consultation in June 2012. It presented six key themes about the future of training and, during 2012-13, CFA sought the views of both volunteers and staff on their training expectations and requirements, along with where and how training can be best delivered. The Board approved CFA's new Fire and Emergency Management Training Strategy in June 2013.

Review and revise workforce planning mechanisms and strategy

The People and Culture Workforce Planning Unit continues to work with teams across the organisation to determine the characteristics and capacity of the workforce needed for the most effective CFA service delivery.

Fifteen occupational groups make up the total CFA workforce. The Unit continually evaluates future workforce needs, including the relative mix of skills and expertise needed for the organisation to achieve its service delivery requirements.

Deliver a revised Brigade and Membership Classification

The Brigade and Membership Classification, which arranges brigades according to risk and allows a more flexible membership classification aligned to demand,

has been approved by the Board and is ready to be implemented.

There are now only two categories of brigade membership: brigade member or junior member. This change in membership classification confirms that all volunteer members, whether in support or on the front line, are equal.

To emphasise the pivotal role played by brigades in community safety, CFA has also introduced a new mandatory role for brigade management teams – a community safety coordinator. To support these changes, CFA has developed position descriptions and training pathways for each role and a brigade resource support toolkit. Brigades will also be required to appoint members responsible for managing training and health and safety.

Ensure good environmental management at our facilities

All CFA activities – including emergency response, training exercises, and station/office operations – have significant environmental impacts. CFA aims to achieve environmental sustainability in a way that protects our people and environment, while delivering services in a responsible way.

The overall priority in the past 12 months was to gain a clearer understanding of our whole-of-organisation environmental performance in three key areas: energy use, impact on waterways and emissions. Through integrating improved business efficiencies, we aim to reduce environmental impact, manage reputational risk and reduce costs.

CFA is currently working towards improving the environmental performance across our facilities. In 2013 we adopted the Green Building Council of Australia's Green Star rating tool. It has been custom-designed to assess the environmental performance of fire stations and is now used for internal benchmarking of new builds.

CFA has carried out a feasibility study into participating in the Department of Treasury and Finance Greener Government Buildings (GGB) program. This program aims to save CFA money by improving energy and water efficiency in our existing buildings. Typical GGB solutions include lighting

Table 1: Progress on Fiskville recommendations and management initiatives

Recommendation number	Summary of projects	Status
1, 2, 3, 7, 8, 9	Fiskville environmental assessments (soil, surface water, sediments, groundwater, buried drums, landfills, Lake Fiskville and downstream ecology)	All well underway Reports due late 2013
4	Assess electrical transformers and remove any containing PCBs	Completed
5	Human health risk assessments (occupational, Fiskville community, downstream)	All commenced. Reports due late 2013
6	Review of Fiskville OHS procedures for fire training water	Completed
10	Regional Training Ground environmental assessments	Assessments reactivated late May. Reports due late 2013

Initiative number	Summary of projects	Status
1, 3	Health, Safety and Environment (HSE) Board Committee and standing item on Board agenda	Completed
2	Implement AS4801 and ISO14001 at training grounds and strive to achieve accreditation	Commenced. ISO14001 project plan completed
4	Appoint independent monitor	Completed. Provision of evidence ongoing. First report due 31 July
5	Acquire specialist HSE expertise	Nearing completion
6	Allocate training grounds to executive control of Operational Training & Volunteerism team	Completed
7	Establish program management team	Completed
8	Establish Health Surveillance program	Completed
9	Commission a health impact study	Commenced. Monash University commissioned to conduct study. Report expected late 2014
10, 11	Provide information packs to CFA members and community	Completed

upgrades, heating/ventilation/air-conditioning solutions and on-site electricity generation.

The Board has committed to implementing international standard ISO14001 across the organisation and, as a first phase, the focus is on striving to achieve accreditation at Fiskville Training College and all our regional training campuses within the next two years.

CFA has also invested heavily in comprehensive environmental site assessments of the training campuses and will continue to invest in upgrades to fire training water supply and treatment systems. This will include the adoption of new fit-for-purpose fire training water quality criteria and management plans.

Investigations are also underway into the feasibility of switching to more environmentally-friendly fuel sources for hot fire training, which will result in reduced emissions.

Understanding the past to inform the future

Implementation of the 10 recommendations from Professor Rob Joy's *Understanding the Past to Inform*

the Future report released in June 2012, and the 11 management initiatives introduced by the Board, is well underway at Fiskville Training College. Table 1 shows our progress on this work.

The ongoing health and safety of our people and environment is paramount. More than \$10 million has already been spent since December 2011 to address concerns around the historical use of chemicals for live firefighting training at Fiskville, including the cost of Professor Joy's investigation.

Health and ecological assessments conducted by environmental engineering firm Cardno Lane Piper, in consultation with industry experts, are almost complete. These outcomes will assist CFA to determine a clear plan for further site works and upgrades, ensuring Fiskville complies with the highest possible environmental management and occupational health and safety standards.

Draft designs for water management have also been prepared and submitted to the relevant permit authorities, and form part of the first stage of upgrades

to the site. This work is being managed by a project manager appointed in May 2013. It includes plans to divert the Berembroke Creek around Lake Fiskville, and plans to upgrade the storm water systems around the PAD (practice area for drills) in preparation for a new water treatment plant.

As part of the implementation works, CFA was advised in May that testing of four fish caught from Lake Fiskville showed they contained perfluorooctane sulfonate (PFOS), a residue from firefighting foams used in training at the site until 2007.

While CFA is not aware of any adverse health effects in those who have eaten fish from Lake Fiskville, a precautionary approach was taken by offering blood tests and welfare support to anyone who believes they were affected. As always, the health and safety of our people and the community remained CFA's number one priority.

Fiskville Training College remains safe for staff, trainees and visitors. The facility has been visited by WorkSafe and an independent EPA statutory auditor has been appointed to oversee environmental assessments and remediation of the site. In addition, in February 2013 an independent monitor was appointed to oversee CFA's implementation of all recommendations.

Other works at Fiskville, which are part of CFA's Project 2016, include the construction of new student accommodation and shower block buildings that are now nearing completion, as well as preparation for

the construction of a new structural training prop to simulate fire in a multi-storey environment. This new training prop will replace the existing building that is approaching the end of its life cycle.

In May 2013, the Victorian Budget committed \$16.8 million for work to transform Fiskville into one of the nation's leading practical firefighting training facilities. This secures Fiskville's future and will bring long-term benefits for the surrounding Ballan region.

Implement a cultural improvement program to close the gap between actual and preferred culture

In May 2012, CFA conducted a culture survey to help us better understand our existing organisational culture and determine our preferred future culture.

In August 2012, we received the results which demonstrated a strong commitment to create a culture where we all work closely together, enjoy our work and fulfil our commitment to the communities we serve. The results showed that members know the culture they want to see at CFA and want to help the organisation achieve it.

The results also highlighted the gaps we have between the actual and preferred culture that limit our effectiveness and, in turn, give us opportunities for improvement.

We have been turning this information into action at all levels of the organisation involving as many members





as possible. With the help of more than 30 trained facilitators, managers have carried out action planning with their teams to address locally-identified issues. Some examples of action taken are: improving communication with team members through regular briefings and newsletters; creating opportunities to celebrate success; and a range of activities to build teamwork.

The Senior Leadership Team (SLT), directorates and regions have developed action plans. Status updates are provided every quarter. A CFA-wide culture objective, target and measure have been included in the performance plan of SLT members and a culture objective will be included in the performance plan of all managers.

Strengthen our organisational leadership capability

In 2012-13, CFA began developing an overarching leadership framework. It identifies the attributes and behaviours needed by leaders at CFA, whether volunteer or paid, and will be integrated into systems and processes including recruitment, performance, development and succession.

Operational Training and Volunteerism has completed CFA's Fire and Emergency Management Training Strategy in which leadership is a major theme. The objectives and actions within the leadership theme are aligned with the overarching leadership framework.

The IMTTP, working with the MACC – incorporating the FSC, DEPI, MFB and SES – has developed an incident leadership framework. It provides a pathway for people to develop the leadership skills needed to perform their roles.

CFA members continued to participate in key leadership development programs, including Fireline Leadership, Incident Leadership, and Australasian Fire and Emergency Service Authorities Council executive and senior leadership programs.

CFA twice hosted international leadership expert Margaret Wheatley who facilitated 'Leading through Change' workshops for executive and senior leaders within the emergency management sector.

Progress on legal action

CFA is currently defending three civil proceedings arising from 7 February 2009 bushfires.

The Kilmore East class action is a representative action launched on behalf of a group of people who suffered loss due to the Kilmore East fire. The plaintiffs initially launched proceedings against SPI Electricity. SPI then joined its contractor (UAM), CFA, Department of Environment and Primary Industries (DEPI) and Victoria Police. It was alleged CFA failed to suppress the fire and provide adequate warnings to the community. The suppression allegation was discontinued before the trial commenced on 4 March 2013. The trial is expected to conclude in early 2014.

The Murrindindi class action is a representative action in relation to the Murrindindi fire also involving SPI Electricity, UAM, CFA, DEPI and Victoria Police. The allegation against CFA is that it failed to provide adequate warnings to the community. This action is still very much in the preliminary stages. The judge has ruled that it will not progress in any meaningful fashion until the Kilmore East action is resolved.

The Harkaway civil action was launched by property owners against a defendant who admits causing an initial fire that later reignited. The defendant counter-claimed against CFA, alleging that CFA failed to fully suppress the initial fire. The plaintiffs have not joined CFA. The trial is set down for March 2014.

Our incident response



Major incidents

Over the past year, CFA members worked on the fireground and in incident management with our emergency service partners and other agencies through the most active fire season in four years. Despite Victoria's busy season, support was also provided to New South Wales and Tasmania during significant fire activity in January 2013.

In Victoria, there were almost 4,400 bush and grass fires across the 2012-13 season, 24 of them significant. Fires at Aberfeldy, Harrietville and the Grampians required constant resourcing for more than a month. More than 190,000 hectares of public and private land were burnt and 46 houses were destroyed. The season also saw the tragic deaths of four firefighters and a member of the public.

An increased emphasis on the release of timely and relevant warnings and information led to the issuing of 1,745 Advice Messages, 343 Watch and Act Warnings and 110 Emergency Warnings in the three months from December 2012. Telephone alerting (Emergency Alert) was used 61 times.

In total, 17 Total Fire Ban (TFB) days were declared, two of which were statewide declarations. Table 2 provides details of the TFBs declared in 2012-13 and Table 3 provides comparative data for TFBs for the period 2008 to 2013. Table 4 summarises the significant incidents attended by CFA.

Figure 1 presents our response profile over the past five years and Figure 2 gives a breakdown of the incidents by type during the 2012-13 financial year.

Table 2: Days of Total Fire Ban 2012-13

Date	Total Fire Ban District
29 November 2012	Mallee and Wimmera
8 December 2012	Mallee, Wimmera, Northern Country and North Central
19 December 2012	Mallee, Wimmera and Northern Country
23 December 2012	Mallee, Wimmera, South West, Northern Country and North Central
4 January 2013	Whole State of Victoria
8 January 2013	Mallee, Wimmera, Northern Country and North East
11 January 2013	Whole State of Victoria
17 January 2013	Wimmera, South West, North Central and Central
18 January 2013	Northern Country, North East, East Gippsland and West and South Gippsland
24 January 2013	South West
25 January 2013	Mallee, Wimmera, South West, Northern Country, North Central, Central and West and South Gippsland
6 February 2013	Wimmera, South West, North Central and Central
7 February 2013	Northern Country, North Central, Central, North East, East Gippsland and West and South Gippsland
9 February 2013	Northern Country, North Central and North East
12 March 2013	Wimmera and South West
20 March 2013	Wimmera and South West
27 March 2013	Mallee, Wimmera, South West, Northern Country, North Central and Central

Table 3: Number of Total Fire Ban days declared 2008 to 2013

Declaration	2008-09	2009-10	2010-11	2011-12	2012-13
Whole of state	11	1	0	0	2
Partial	7	10	2	9	15
Total	18	11	2	9	17

Figure 1: Total emergency incidents reported

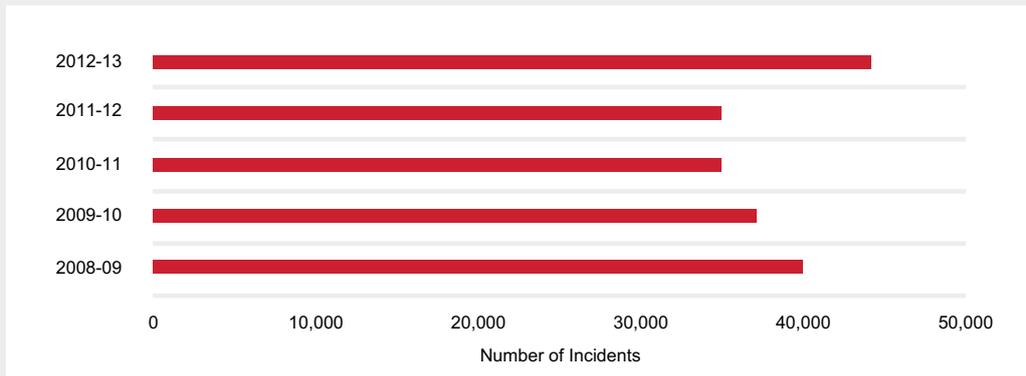
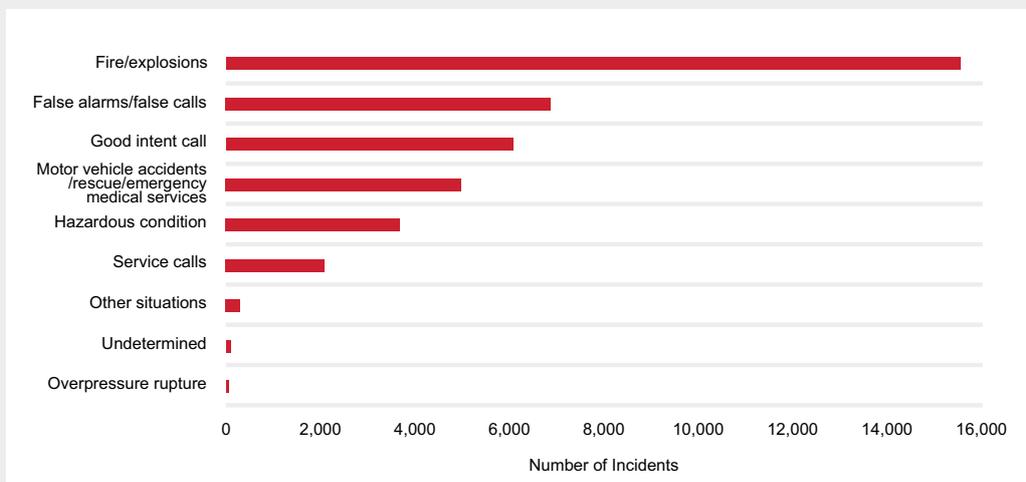


Figure 2: 2012-13 incident response by type



Note: This breakdown is based on completed, signed-off incidents and excludes incomplete incident reports or reports that have not been classified.

Table 4: Major incidents 2012-13

Date	Incident Type	Location	CFA vehicles	Incident size (hectares) or cost
4 July	Hazardous materials	Rowville	10	Ammonia leak requiring evacuation of immediate area
10 July	Structure fire	Healesville	13	Industrial laundry completely destroyed, \$1.1 million damage
3 November	Rescue	Dandenong South	14	Collision between semi-trailer and passenger train. One fatality
22 November	Structure fire	Warrnambool	6	Telstra exchange fire. Significant impact on telephone communications in area
24 November	Structure fire	Kyneton	13	Laundromat completely destroyed, \$450,000 damage
7 December	Structure fire	Traralgon	10	Structure destroyed, \$1.5 million damage
9 December	Grass and scrub fire	Puckapunyal	6	CFA support to fire at Puckapunyal Military Range
9 December	Grass and scrub fire	Whiteheads Creek	38	620 hectares
12 December	Structure fire	Mornington and Mount Martha area	5	Power surge impacted over 10,000 properties. Additional response planned for any resulting fires
27 December	Grass and scrub fire	Cope Cope	27	550 hectares
4 January	Grass and scrub fire	Kentbruck	44	12,055 hectares
5 January	Grass and scrub fire	Ournie (NSW)	6	694 hectares. Support to NSWRFs
8 January	Grass and scrub fire	Chepstowe	90	1,297 hectares
8 January	Grass and scrub fire	Goroke	20	920 hectares
17 January	Bush fire	Aberfeldy	227	85,193 hectares
21 January	Bush fire	Harrietteville – Alpine	178	36,347 hectares
27 January	Grass and scrub fire	Violet Town	79	1,285 hectares
14 February	Bush fire	Grampians – Victoria Valley	203	35,875 hectares
18 February	Grass and scrub fire	Kal Kallo	81	2,040 hectares. Support from MFB
12 March	Grass and scrub fire	Cashmore	43	120 hectares
26 March	Grass and scrub fire	Hallston	25	562 hectares
27 March	Grass and scrub fire	Dereel	85	1,280 hectares. Support from MFB
27 March	Grass and scrub fire	Derrinalum	61	264 hectares
6 May	Structure fire	Lilydale	20	Community centre at retirement village significantly damaged

Our performance

CFA contributes to the Victorian Government's Budget Papers within the Emergency Management Capability output. This forms part of the Department of Justice's 'Supporting the State's Fire and Emergency Services' output group. The Budget Papers report statewide performance.

Table 5 shows CFA's actual performance together with measures reported in Budget paper No. 3. CFA adheres to the national requirements for counting rules, which is normal for fire and emergency service organisations.

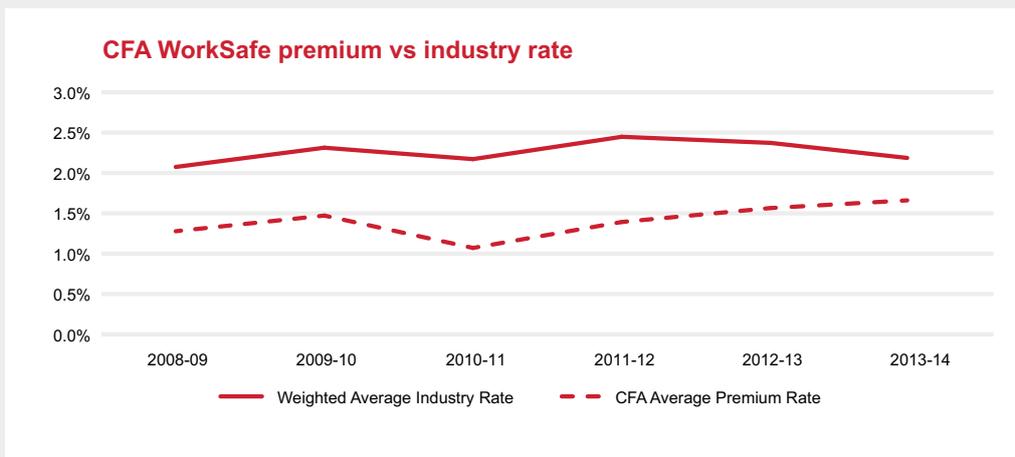
Table 5: Emergency management capability

Major Outputs/Deliverables	Unit of Measure	2012-13 CFA Outcome	2012-13 CFA Target
Performance measures			
Quantity			
Permanent operational staff	number	810	810
Permanent support staff	number	1065	1150
Volunteers – operational	number	38,099	39,000
Volunteers – support	number	19,509	18,000
Quality			
Road crash rescue accredited brigades/units	number	23	23
Level 3 Incident Controller trained staff and volunteers	number	48	40
Structural fire confined to room of origin	per cent	70	70
Timelines			
Emergency response times meeting benchmarks – structural fires	per cent	87	90
Emergency response times meeting benchmarks – road accident rescue response	per cent	95	90

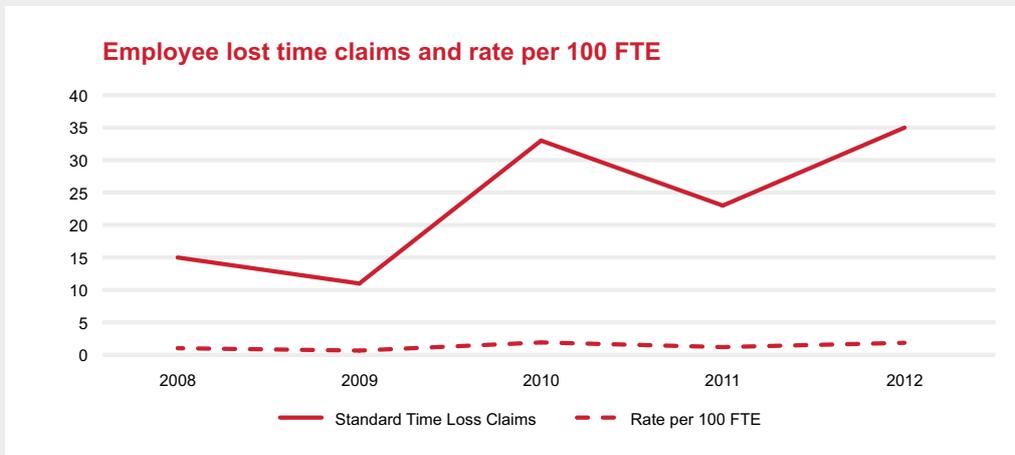


Occupational health and safety

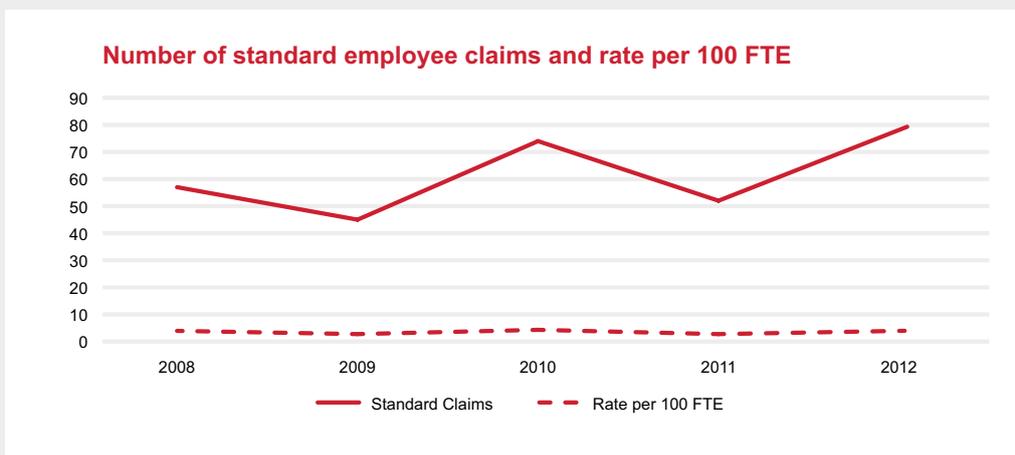
CFA's premium rate including the 2013-14 premium estimate has shown a gradual increase, but continues to perform better than the industry's overall performance.



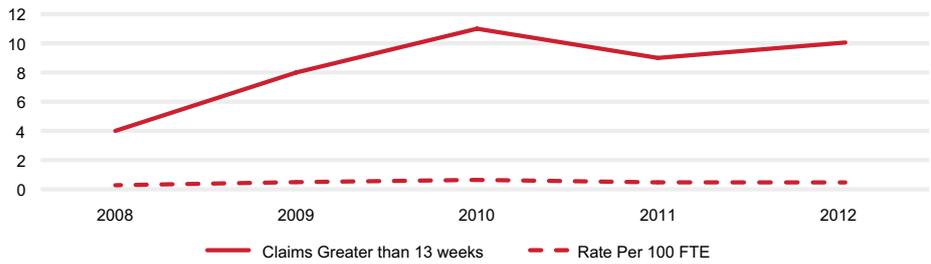
The lost time claim trend per 100 full-time equivalents indicates a slight increase, which relates to stress claims including impacts from previous major incidents.



The trend for standard claims per 100 full-time equivalents has shown a slight increase.

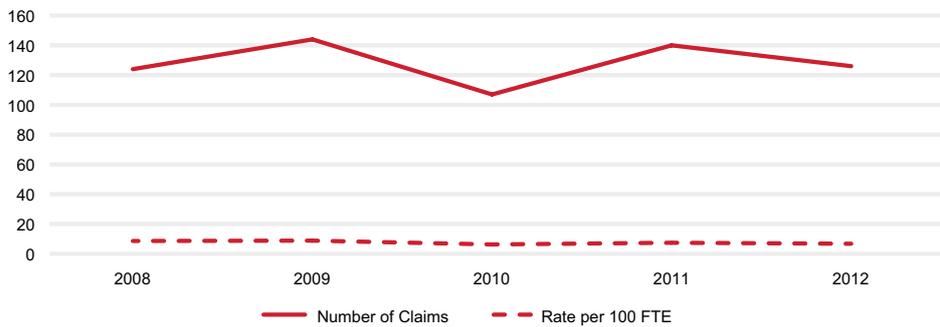


Employee claims with time loss of 13 weeks or greater and rate per 100 FTE



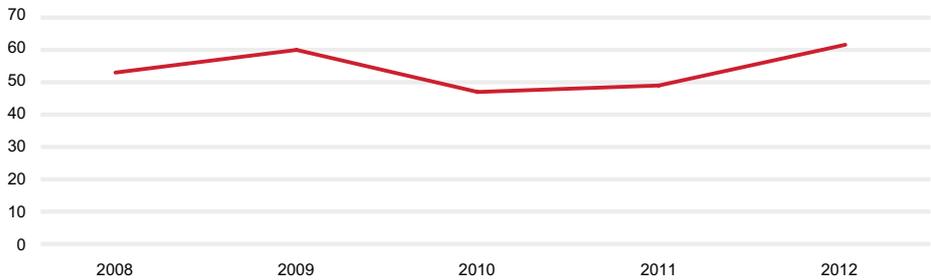
The increase in time lost claims in excess of 13 weeks reflects the impact of stress-related claims including impacts from previous major incidents.

Number of employee incidents and rate per 100 FTE



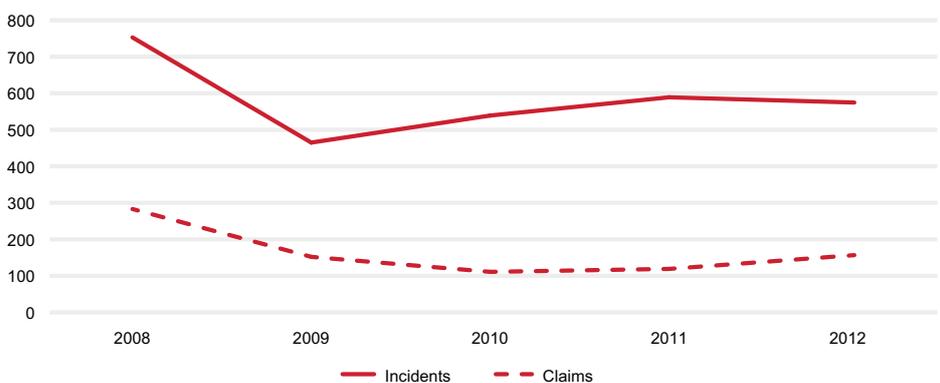
The ratio of reported injuries to those that become claims has remained reasonably constant.

Volunteer lost time claims



The volunteer claim frequency and lost time trends have increased slightly in the 2012-13 period, which reflects the busy fire season.

Volunteer claims and incident trends



While the ratio of reported injuries to claim has remained reasonably constant, the overall frequency reflects activity levels within each fire season.

Corporate governance

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

CFA Board

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

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

Up until 2011-12 the Act provided for a Board of 12, consisting of the Chair, Deputy Chair and 10 other members, appointed by the Governor-in-Council for up to three years. From 1 July 2013, the Board will reduce to 10. The Act prescribes those bodies that can nominate people for consideration by the Governor-in-Council for appointment to the Board. The nominating bodies for the year ended 30 June 2013 include the Minister administering the *Environment Protection Act 1970*, Insurance Council of Australia, Volunteer Fire Brigades Victoria and the Municipal Association of Victoria.

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

Board role

The Board sets the corporate objectives and strategies through the Strategic Plan and the Annual Plan.

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

The Board's primary role involves:

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

Board membership

Board members during 2012-13 were:

- Claire Higgins (Deputy Chair) – re-appointed 2 October 2012 (Acting Chair) – since October 2012
- Mark Byatt – appointed 6 July 2010
- Ross Coyle – re-appointed 26 March 2013
- Paul Denham – re-appointed 2 November 2012
- Peter Harmsworth AO – re-appointed 26 June 2013
- Ken King – re-appointed 13 October 2009 to 12 October 2012
- Reid Mather – re-appointed 31 December 2012

- Kerry Murphy PSM AFSM (Chair) – retired 30 September 2012
- John Peberdy – re-appointed 15 November 2012 to 30 June 2013
- Don Robertson – re-appointed 2 November 2012
- Robert Spencer – re-appointed 15 November 2012 to 30 June 2013
- Mike Taylor AO – appointed 7 November 2012
- Michael Tudball AFSM – re-appointed 31 December 2012

Board committees

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

Finance, Risk and Audit Committee

The Finance, Risk and Audit Committee's role is to provide a formal forum for communication between the Board and management on all financial, risk, information technology, audit, knowledge management and compliance matters.

CFA's internal audit function is undertaken by PricewaterhouseCoopers, whose representatives report to the Finance, Risk and 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:

- Michael Tudball (Chair)
- Claire Higgins
- Mike Taylor
- Robert Spencer
- Mark Anderson (independent member)

Table 6: Board members' attendance at meetings

	Board Meetings	Finance, Risk and Audit	People, Remuneration and Culture	Service Delivery	Health, Safety and Environment
Number of meetings to 30 June 2013	12	5	5	2	4
Mark Byatt	11	-	-	1	-
Ross Coyle	11	-	-	2	1
Paul Denham	12	-	2	-	-
Peter Harmsworth	12	-	5		4
Claire Higgins	11	4	5	2	4
Ken King ¹	3	2	-	-	-
Reid Mather	11	-	-	-	1
Kerry Murphy ²	3	-	1	-	-
John Peberdy	11	-	5	-	-
Don Robertson	12	-	-	2	4
Robert Spencer	10	5	-	-	-
Mike Taylor ³	4	1	-	-	-
Michael Tudball	12	5	-	2	-

1 Term completed 12 October 2012

2 Retired 30 September 2012

3 Appointed 7 November 2012

People, Remuneration and Culture Committee

The People, Remuneration and Culture Committee was established to provide the Board with direction, endorsement and monitoring of people, remuneration and culture strategies and policies.

The Committee also oversees the implementation of the CFA People Strategy including leadership, culture, people sustainability and people capability.

Membership:

- John Peberdy (Chair)
- Claire Higgins
- Peter Harmsworth
- Paul Denham

Service Delivery Committee

The Service Delivery Committee was established to assist the Board in discharging its duties in relation to the overall performance and quality of services delivered in the prevention and suppression of fires and in responding to other emergencies.

The Committee also provides a strategic and effective approach to community engagement and education.

Membership:

- Mike Taylor (Chair)
- Claire Higgins
- Michael Tudball
- Ross Coyle
- Mark Byatt
- Don Robertson

Health, Safety and Environment Committee

The Health, Safety and Environment Committee has been established to oversee and review health safety and environment risk matters arising from CFA's activities and the impact of these activities on employees, volunteers, contractors, suppliers and the communities and environments in which CFA operates.

Membership:

- Peter Harmsworth (Chair)
- Claire Higgins
- Ross Coyle
- Don Robertson
- Reid Mather
- Rob Shears (Independent member)

Attendance at meetings

Board members' attendance at Board and committee meetings is detailed in Table 6.

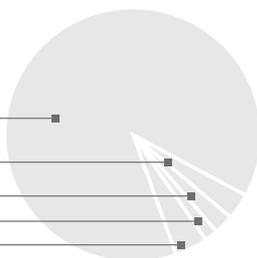
Financial summary

Discussion and analysis – comprehensive operating statement

Income

Total Income: \$475.7m

Total Government and statutory funding	\$421.1m
Sales of goods and services	\$16.0m
Other Income	\$10.8m
Interest	\$8.5m
Grants	\$19.2m



Income

Total income for the 2012-13 year was \$475.7m, which is a decrease of \$84.0m from the previous year's total of \$559.7m. The reasons for this variation are a decrease of \$96.3m in government and insurance contributions largely due to the reduction in funding for lapsing projects such as the Radio Replacement program and Bushfire Preparedness, an increase in grants of \$18.9m due to a Treasurer's Advance relating to fire season costs and for the Summer Fire Safety Campaign, an increase in Sales of Goods and Services of \$1.5m, a decrease in other income of \$4.8m, and a decrease in interest income of \$3.3m due to reduced cash holdings and deposits, and interest rate reductions. The Comprehensive Operating Statement and note 2(e) disclose the movement in brigade cash and deposits over the financial period.

Government and statutory funding

CFA received government and statutory funding, and grants amounting to \$440.3m (2011-12 \$517.7m). Under the *Country Fire Authority Act 1958* (the Act), CFA received funding of annual expenditure from the State Government (22.5 per cent), insurance contributions (77.5 per cent), and from other companies under Section 80A of the Act (which relates to property located in Victoria but insured offshore). The 2012-13 statutory contributions of \$440.3m, comprised \$112.7m from the State Government (of which \$13.3m was treated as contributed capital), \$1.6m from the Commonwealth Government, \$322.3m from insurance companies, and \$17.0m from other companies.

Sales of goods and services

CFA received \$16.0m during the year from the provision of goods and services to external bodies (2011-12 \$14.6m). This includes the provision of external training services, fire protection fees, alarm monitoring, dangerous goods inspections, fire and equipment maintenance services and charges for hazardous materials incidents.

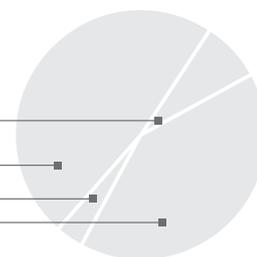
Other income and interest

Other income during the year totalled \$10.8m from a number of sources including the Transport Accident Commission, public donations and recognition of additional Brigade Assets. Interest income for the year totalled \$8.5m.

Expenses

Total Expenses: \$457.0m

Depreciation and amortisation	\$34.7m
Employee expenses	\$219.6m
Grants	\$15.6m
Other expenses	\$187.1m



Expenses

Total expenses for the 2012-13 year were \$457.0m compared to \$460.1m for 2011-12. This overall decrease of \$3.1m can be attributed to a reduction in major projects including Radio Replacement offset by increased grants payments, contract payments and depreciation on an increased asset base.

Employee expenses

During 2012-13, \$219.6m (2011-12 \$213.5m) was spent on salaries and other employee expenses such as superannuation, payroll tax, WorkCover premiums and employee support activities.

Depreciation and amortisation

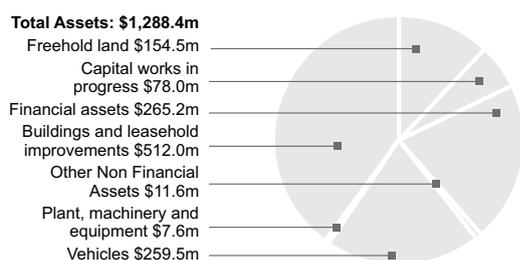
The written down value of CFA's assets at cost or valuation, including land, buildings, leasehold improvements, vehicles, plant and machinery totalled \$1,011.5m (2011-12 \$936.8m). Depreciation expense totalled \$34.7m during 2012-13 (2011-12 \$31.6m).

Other expenses

CFA spent \$187.1m on general operating costs and other expenses during 2012-13 (2011-12 \$207.7m). The decrease of \$20.6m over the previous year was mostly related to the reduction in expenditure on Radio Replacement (\$23.0m) and other net reductions (\$8.4m) offset by increased contract payments (\$10.8m).

Discussion and analysis – balance sheet

Assets



Total assets

Total assets at 30 June 2013 were \$1,288.4m compared to the 30 June 2012 total of \$1,255.6m. The major elements of the year-on-year variation (\$32.8m) were a decrease in financial assets (\$43.3m), an increase in buildings and leasehold improvements (\$23.7m), an increase in land (\$5.3m), an increase in plant and equipment (\$0.4m), the acquisition of new emergency response and transport vehicles (\$26.6m), an increase in capital works in progress (\$18.7m), and an increase in other non-financial assets (\$1.3m).

Financial assets

Financial assets totalled \$265.2m (2011-12 \$308.6m) and comprise money owed to CFA including trade receivables, other receivables and GST recoverable (\$22.7m), cash at bank and deposits (\$121.6m) and investments and other financial assets (\$121.0m).

Committed funds

Cash and deposits are held for specific purposes and are required for brigade cash holdings and carry forward amounts for initiatives such as:

- Victorian Bushfires Royal Commission Outcomes and Bushfires Portfolio Programs

- Capital works – land and buildings
- Capital works – response vehicles
- Regional Radio Dispatch
- EAS Capability
- Crew Protection
- Emergency Alert
- Protective Equipment
- Volunteer Emergency Services Equipment Program
- other CFA activities

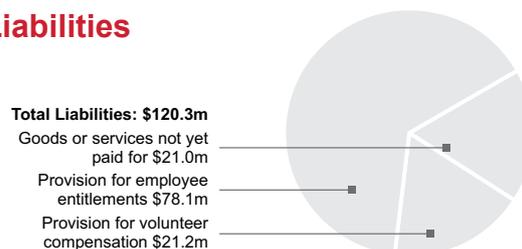
Non-financial assets

Non-financial assets totalled \$1,023.2m (2011-12 \$947.0m) comprising property, plant and equipment (\$1,011.5m), and other non-financial assets including inventories and goods held in store (\$10.5m), and prepayments made by CFA (\$1.2m).

Plant and equipment includes computer hardware, general plant and communications equipment to a total value of \$7.6m (2011-12 \$7.2m).

At the end of the year, the value of expenditure on capital works such as buildings, emergency response vehicles, and plant and equipment which were not yet completed totalled \$78.0m (2011-12 \$59.2m).

Liabilities



Total liabilities

Total liabilities at 30 June 2013 amounted to \$120.3m compared to the previous year's total of \$116.0m. The increase of \$4.3m was due to increases in the provisions for employee benefits and for volunteer compensation (\$10.8m), offset by decreased amounts accrued in relation to payables (\$6.5m) offset by compensation.

Provision for employee entitlements

A total of \$78.1m (2011-12 \$70.0m) is accrued for annual leave and long service leave payments to staff.

Goods or services not yet paid for

At the end of the year, a total of \$21.0m was owed for goods or services already provided but not yet paid for. This was a decrease of \$6.6m over the corresponding figure last year (2011-12 \$27.6m).

Provision for volunteer compensation

Based on previous claims and actuarial calculations, a total of \$21.2m has been estimated to allow for compensation for injuries to volunteers up to 30 June 2013. This is an increase of \$2.8m compared to the figure at 30 June 2012.

Volunteer brigade activities

The major assets of CFA volunteer brigades – Land, Buildings, Plant and Equipment, and Bank/Cash Equivalents – are recognised as assets by CFA in the Annual Financial Statements. New brigade assets and Bank/Cash Equivalents are included annually in CFA's financial statements. Bank/Cash Equivalents were brought to account for the first time in the 2006-07 accounts. The cash balances are funds which have been accumulated by brigades over many decades, predominantly for the replacement of existing capital equipment and the purchase of supplementary equipment in their respective brigades. They appear as Other Income in the Operating Statement and as Bank/Cash Equivalents in the Balance Sheet. Bank/Cash Equivalents are brought to account with the basis of calculation being the balances held by brigades as at 31 March 2013, adjusted for known income and expenditure to 30 June 2013.

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

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

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

CFA and Brigades Donations Trust Fund

CFA provided regular and accurate reports of the Trust's operations and financial status to the satisfaction of the Trustees. A total of 1,211 brigades/groups were registered with the Trust at 30 June 2013.

The Trust received \$4.3m during the 2012-13 financial year deposited to the account, compared with \$4.6m during 2011-12.

The 30 June 2013 Trust bank balance was \$1.5m (\$0.5m cash at bank and \$1.0m short term deposit) compared with \$1.6m on 30 June 2012.

Important note

Each year, the contributions received from the State Government and insurance companies provide funding for that year's recurrent expenditure and capital works. These contributions are classified as income (other than State Government contributions for capital which are treated as Contributed Capital). After deducting recurrent expenses for the year, CFA's net result is determined. The 2012-13 result is \$15.2m. Contributions not used for recurrent expenditure provide funding for CFA's capital expenditure program (in part), and also represent funds held for specific programs which have either not yet commenced, or are partially implemented. CFA's accumulated surplus of \$444.9m as disclosed in the balance sheet is an accounting entry reflecting the total of the prior year's operating results, and does not indicate the level of CFA's cash reserves and/or liquidity.

Accountable officers' and chief finance and accounting officer's declaration

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

We further state that in our opinion, the information set out in the comprehensive operating statement, balance sheet statement of changes in equity, cash flow statement and notes forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2013 and financial position of CFA at 30 June 2013.

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

We authorise the attached financial report for issue on 12 August 2013.



12 August 2013
C L Higgins
Acting Chair



12 August 2013
M Bourke
Chief Executive Officer



12 August 2013
N McCormick CA
Executive Manager Financial Services

Comprehensive operating statement

for the financial year ended 30 June 2013

	Notes	2013 \$'000	2012 \$'000
Income from transactions			
Contributions	2(a)	421,092	517,446
Grants	2(b)	19,186	275
Interest	2(c)	8,491	11,758
Sales of goods and services	2(d)	16,046	14,592
Other income	2(e)	10,846	15,614
Total income from transactions		475,661	559,685
Expenses from transactions			
Employee expenses	3(a)	219,583	213,517
Depreciation and amortisation	3(b)	34,700	31,608
Interest expense	3(c)	0	146
Grants and other transfers	3(d)	15,579	7,104
Other operating expenses	3(e)	187,075	207,747
Total expenses from transactions		456,937	460,122
Net result from transactions (net operating balance)		18,724	99,563
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	4(a)	(3,919)	378
Doubtful debts provision gain/(loss) on revaluation	4(b)	(84)	21
Long service leave expense gain/(loss) on revaluation	4(b)	461	(1,601)
Total other economic flows included in net result		(3,542)	(1,202)
Net result		15,182	98,361

The comprehensive operating statement should be read in conjunction with the accompanying notes.

Balance sheet

as at 30 June 2013

	Notes	2013 \$'000	2012 \$'000
Assets			
Financial assets			
Cash and deposits	16(a)	121,575	300,194
Receivables	5	22,665	8,392
Investments and other financial assets	6	121,000	0
Total financial assets		265,240	308,586
Non-financial assets			
Inventories	7	10,454	9,152
Property, plant and equipment	8	1,011,499	936,743
Other non-financial assets	9	1,228	1,115
Total non-financial assets		1,023,181	947,010
Total assets		1,288,421	1,255,596
Liabilities			
Payables	10	21,037	27,568
Provisions	11	99,226	88,380
Total liabilities		120,263	115,948
Net assets		1,168,158	1,139,648
Equity			
Accumulated surplus		444,932	429,750
Physical asset revaluation surplus	17	431,932	431,932
Contributed capital		291,294	277,966
Net Worth		1,168,158	1,139,648
Commitments for expenditure	13		
Contingent assets and contingent liabilities	14		

The balance sheet should be read in conjunction with the accompanying notes.

Statement of changes in equity

for the financial year ended 30 June 2013

\$'000

	Physical Asset			
Notes	Revaluation Surplus	Accumulated Surplus	Contributions by Owner	Total
Balance at 1 July 2011	431,932	331,389	245,416	1,008,737
Net result for the year	0	98,361	0	98,361
Capital appropriations	0	0	32,484	32,484
Transfer of net assets – DSE crown land	0	0	66	66
Balance at 30 June 2012	431,932	429,750	277,966	1,139,648
Net result for the year	0	15,182	0	15,182
Capital appropriations	0	0	13,328	13,328
Balance at 30 June 2013	431,932	444,932	291,294	1,168,158

The statement of changes in equity should be read in conjunction with the accompanying notes.

Cash flow statement

for the financial year ended 30 June 2013

	Notes	2013 \$'000	2012 \$'000
Cash flows from operating activities			
Receipts			
Contribution Receipts from Government		85,910	86,358
Receipts from other entities		358,882	448,473
Goods and Services Tax recovered from the ATO*		28,858	25,961
Interest received		8,501	11,951
Other receipts		11,670	16,312
Total receipts		493,821	589,055
Payments			
Payments of grants and other transfers		(15,579)	(7,104)
Payments to suppliers and employees		(435,813)	(431,396)
Interest and other costs of finance paid		0	(146)
Total Payments		(451,392)	(438,646)
Net cash flows from operating activities	16(b)	42,429	150,410
Cash flows from investing activities			
Payments for investments		(121,000)	0
Purchases of non-financial assets		(117,383)	(78,548)
Proceeds from sale of non-financial assets		4,007	4,000
Net cash flows used in investing activities		(234,376)	(74,548)
Cash flows from financing activities			
Owner contributions by State Government		13,328	32,484
Repayment of borrowings		0	(3,860)
Net cash flows from financing activities		13,328	28,624
Net increase/(decrease) in cash and cash equivalents		(178,619)	104,486
Cash and cash equivalents at the beginning of the financial year		300,194	195,708
Cash and cash equivalents at the end of the financial year	16(a)	121,575	300,194

The cash flow statement should be read in conjunction with the accompanying notes.

Notes:

* Goods and Services Tax is presented on a net basis.

Notes to the financial statements

for the year ended 30 June 2013

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Note 1. Summary of significant accounting policies

These Annual Financial Statements represent the audited general purpose financial statements for the Country Fire Authority (CFA) for the period ending 30 June 2013. The purpose of the report is to provide users with information about the CFA's stewardship of resources entrusted to it.

(a) Statement of compliance

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* (FMA) and applicable Australian Accounting Standards (AAS) which include Interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of the AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied.

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

To gain a better understanding of the terminology used in this report, a glossary of terms and style conventions can be found in Note 23.

These Annual Financial Statements were authorised for issue by the Board of CFA on 12 August 2013.

(b) Basis of accounting, preparation and measurement

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

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

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

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

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

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

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

(c) Reporting entity

The financial statements cover the CFA which is a statutory authority and operates under the *Country Fire Authority Act 1958* (CFA Act 1958). Its principal address is: 8 Lakeside Drive, Burwood East Vic 3151. The financial statements include all transactions of the CFA and Brigades Donations Trust Fund. A description of the nature of CFA's operations and its principal activities is included in the report of operations which does not form part of these financial statements.

(d) Scope and presentation of financial statements

Comprehensive operating statement

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

'Transactions' and 'other economic flows' are defined by the *Australian system of government finance statistics: concepts, sources and methods 2005* and *Amendments to Australian System of Government Finance Statistics, 2005* (ABS Catalogue No. 5514.0) (the GFS manual, refer Note 23).

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

Other economic flows are changes in the volume or changes arising from market remeasurements. They include gains and losses from disposals, revaluations and impairments of non-financial physical and intangible assets; actuarial gains and losses arising from defined benefit superannuation plans; and fair value changes of financial instruments.

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

Balance sheet

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

Current and non-current assets and liabilities (non-current being those assets or liabilities expected to be recovered or settled more than 12 months after the reporting period) are disclosed in the notes, where relevant.

Statement of changes in equity

The statement of changes in equity presents reconciliations of non-owner and owner changes in equity from opening balances at the beginning of the reporting period to the closing balances at the end of the reporting period. It also shows separately changes due to amounts recognised in the 'Comprehensive result' and amounts recognised in 'Other economic flows – other movements in equity' related to 'Transactions with owner in its capacity as owner'.

Cash flow statement

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

Rounding

Amounts in the financial statements have been rounded to the nearest \$1,000, unless otherwise stated. Figures in the financial statements may not equate due to rounding. Please refer to the end of Note 23 for a style convention for explanations of minor discrepancies resulting from rounding.

Changes in accounting policy

The depreciation rate for the transport vehicle asset class was increased from 10 per cent to 15 per cent straight line, effective from 1 July 2012.

(e) Income from transactions

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

Contributions

Statutory contributions are determined under Section 77 of the *CFA Act 1958* and comprise 77.5 per cent from insurance companies insuring against fire for property situated within the country area of Victoria, and 22.5 per cent from the Consolidated Fund. Section 80A addresses property in the country area of Victoria

insured against fire with a person carrying on a business of insurance against fire, not being an insurance company required to make a return under Section 77 of the *CFA Act 1958*. Contributions Income is recognised in the financial year to which the determination under Section 77 and Section 80A applies.

Effective 1 July 2013, with the introduction of the new Fire Services Levy, contributions will be fully (100 per cent) funded by the Consolidated Fund (refer to Note 22 for further information).

Grants

Grants from third parties (other than contributions by owners) are recognised as income in the reporting period in which the grant is receivable or received.

Interest

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

Sales of goods and services

Income from the rendering of services

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

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

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

Income from sale of goods

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

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

Other income

CFA and Brigades Donations Trust Fund

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

(f) Expenses from transactions

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

Employee expenses

Refer to the section in Note 1(k) regarding employee benefits.

These expenses include all costs related to employment (other than superannuation which is accounted for separately) including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments and WorkCover premiums.

Superannuation

The amount recognised in the comprehensive operating statement is the employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period.

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

Depreciation

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

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

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

Asset class	Useful Life
Buildings at cost	67 years
Buildings at valuation	52 years
Leasehold improvements	4 - 50 years
Plant, equipment and vehicles	3 - 20 years

Interest expense

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

Grants and other transfers

Grants and other transfers to third parties (other than contribution to owners) are recognised as an expense in the reporting period in which they are paid or payable.

Other operating expenses

Supplies and services

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

Bad and doubtful debts

Refer Note 1(i) *Impairment of financial assets*.

(g) Other economic flows included in the net result

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

Net gain/(loss) on non-financial assets

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

Revaluation gains/(losses) of non-financial physical assets

Refer to Note 1(j) *Revaluations of non-financial physical assets*.

Disposal of non-financial assets

Any gain or loss on the sale of non-financial assets is recognised at the date that control of the asset is passed to the buyer and is determined after deducting from the proceeds the carrying value of the asset at that time.

Impairment of non-financial assets:

All assets are assessed annually for indications of

impairment, except for inventories and non-current physical assets held for sale.

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

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

Net gain/(loss) on financial instruments:

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

Revaluations of financial instruments at fair value

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

Other gains/(losses) from other economic flows:

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

(h) Financial instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of CFA's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 Financial Instruments Presentation. For example, statutory receivables arising from taxes, fines and penalties do

not meet the definition of financial instruments as they do not arise under contract.

Loans and receivables

Loans and receivables are financial instrument assets with fixed and determinable payments that are not quoted on an active market.

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Loans and receivables category includes cash and deposits (refer to Note 1(i)), trade receivables, loans and other receivables, but not statutory receivables.

Financial liabilities at amortised cost

Financial instrument liabilities are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method.

(i) Financial assets

Cash and deposits

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

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

Receivables

Receivables consist of:

- contractual receivables, which include mainly debtors in relation to goods and services; and
- statutory receivables, which include predominantly amounts owing from the Victorian Government and Goods and Services (GST) input tax credits recoverable.

Contractual receivables are classified as financial instruments and categorised as loans and receivables (refer to Note 1(h) *Financial instruments for recognition*

and measurement). Statutory receivables, are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments because they do not arise from a contract.

Receivables are subject to impairment testing as described below. A provision for doubtful receivables is recognised when there is objective evidence that the debts may not be collected, and bad debts are written off when identified.

For the measurement principle of receivables, refer to Note 1(h).

Investments and other financial assets

Investments may be classified in the following categories:

- financial assets at fair value through profit or loss;
- loans and receivables;
- held-to-maturity; and
- available-for-sale financial assets.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Any dividend or interest earned on the financial asset is recognised in the comprehensive operating statement as a transaction.

Impairment of financial assets

At the end of each reporting period, CFA assesses whether there is objective evidence that a financial asset is impaired. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

Receivables are assessed for bad and doubtful debts on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. Bad debts not written off by mutual consent and the allowance for doubtful receivables are classified as other economic flows in the net result.

The amount of the allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 *Impairment of Assets*.

(j) Non-financial assets

Inventories

Inventories include goods and other property held either for sale or for distribution at zero or nominal cost, or for consumption in the ordinary course of business operations.

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

Cost is assigned to high value, low volume inventory items on a specific identification of cost basis. Cost for all other inventory is measured by the financial system on the basis of weighted average cost.

Property, plant and equipment

All non-financial physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a machinery of government change are transferred at their carrying amount.

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

The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

For the accounting policy on impairment of non-financial physical assets, refer to impairment of non-financial assets under Note 1(g) *Impairment of non-financial assets*.

Leasehold improvements

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

Revaluations of non-financial physical assets

Non-financial physical assets are measured at fair value on a cyclical basis, in accordance with the Financial Reporting Directions (FRDs) issued by the Minister for Finance. A full revaluation normally occurs every five years, based on the asset's government purpose

classification, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are used to conduct these scheduled revaluations and any interim revaluations are determined in accordance with the requirements of the FRDs.

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

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

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

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

Other non-financial assets

Prepayments

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

(k) Liabilities

Payables

Payables consist of:

(1) contractual payables, such as accounts payable, and unearned income including deferred income from concession arrangements. Accounts payable represent liabilities for goods and services provided to CFA prior to the end of the financial year that are unpaid, and arise when CFA becomes obliged to make future

payments in respect of the purchase of those goods and services; and

(2) statutory payables such as goods and services tax and fringe benefits tax payables.

Contractual payables are classified as financial instruments and categorised as financial liabilities at amortised cost (refer to Note 1(h)). Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from a contract.

Provisions

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

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

When some or all of the economic benefits required to settle a provision are expected to be received from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave (LSL) for services rendered to the reporting date.

(1) Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave are recognised in the provision for employee benefits, classified as current liabilities. Those liabilities which are expected to be settled within 12 months of the reporting period, are measured at their nominal values. Those liabilities that are not expected to be settled within 12 months are also recognised in the provision for employee benefits as current liabilities, but are measured at present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

(2) Long service leave

Liability for LSL is recognised in the provision for employee benefits.

Unconditional LSL is disclosed in the notes to the financial statements as a current liability, even where CFA does not expect to settle the liability within 12 months because it will not have the unconditional right to deter the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

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

Conditional LSL is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL liability is measured at present value.

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an other economic flow (refer to Note 1(g) *Other economic flows included in net result*).

(3) Termination benefits

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

Employee benefits on-costs

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

Volunteer compensation

The Provision for Volunteer Compensation is the accrued liability after allowing for anticipated recovery from insurance in respect of all outstanding registered volunteer compensation claims at 30 June 2013.

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

(l) Leases

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

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

Operating leases

CFA leases property under non-cancellable operating leases expiring over the period of one to in excess of 30 years. Operating lease payments, including any contingent rentals, are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset is not recognised in the balance sheet.

(m) Equity

Contributions by owners:

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

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners.

(n) Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note (refer to Note 13) at their nominal value and inclusive of GST payable. In addition, where it is considered appropriate

and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

(o) Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note (refer to Note 14) and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

(p) Accounting for GST

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority are presented as operating cash flow.

Commitments and contingent assets and liabilities are also stated inclusive of GST (refer to Note 1(n) and Note 1(o)).

(q) Events after reporting date

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

(r) Volunteer brigade policies

Volunteer brigade cash and deposits

Volunteer brigade cash and deposits were brought to account at 30 June 2013, as part of the ongoing consolidation of brigade activities with CFA's financial activities. In accordance with Australian Accounting Standard AASB118, the movement has been disclosed as Income in the Comprehensive Operating Statement Note 2(e) and as an increase in financial assets in the Balance Sheet (Note 16).

The basis of calculation for brigade cash and cash equivalents was the balance as at 31 March 2013, adjusted for known income and expenditure to 30 June 2013.

Volunteer brigade land and buildings

CFA acknowledges the significant contributions made by volunteer brigades to the capital value of their fire stations. It has 1,218 volunteer brigades and many of these have made substantial improvements to their fire stations and property over a number of decades. The value of these improvements is taken into account when the five yearly Valuer General's valuation occurs and the aggregate amount is then included in future financial statements. Where practical the value of major community funded projects is taken up at fair value when the improvement is carried out.

Volunteer brigade vehicles

CFA fully recognises the major community contribution by bringing to account, at cost less accumulated depreciation, firefighting vehicles acquired by volunteer brigades (brigade vehicles) and plant and equipment valued at over \$5,000.

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

(s) AASs issued that are not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2013 reporting period. The Department of Treasury and Finance assesses the impact of these new standards and advises departments and other entities of their applicability and early adoption, where applicable. As at 30 June 2013, the following standards and interpretations that are applicable to CFA had been issued but are not mandatory for the financial year ending 30 June 2013. Standards and Interpretations that are not applicable to the Authority have been omitted. The Authority has not early-adopted these standards.

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 9 Financial instruments	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement).	1-Jan-15	Subject to AASB's further modifications to AASB 9, together with the anticipated changes resulting from the staged projects on impairments and hedge accounting, details of impacts will be assessed.
AASB 12 Disclosure of Interests in Other Entities	This Standard requires disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on the financial statements. This Standard replaces the disclosure requirements in AASB 127 and AASB 131.	1-Jan-14	Not-for-profit entities are not permitted to apply this Standard prior to the mandatory application date. The AASB is assessing the applicability of principles in AASB 12 in a not-for-profit context. As such, impact will be assessed after the AASB's deliberation.
AASB 13 Fair Value Measurement	This Standard outlines the requirements for measuring the fair value of assets and liabilities and replaces the existing fair value definition and guidance in other AASs. AASB 13 includes a 'fair value hierarchy' which ranks the valuation technique inputs into three levels using unadjusted quoted prices in active markets for identical assets or liabilities; other observable inputs; and unobservable inputs.	1-Jan-13	Disclosure for fair value measurements using unobservable inputs are relatively onerous compared to disclosure for fair value measurements using observable inputs. Consequently, the Standard may increase the disclosures for public sector entities that have assets measured using depreciated replacement cost.
AASB 119 Employee Benefits	In this revised Standard for defined benefit superannuation plans, there is a change to the methodology in the calculation of superannuation expenses, in particular there is now a change in the split between superannuation interest expense (classified as transactions) and actuarial gains and losses (classified as 'Other economic flows – other movements in equity') reported on the comprehensive operating statement.	1-Jan-13	Not-for-profit entities are not permitted to apply this Standard prior to the mandatory application date. While the total superannuation expense is unchanged, the revised methodology is expected to have a negative impact on the net result from transactions of the general government sector and for those few Victorian public sector entities that report superannuation defined benefit plans.
AASB 128 Investments in Associates and Joint Ventures	This revised Standard sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.	1-Jan-13	Not-for-profit entities are not permitted to apply this Standard prior to the mandatory application date. The AASB is assessing the applicability of principles in AASB 128 in a not-for-profit context. As such, impact will be assessed after the AASB's deliberation.
AASB 1053 Application of Tiers of Australian Accounting Standards	This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements.	1-Jul-13	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) for certain public sector entities and has not decided if RDRs will be implemented in the Victorian public sector.
AASB 1055 Budgetary Reporting	AASB 1055 extends the scope of budgetary reporting that is currently applicable for the whole of government and general government sector (GGS) to NFP entities within the GGS, provided that these entities present separate budgets to the parliament.	1-Jan-14	[If separate budget is presented to the parliament]: <ul style="list-style-type: none"> The entity will be required to restate in the financial statements the budgetary information in accordance with the presentation format prescribed in Australian Accounting Standards and explain the significant variances from the original budget. [If separate budget is not presented to the parliament]: <ul style="list-style-type: none"> This Standard is not applicable as no budget disclosure is required.

In addition to the new standards above, the AASB has issued a list of amending standards that are not effective for the 2012-13 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting.

- AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9.*
- AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.*
- AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).*
- AASB 2011-2 *Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements.*
- AASB 2011-4 *Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements.*
- AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards.*
- AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB 13.*
- AASB 2011-10 *Amendments to Australian Accounting Standards arising from AASB 119 (September 2011).*
- AASB 2011-11 *Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements.*
- 2012-1 *Amendments to Australian Accounting Standards – Fair Value Measurement – Reduced Disclosure Requirements.*
- 2012-2 *Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities.*
- 2012-3 *Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities.*
- 2012-5 *Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle.*
- 2012-7 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.*
- 2012-10 *Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments.*
- 2012-11 *Amendments to Australian Accounting Standards – Reduced Disclosure Requirements and Other Amendments.*
- 2013-1 *Amendments to AASB 1049 – Relocation of Budgetary Reporting Requirements.*
- 2013-2 *Amendments to AASB 1038 – Regulatory Capital.*
- 2013-3 *Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets.*

Note 2. Income from transactions

	2013 \$'000	2012 \$'000
(a) Contributions		
State government	80,229	84,563
Insurance companies	322,251	416,060
Owners and insurance intermediaries	17,041	15,303
Commonwealth government	1,571	1,520
Total contributions	421,092	517,446
(b) Grants		
Summer fire safety campaign	3,600	0
Supplementary funding - Treasurer's Advance	15,076	0
Valuing volunteers funding	510	275
Total grants	19,186	275
(c) Interest		
Interest from financial assets not at fair value through comprehensive operating statement		
Interest on bank deposits	1,379	2,611
Interest on term deposits	7,112	9,147
Total interest revenue	8,491	11,758
(d) Sales of goods and services		
Sale of goods	4,084	4,117
Rendering of services	11,962	10,475
Total revenue from sale of goods and services	16,046	14,592
(e) Other income		
Brigade assets		
Recognition of brigade cash and deposits	1,966	3,821
Vehicles	1,215	1,178
Buildings, plant and equipment	218	150
Subtotal volunteer brigades	3,399	5,149
Property rental	410	469
Donations	4,262	4,510
Other (Aggregate of immaterial items)	2,775	5,486
Total other income	10,846	15,614
Total income from transactions	475,661	559,685

Note 3. Expenses from transactions

	2013 \$'000	2012 \$'000
(a) Employee expenses		
Salaries	183,733	177,367
Superannuation (Note 12)	15,925	15,459
Other on-costs (payroll tax, fringe benefits tax, workcover premium)	13,307	13,138
Employee support	6,618	7,553
Total employee expenses	219,583	213,517
(b) Depreciation and amortisation		
Depreciation of property, plant and equipment		
Buildings	9,428	8,877
Leasehold improvements	297	305
Vehicles	23,025	20,262
Other plant and equipment	1,950	2,164
Total depreciation and amortisation	34,700	31,608
(c) Interest expense		
Interest on loan from TCV	0	146
Total interest expense	0	146
The borrowing of \$3.86m with TCV matured 10 April 2012.		
There are no borrowings for the year ended 30 June 2013.		
(d) Grants and other transfers		
Grants to volunteer brigade associations	1,233	620
Grants to victorian local government	350	377
Grants to Office of the Emergency Services Commissioner/Department of Justice	6,315	6,107
Grants to Fire Services Commissioner	7,681	0
Total grants and other payments	15,579	7,104
(e) Other operating expenses		
Supplies and services		
Uniforms and equipment	8,111	9,399
Printing and stationery	2,821	4,951
Contract payments to external services:- ESTA	48,221	37,175
Contract payments to external services:- other	5	222
Volunteer compensation and insurance	8,000	9,863
Other volunteer and brigade support	1,669	1,946
External training and skills maintenance	1,985	2,260
Aircraft hire	8,003	3,957
Hire fees - plant, equipment & vehicles	4,382	3,918
Consultants fees	310	729
Audit fees (Note 21)	379	468

	2013	2012
	\$'000	\$'000
Publicity/advertising	5,526	6,906
Buildings operating and maintenance	9,172	9,436
Motor vehicle operating and maintenance	16,257	18,532
Computer equipment and systems	5,452	6,550
Radio replacement	3,653	26,700
Communications and alarms	10,531	8,876
Other operating and maintenance	7,583	7,877
Brigade donations distributed	4,262	4,510
Total supplies and services	146,322	164,275
Operating lease rental expenses		
Minimum lease payments	7,004	6,653
Total operating lease rental expenses	7,004	6,653
Subtotal	153,326	170,928
Bad and doubtful debts from transactions	18	26
Cost of goods sold/distributed	6,053	6,263
Legal fees	2,668	1,246
General expenses	4,731	6,339
Contributions to other emergency organisations	706	623
Contractors	18,665	21,873
Catering - operational	908	449
Total other operating expenses	187,075	207,747

Note 4. Other economic flows included in net result

(a) Net gain/(loss) on non-financial assets		
Net gain/(loss) on disposal of property plant and equipment	(3,919)	378
Total net gain/(loss) on non-financial assets	(3,919)	378
(b) Other gains/(losses) from other economic flows		
Doubtful Debts provision gain/(loss) on revaluation	(84)	21
Net gain/(loss) arising from revaluation of long service leave liability*	461	(1,601)
Total other gains/(losses) from other economic flows	377	(1,580)

Notes:

* Revaluation gain/(loss) on long service leave liability is due to changes in the discount bond rates.

Note 5. Receivables

	2013 \$'000	2012 \$'000
Current receivables		
Contractual		
Trade receivables	18,974	4,197
Other receivables	899	1,160
Provision for doubtful contractual receivables	(98)	(14)
	19,775	5,343
Statutory		
GST recoverable	2,715	2,841
Other receivables	175	208
Total receivables	22,665	8,392
(a) Movement in the provision for doubtful contractual receivables		
Balance at beginning of the year	(14)	(297)
Receivables written off during the year as uncollectible	2	262
Receivables recovered during the year	61	33
(Increase)/decrease in provision recognised in the comprehensive operating statement	(147)	(12)
Balance at end of the year	(98)	(14)
(b) Ageing analysis of contractual receivables		
Please refer to Note 15 for the ageing analysis of contractual receivables.		
(c) Nature and extent of risk arising from contractual receivables		
Please refer to Note 15 for the nature and extent of credit risk arising from contractual receivables.		

Note 6. Investments and other financial assets

Current investments		
Term deposits		
Australian dollar term deposits > three months	121,000	0
Total current investments	121,000	0

Note 7. Inventories

	2013 \$'000	2012 \$'000
Current Inventories		
Supplies and consumables:		
At cost	10,454	9,152
Total Inventories	10,454	9,152

Note 8. Property, plant and equipment

Public Safety and Environment purpose group

(a) Gross carrying amount and accumulated depreciation		
Freehold Land		
At fair value	19,432	13,609
At independent valuation 2011	135,031	135,523
	154,463	149,132
Buildings		
At fair value	72,230	37,382
Less: Accumulated depreciation	(1,139)	(390)
At independent valuation 2011	456,413	459,326
Less: Accumulated depreciation	(18,173)	(9,599)
Net carrying amount	509,331	486,719
Leasehold improvements - at fair value		
Less: Accumulated depreciation	(10,852)	(10,555)
Net carrying amount	2,658	1,572
Vehicles - at fair value		
Less: Accumulated depreciation	(191,017)	(172,910)
Net carrying amount	259,472	232,862
Other plant and equipment - at fair value		
Less: Accumulated depreciation	(61,384)	(59,435)
Net carrying amount	7,624	7,209
Property, plant and equipment in the course of construction - at cost		
	77,951	59,249
Net carrying amount of property, plant and equipment	1,011,499	936,743

Note 8. Property, plant and equipment (continued)

8(b) Movements in carrying amounts

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

	Freehold land at fair value	Buildings at fair value	Leasehold improvements at fair value	Vehicles at fair value	Other Plant & Equipment at fair value	*In the course of construction at cost	Total
Carrying amount	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 30 June 2011	138,866	476,020	1,877	225,583	8,884	42,127	893,357
Additions	0	0	0	0	0	78,617	78,617
Disposals	(205)	(194)	0	(3,224)	(0)	0	(3,623)
Transfers to Fixed Assets	10,471	19,770	0	29,587	338	(60,167)	0
Brigade Assets Recognised (Note 2(e))	0	0	0	1,178	150	(1,328)	0
Depreciation expense (Note 3(b))	0	(8,877)	(305)	(20,262)	(2,164)	0	(31,608)
Balance at 30 June 2012	149,132	486,719	1,572	232,862	7,209	59,249	936,743
Additions	0	0	0	0	0	117,383	117,383
Disposals	(492)	(2,808)	0	(4,626)	0	0	(7,927)
Transfers to Fixed Assets	5,823	34,848	1,383	53,046	2,147	(97,248)	0
Brigade Assets Recognised (Note 2(e))	0	0	0	1,215	218	(1,433)	0
Depreciation expense (Note 3(b))	0	(9,428)	(297)	(23,025)	(1,950)	0	(34,700)
Balance at 30 June 2013	154,463	509,331	2,658	259,472	7,624	77,951	1,011,499

Notes:

* All asset transactions are capitalised via the Work in Progress accounts.

Note 9. Other non-financial assets

	2013 \$'000	2012 \$'000
Current other assets		
Prepayments	695	448
Total current other assets	695	448
Non-current other assets		
Prepayments	533	667
Total non-current other assets	533	667
Total other assets	1,228	1,115

Note 10. Payables

Current payables		
Contractual		
Trade payables	3,863	4,278
Amounts payable to government and agencies	2,028	3,193
Other payables and accruals	12,514	17,557
	18,405	25,028
Statutory		
FBT payable	235	165
Other taxes payable	2,397	2,375
	2,632	2,540
Total Payables	21,037	27,568

(a) Maturity analysis of contractual payables

Please refer to Note 15 for the ageing analysis of contractual payables.

(b) Nature and extent of risk arising from payables

Please refer to Note 15 for the nature and extent of risks arising from payables.

Note 11. Provisions

	2013 \$'000	2012 \$'000
Current provisions		
Employee benefits * (Note 11(a)) – annual leave:		
Unconditional and expected to be settled within 12 months **	19,391	18,161
Unconditional and expected to be settled after 12 months +	6,649	4,414
Employee benefits * (Note 11(a)) – long service leave:		
Unconditional and expected to be settled within 12 months **	1,707	1,678
Unconditional and expected to be settled after 12 months +	32,429	29,395
	60,176	53,648
Provisions related to employee benefit on-costs (Note 11(a)):		
Unconditional and expected to be settled within 12 months **	4,816	4,540
Unconditional and expected to be settled after 12 months +	7,495	6,433
	12,311	10,973
Volunteer compensation (Note 1(k))	4,063	3,262
Total current provisions	76,550	67,883
Non-current provisions		
Employee benefits * (Note 11(a))	4,759	4,584
Provisions related to employee benefit on-costs (Note 11(a))	825	795
Volunteer compensation (Note 1(k))	17,092	15,118
Total non-current provisions	22,676	20,497
Total provisions		
Employee benefits (Note 1(k)), (Note 11(a))	78,071	70,000
Volunteer compensation (Note 1(k))	21,155	18,380
	99,226	88,380
(a) Employee benefits and related on-costs		
Current employee benefits		
Annual leave entitlements	26,040	22,575
Unconditional long service leave entitlements	34,136	31,073
Non-current employee benefits		
Conditional long service leave entitlements	4,759	4,584
Total employee benefits	64,935	58,232
Current on-costs	12,311	10,973
Non-current on-costs	825	795
Total on-costs	13,136	11,768
Total employee benefits and related on-costs	78,071	70,000

Notes:

* Employee benefits consist of amounts for annual leave and long service leave accrued not including on-costs.

** The amounts disclosed are nominal amounts.

+ The amounts disclosed are discounted to present values.

(b) Movement in provisions				
	Employee benefits	On-costs	Volunteer compensation	Total
(\$'000)	2013	2013	2013	2013
Opening balance	58,232	11,768	18,380	88,380
Additional provisions recognised	27,742	4,933	8,005	40,680
Reductions arising from payments	(20,646)	(3,497)	(4,852)	(28,995)
Effect of changes in the discount rate	(393)	(68)	(378)	(839)
Closing balance	64,935	13,136	21,155	99,226
Current	60,176	12,311	4,063	76,550
Non-current	4,759	825	17,092	22,676
	64,935	13,136	21,155	99,226

Note 12. Superannuation

Employees of CFA are entitled to receive superannuation benefits and CFA contributes to both defined benefit and accumulation contribution plans managed by the Emergency Services Superannuation Scheme (ESSS). The defined benefit plan provides benefits based on years of service and final average salary.

CFA does not recognise any defined benefit liability in respect of the plans because CFA has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance recognises and discloses the State's defined benefit liabilities in its disclosure for administered items.

However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of CFA. There were no superannuation contributions outstanding at 30 June 2013. The name and details of each of the major employee superannuation funds and contributions made by CFA are as follows:

	2013	2012
	\$'000	\$'000
Fund		
Defined benefits schemes		
Emergency Services Superannuation Scheme (ESSS)	10,171	9,715
Other	63	57
Accumulation Schemes		
Emergency Services Superannuation Plan (ESSS Plan)	5,474	5,518
Others	217	169
Total (Note 3(a))	15,925	15,459

Note 13. Commitments for expenditure

	2013 \$'000	2012 \$'000
	<i>Nominal value</i>	<i>Nominal value</i>
(a) Commitments		
Capital expenditure commitments		
Plant, equipment and vehicles	14,799	65,698
Total capital expenditure commitments	14,799	65,698
Non-cancellable operating lease commitments		
Land and buildings including regional and administration offices, mechanical workshops, training grounds and computer equipment	39,580	27,216
Total operating lease commitments	39,580	27,216
Other expenditure commitments		
Emergency Services Telecommunications Authority (ESTA) agreement commitments	421,616	413,028
Other service payments	68,472	0
Total other expenditure commitments	490,088	413,028
Total commitments for expenditure (inclusive of GST)	544,467	505,942

(b) Other service provider contract commitments

(i) Metropolitan Mobile Radio Services

CFA has entered into a contract with the Metropolitan Fire Brigade as a third party to their contract with the service provider. Base level service fees for 2012-13 were \$0.157m (\$0.324m 2012).

(ii) Personal Protective Clothing

CFA has entered into various contracts with service providers of personal protective clothing. Costs incurred for 2012-13 were \$2.989m (\$4.548m 2012). Future commitment timelines are not shown as the amounts are dependent on actual product usage or service provision which varies from year to year.

(c) Commitments payable

Capital expenditure commitments payable

Payable:

Not longer than one year	14,799	65,698
Total capital expenditure commitments	14,799	65,698
Non-cancellable operating lease payables		
Not longer than one year	7,027	7,146
Longer than one year and not longer than five years	16,815	12,927
Longer than five years	15,738	7,143
Total lease commitments	39,580	27,216
Other expenditure commitments		
Not longer than one year	51,916	53,060
Longer than one year and not longer than five years	199,524	148,239
Longer than five years	238,648	211,729
Total other expenditure commitments	490,088	413,028
Total commitments for expenditure (inclusive of GST)	544,467	505,942
Less GST recoverable from the Australian Taxation Office	(49,497)	(45,995)
Total commitments for expenditure (exclusive of GST)	494,970	459,947

(d) Committed funds

Refer to the Report of Operations within the Annual Report for further details of committed cash and deposits.

Note 14. Contingent assets and contingent liabilities

Contingent asset

At 30 June 2013, CFA is pursuing a substantial claim for unpaid insurance contributions pursuant to s.80A of the *Country Fire Authority Act 1958*. Due to the complexity of issues associated with legal matters and their discretionary nature, quantification of the financial effect cannot be readily estimated and it is therefore impractical to do so.

Contingent liabilities

CFA has the following unquantifiable contingent liabilities.

(i) At 30 June 2013, CFA is included as a party in a number of legal proceedings. Due to the diversity of issues associated with these legal matters and their discretionary nature, quantification of the financial effect cannot be reliably estimated and it is therefore impractical to do so.

(ii) An independent investigation has been undertaken by Professor Joy into the historical use of chemicals for live firefighting training at Fiskville between 1971 and 1999. The Report of the independent investigation has been released and CFA has accepted all the facts, recommendations and conclusions and is committed to implementing all recommendations. In August 2012, CFA established a Program Office to manage the implementation of all Professor Joy's recommendations and an additional 11 management initiatives to which the CFA Board committed in its response to his report. At this stage it is impractical to quantify the financial effects as a result of the investigation.

Note 15. Financial instruments

(a) Financial risk management objectives and policies

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

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

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

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

Table 15.1: Categorisation of financial instruments	2013 \$'000	2012 \$'000
Contractual financial assets (loans and receivables)		
Cash and deposits	121,575	300,194
Receivables:*		
Sale of goods and services	18,876	4,183
Other receivables	899	1,160
Investments		
Term Deposits	121,000	0
Total contractual financial assets	262,350	305,537
Contractual financial liabilities (at amortised cost)		
Payables:*		
Supplies and services	3,863	4,278
Amounts payable to government and agencies	2,028	3,193
Other payables	12,514	17,557
Total contractual financial liabilities	18,405	25,028

Notes:

* The total amounts disclosed here exclude statutory amounts. (e.g. amounts owing from Victorian Government and GST input tax credit recoverable, and taxes payable).

(b) Credit risk

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

CFA minimises concentrations of credit risk in relation to trade accounts receivable by undertaking transactions with a large number of customers. Other than trade debtors, the major amounts owing at any point in time are from Government (no credit risk considered), and the pool of insurance industry contributors.

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

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

CFA has in place a Board-approved Treasury Management Policy that has been formally noted by the Department of Treasury and Finance and is in compliance with the *Borrowing and Investment Powers Act (1987)*

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

Financial assets that are either past due or impaired

Currently CFA does not hold any collateral as security or credit enhancements relating to any of its financial assets. As at reporting date, there is no event to indicate that any of the financial assets are impaired.

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

Table 15.2: Ageing analysis of contractual financial assets

(\$'000)

2013	Carrying Amount	Not past due and not impaired	Past due but not impaired				Impaired financial assets
			Less than 1 month	1-3 months	3 months-1 year	1-5 years	
Cash and deposits	121,575	121,575	0	0	0	0	0
Receivables*							
Sale of goods and services	18,876	16,718	816	595	747	0	0
Other receivables	899	899	0	0	0	0	0
Investments							
Term Deposits	121,000	121,000	0	0	0	0	0
Total	262,350	260,192	816	595	747	0	0
2012							
Cash and deposits	300,194	300,194	0	0	0	0	0
Receivables*							
Sale of goods and services	4,183	2,864	611	263	445	0	0
Other receivables	1,160	1,160	0	0	0	0	0
Total	305,537	304,218	611	263	445	0	0

Notes:

* The carrying amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable).

(c) Liquidity risk

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

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

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

Table 15.3: Maturity analysis of contractual financial liabilities

	Carrying Amount	Nominal amount	Maturity dates *			
			Less than 1 month	1-3 months	3 months - 1 year	1-5 years
2013						
Payables:**						
Amounts payable to other government agencies	2,028	2,028	2,028	0	0	0
Trade and other payables	16,377	16,377	16,377	0	0	0
	18,405	18,405	18,405	0	0	0
2012						
Payables:**						
Amounts payable to other government agencies	3,193	3,193	3,193	0	0	0
Trade and other payables	21,835	21,835	21,835	0	0	0
	25,028	25,028	25,028	0	0	0

Notes:

* The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities.

** The carrying amounts disclosed exclude statutory amounts.

(d) Market risk

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

(i) Foreign currency risk

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

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

(ii) Interest rate risk

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

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

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

Table 15.4: Interest rate exposure of financial instruments

(\$'000)					
2013	Weighted average effective interest rate %	Carrying Amount	Interest rate exposure		
			Fixed interest rate	Variable interest rate	Non-interest bearing
Financial assets					
Cash and cash equivalents	3.20	121,575	30,000	91,526	46
Receivables*					
Sale of goods and services		18,876	0	0	18,876
Other receivables		899	0	0	899
Term Deposits	2.85	121,000	121,000	0	0
		262,350	151,000	91,526	19,821
Financial liabilities					
Payables:					
Amounts payable to other government agencies		2,028	0	0	2,028
Trade and other payables		16,377	0	0	16,377
		18,405	0	0	18,405
2012					
Financial assets					
Cash and cash equivalents	4.30	300,194	211,000	89,148	46
Receivables*					
Sale of goods and services		4,183	0	0	4,183
Other receivables		1,160	0	0	1,160
		305,537	211,000	89,148	5,389
Financial liabilities					
Payables:					
Amounts payable to other government agencies		3,193	0	0	3,193
Trade and other payables		21,835	0	0	21,835
		25,028	0	0	25,028

Note:

* The carrying amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST recoverable).

Sensitivity disclosure analysis and assumptions

CFA's sensitivity to market risk is determined based on the observed range of actual historical data for the preceding five year period, with all variables other than the primary risk variable held constant. CFA's fund managers cannot be expected to predict movements in market rates. The sensitivity analysis is shown for illustrative purposes only. The following interest rate movement is reasonably possible over the next 12 months – a movement of 100 basis points up and down (2012: 100 basis points up and down) in market interest rates.

The following table shows the impact of interest rate sensitivity on CFA's net result and equity for financial instruments held by CFA at the end of the reporting period if the above movement were to occur.

Table 15.5: Interest rate risk sensitivity

		(\$'000)			
		Interest rate			
		-100 basis points		+100 basis points	
	Carrying Amount	Net result	Accumulated Surplus	Net result	Accumulated Surplus
2013					
Contractual financial assets					
Cash and deposits (floating rates)	91,526	(915)	0	915	0
Total impact		(915)	0	915	0
2012					
Contractual financial assets					
Cash and deposits (floating rates)	89,148	(891)	0	891	0
Total impact		(891)	0	891	0

(e) Fair value

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

Level 1 – the fair values of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices

Level 2 – the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability either directly or indirectly; and

Level 3 – the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

CFA considers that the carrying amount of financial instrument assets and liabilities recorded in the financial statements to be a fair approximation of their fair values, because of the short-term nature of the financial instruments and the expectation that they will be paid in full and all are determined at Level 1 above.

Note 16. Cash flow information

(a) Reconciliation of cash and deposits		
For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and cash at bank, deposits at call and highly liquid investments with short periods to maturity that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:		
	2013	2012
	\$'000	\$'000
Cash at bank and on hand	66,575	61,194
Short term deposits	55,000	239,000
	121,575	300,194
(b) Reconciliation of net result for the period to net cash flows from operating activities		
Comprehensive net result for the period	15,182	98,361
Non-cash movements:		
Depreciation and amortisation of non-current assets	34,700	31,608
Allowance for doubtful debts	84	(283)
(Gain)/loss on sale of non-current assets	3,919	(378)
Movements in assets and liabilities:		
(Increase)/decrease in assets:		
Receivables and prepayments	(14,470)	1,385
Current inventories	(1,302)	(2,880)
Increase/(decrease) in liabilities:		
Current payables	(6,531)	8,285
Employee entitlements	8,072	9,040
Volunteer compensation	2,775	5,272
Total adjustments	27,247	52,049
Net cash inflow from operating activities	42,429	150,410

Note 17. Reserves

	2013	2012
	\$'000	\$'000
Physical asset revaluation surplus		
Asset Revaluation Surplus – Land	110,931	110,931
Asset Revaluation Surplus – Buildings	321,001	321,001
	431,932	431,932
Movements		
Asset revaluation surplus		
Balance at beginning of financial year	431,932	431,932
Revaluation increment (decrement) of freehold land	0	0
Revaluation increment (decrement) of buildings	0	0
Movement for the year	0	0
Balance at end of financial year	431,932	431,932
Nature and purpose of reserve		
Physical asset revaluation surplus		
The physical asset revaluation surplus is used to record increments and decrements on the revaluation of land and buildings, as described in accounting policy Note 1(j).		

Note 18. Trust account balances

The following is a list of trust account balances relating to trust accounts controlled by CFA.

1. Public Trust

The Public Trust is a public fund for the purpose of the *Income Tax Assessment Act 1997 (as amended)*.

The purpose is to assist CFA volunteers and to further develop their leadership and firefighting skills.

2. CFA and Brigades Donations Fund

The CFA and Brigades Donations Fund is a public fund for the purpose of the *Income Tax Assessment Act 1997 (as amended)*.

The general objectives of the Trust are to raise and receive money and donations of goods and services from the public for distribution to brigades in order to enable them to meet the costs of purchasing and maintaining firefighting equipment and facilities, providing training and resources and to otherwise meet brigade administrative expenses associated with their firefighting functions.

	\$'000		2013	
	Opening balance as at July 2012	Total Receipts	Total Payments	Closing balance as at 30 June 2013
Cash and cash equivalents and Investments				
Controlled Trusts				
Public Trust	1,576	300	137	1,739
CFA and Brigades Donations Fund	1,581	4,328	4,454	1,455
Total Controlled Trusts	3,157	4,628	4,591	3,194
	\$'000		2012	
	Opening balance as at 1 July 2011	Total Receipts	Total Payments	Closing balance as at 30 June 2012
Cash and cash equivalents and Investments				
Controlled Trusts				
Public Trust	2,082	70	576	1,576
CFA and Brigades Donations Fund	1,588	4,592	4,599	1,581
Total Controlled Trusts	3,670	4,662	5,175	3,157

Note 19. Responsible persons

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

Names

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

Responsible Minister

Minister for Police and Emergency Services:

- The Honourable Peter Ryan, MLA – 1 July 2012 to 13 March 2013
- The Honourable Kim Wells, MLA – 13 March 2013 to 30 June 2013

Authority Members (CFA Board members)

- K A Murphy (Chair) – 1 July 2012 to 30 September 2012
- C L Higgins (Acting Chair) – 1 July 2012 to 30 June 2013
- M A Byatt – 1 July 2012 to 30 June 2013
- R G Coyle – 1 July 2012 to 30 June 2013
- P R Denham – 1 July 2012 to 30 June 2013
- P B Harmsworth – 1 July 2012 to 30 June 2013
- K W King – 1 July 2012 to 13 October 2012
- R C Mather – 1 July 2012 to 30 June 2013
- J R Peberdy – 1 July 2012 to 30 June 2013
- J D Robertson – 1 July 2012 to 30 June 2013
- R N Spencer – 1 July 2012 to 30 June 2013
- M J Taylor – 7 November 2012 to 30 June 2013
- M G Tudball – 1 July 2012 to 30 June 2013

Accountable Officer

- M Bourke (Chief Executive Officer) – 1 July 2012 to 30 June 2013
- E Ferguson (Acting Chief Executive Officer) – 18 September 2012 to 15 October 2012

Remuneration (other than the Responsible Minister)

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

	2013	2012
Income Band	No.	No.
\$0 - \$9,999	1	2
\$10,000 - \$19,999	11	9
\$20,000 - \$29,999	0	2
\$40,000 - \$49,999	1	0
\$50,000 - \$59,999	0	1
\$320,000 - \$329,999	1	0
\$350,000 - \$359,999	0	1
Total Numbers	14	15
Total Amount \$'000	557	616

C L Higgins is Chair of Victoria State Emergency Services and a Board member of Ambulance Victoria. J R Peberdy is Chair of Victorian Managed Insurance Authority. M J Taylor is a Board member of the Public Transport Development Authority and the Bushfire Cooperative Research Centre.

CFA had transactions with these entities which were at arms-length from CFA Board members and at normal commercial terms. There were no other transactions between CFA and the CFA Board members or CFA Board member related entities.

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

Note 20. Remuneration of executives and payments to other personnel (including contractors with significant management responsibilities)

(a) Remuneration of executives

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

Several factors have affected total remuneration payable to executives over the year. This includes bonus payments and payments relating to officer's retirement, resignation or contract completion. A number of executives received bonus payments during the year. These bonus payments depend on the terms of individual employment contracts. All CFA executive contracts provide for consideration of an annual bonus payment.

	Total remuneration		Base remuneration	
	2013 No.	2012 No.	2013 No.	2012 No.
Income Band				
\$100,000 - \$109,999	1	0	1	0
\$110,000 - \$129,999	3	0	2	0
\$150,000 - \$159,999	0	1	4	9
\$160,000 - \$169,999	2	8	1	3
\$170,000 - \$179,999	3	1	4	3
\$180,000 - \$189,999	2	4	8	5
\$190,000 - \$199,999	6	5	4	4
\$200,000 - \$209,999	2	5	3	0
\$210,000 - \$219,999	4	0	0	0
\$220,000 - \$229,999	3	0	0	1
\$230,000 - \$239,999	2	0	1	1
\$240,000 - \$249,999	2	1	1	0
\$260,000 - \$269,999	1	0	0	0
\$270,000 - \$279,999	0	1	0	1
\$290,000 - \$299,999	0	1	1	0
\$320,000 - \$329,999	1	1	0	0
Total Number of executives	32	28	30	27
In the 2012-13 year three executives with a base and one executive with a total remuneration, were below the \$100,000 reporting threshold.				
In the 2011-12 year 10 executives with a base and nine executives with a total remuneration, were below the \$100,000 reporting threshold.				
A total of 33 individuals were employed as executives during 2012-13.				
A total of 37 individuals were employed as executives during 2011-12.				
The total annualised employee equivalent and total remuneration for these executives (above and below \$100,000) were as follows:				
Total annualised employee equivalent (AEE)*	30.5	27.5	30.5	27.5
Total Amount \$'000	6,386	5,758	5,621	5,018

Notes:

* Annualised employee equivalent is based on working 38 ordinary hours per week over the reporting period.

(b) Payments to other personnel (i.e. contractors with significant management responsibilities)

The following disclosures are made in relation to other personnel of CFA, i.e. contractors charged with significant management responsibilities.

Payments have been made to one contractor with significant management responsibilities, which is disclosed in the \$10,000 expense band. This contractor is responsible for the planning, directing or controlling, directly or indirectly, of CFA's activities in connection with the 'Informing the Future' program of work relating to the CFA State Training College, Fiskville.

Expense Band	2013	2012
	No.	No.
\$250,000 - \$259,999	1	0
Total Expenses \$'000 (exclusive of GST)	257	0

Note 21. Remuneration of auditors

	2013	2012
	\$'000	\$'000
Audit of the financial statements by the Victorian Auditor-General's Office	103	100
Audit fees - Internal audit services	276	368
	379	468

Note 22. Subsequent events

From 1 July 2013, the Victorian Government introduced the new property-based fire services levy which will replace the existing arrangements of raising funds through insurance companies. The Government's intention for this new levy is to ensure that all property owners contribute to funding Victoria's fire services, not just those who take out adequate insurance. It is calculated based on the capital improved value of a property and will be collected by councils with rates, on behalf of the Government.

Note 23. Glossary of terms and style conventions

Comprehensive result

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

Commitments

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

Depreciation

Depreciation is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense is classified as a 'transaction' and so reduces the 'net result from transaction'.

Employee benefits expenses

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

Financial asset

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

Financial instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets or liabilities that are not contractual (such as statutory receivables or payables that arise as a result of statutory requirements imposed by governments) are not financial instruments.

Financial liability

A financial liability is any liability that is: (a) A contractual obligation: (i) to deliver cash or another financial asset to another entity; or (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity, or (b) A contract that will or may be settled in the entity's own equity instruments and is: (i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

Financial statements

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

Grants and other transfers

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

Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

Interest expense

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

Interest income

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

Net acquisition of non-financial assets (from transactions)

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

Net result

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

Net result from transactions/net operating balance

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

Net worth

Assets less liabilities, which is an economic measure of wealth.

Non-financial assets

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

Other economic flows

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

Payables

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

Receivables

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

Sales of goods and services

Refers to revenue from the direct provision of goods and services and includes fees and charges for services rendered, sales of goods and services and fees from regulatory services. It excludes rent income from the use of non-produced assets such as land.

Supplies and services

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

Transactions

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

Style conventions

Figures in the tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts.

The notation used in the tables is as follows:

0 zero, or rounded to zero
(xxx.xx) negative numbers
200x-0x year period

The financial statements and notes are presented based on the illustration for a government department in the 2012-13 Model Report for Victorian Government Departments. The presentation of other disclosures is generally consistent with the other disclosures made in earlier publications made in earlier publications of the Department's annual reports.



Victorian Auditor-General's Office

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Melbourne VIC 3000
Telephone 61 3 8601 7000
Facsimile 61 3 8601 7010
Email comments@audit.vic.gov.au
Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Board Members, Country Fire Authority

The Financial Report

The accompanying financial report for the year ended 30 June 2013 of the Country Fire Authority which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the accountable officer's and chief finance and accounting officer's declaration has been audited.

The Board Members' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Auditing in the Public Interest

Independent Auditor's Report (continued)

Independence

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

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Country Fire Authority as at 30 June 2013 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of the Country Fire Authority for the year ended 30 June 2013 included both in the Country Fire Authority's annual report and on the website. The Board Members of the Country Fire Authority are responsible for the integrity of the Country Fire Authority's website. I have not been engaged to report on the integrity of the Country Fire Authority's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

MELBOURNE
19 August 2013


for John Doyle
Auditor-General

CFA RISK ATTESTATION – 2012/2013



Attestation of CFA's Risk Management System - Compliance with Australian/New Zealand Risk Management Standard

We certify that Country Fire Authority (CFA) has risk management processes in place consistent with the Australian/New Zealand Risk Management Standard (AS/NZS ISO 31000:2009) and that an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures. The CFA Board verifies this assurance and that the risk profile of CFA has been critically reviewed within the last 12 months.

A handwritten signature in black ink, appearing to read 'C. Higgins'.

Claire Higgins
Acting Chair
Country Fire Authority
12 August 2013

A handwritten signature in black ink, appearing to read 'M. Bourke'.

Mick Bourke
Chief Executive Officer
Country Fire Authority
12 August 2013

CFA INSURANCE ATTESTATION – 2012/2013



Attestation of CFA's Insurance Management System - Compliance with Ministerial Direction 4.5.5.1

I, Mick Bourke, certify that the Country Fire Authority (CFA) has complied with Ministerial Direction 4.5.5.1 - Insurance

A handwritten signature in black ink, appearing to read 'M. Bourke'.

**Mick Bourke
Chief Executive Officer
Country Fire Authority
30 June 2013**

Powers, duties and responsibilities

The Country Fire Authority Act 1958 (the Act) provides the principal source of direction as to our powers, duties and responsibilities including:

Section	Summary of Power, Duty or Responsibility
14	Control of the prevention and suppression of fires in country areas
20	General duty of the Authority
20AA	General powers of the Authority
20AAA	Duty to assist in major emergency
20A	Attendances unconnected with a fire
27	Chief Officer to have control of all brigades
28	Powers and duties of Chief Officer
29	General powers and duties of Chief Officer
30 and 33(2)	Powers of officers at fires
30A	Authorisation of certain persons
35	Authority to inform the Secretary to Department of Human Services in certain matters
36	Authority may require certain municipalities to provide hydrants in streets etc
36A	Determination of sole responsibility for fire prevention in certain areas
37A	Direction not to light a fire
38	Lighting fires in accordance with permit
40 (5A)	Provisions about total fire bans
41B	Objection to notices
41E	Fire prevention infringement notices
44A	Power to Chief Officer to close roads
48	Power of Police, Chief Officer etc to direct extinguishment of fires
50AA	Alarm monitoring service to provide prescribed information
74G	Vacancies
87AA	Authority may charge for services under other Acts and regulations
91	Owners of houses and property to give information as to insurance
92	Immunity provision
93	Damage to be covered by fire insurance
93A	Interstate fire brigades and international fire brigades
97	Authority is a protection agency
97A	Authority may provide rescue and extrication services
97B	Authority may provide road accident and rescue service
97C	Authority may provide protection services
98	Place where fire occurs
102	Collections for brigades, etc, to be authorised by Authority
106A	Damage or interference with fire indicator panel or other apparatus
107	Obstruction of officers and damage to apparatus
107B	False report of fire

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

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

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

Victorian Acts

- *Audit Act 1994*
- *Borrowing and Investment Powers Act 1987*
- *Charter of Human Rights & Responsibilities Act 2006*
- *Country Fire Authority Act 1958*
- *Dangerous Goods Act 1985*
- *Disability Act 2006*
- *Electricity Safety Act 1998*
- *Emergency Management Act 1986*
- *Environment Protection Act 1970*
- *Equal Opportunity Act 2010*
- *Financial Management Act 1994*
- *Fire Services Commissioner Act 2010*
- *Freedom of Information Act 1982*
- *Information Privacy Act 2000*
- *Occupational Health and Safety Act 2004*
- *Planning and Environment Act 1987*
- *Public Administration Act 2004*
- *Public Records Act 1973*
- *Rail Safety Act 2006*
- *Residential Tenancies Act 1997*
- *Subdivision Act 1988*
- *Whistleblowers Protection Act 2001*

Commonwealth Acts

- *Fair Work Act 2009*
- *Human Rights and Equal Opportunity Act 1986*
- *Ombudsman Act 1973*
- *Telecommunications Act 1997*

Contributions

Contributions by insurance companies

The following companies which insure against fire, property situated within the country area of Victoria, made contributions in accordance with sections 77-77B of the CFA Act during 2012-13.

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

Contributions other than insurance companies

Section 80A of the CFA Act addresses property in the country area of Victoria insured against fire with a person carrying on a business of insurance against fire, not being an insurance company required to make a return under section 77 of the CFA Act. The following companies made contributions in accordance with section 80A of the CFA Act during 2012-13.

ALTIORA INSURANCE SOLUTIONS	MARSH PTY LTD
AON RISK SERVICES AUST LTD	REDPATH IDEAL GREENHOUSES PTY LTD
AUSTBROKERS SYDNEY PTY LTD	RICEGROWERS LTD
BMW AUSTRALIA FINANCE LTD	ROSEMAUR PROPERTIES PTY LTD
BOVILL RISK & INSURANCE CONSULTANTS PTY LTD	SHELL AUSTRALIA LTD
CONSOLIDATED INSURANCE AGENCIES PTY LTD	SISTEMA PLASTICS AUSTRALIA LIMITED
CROMBIE LOCKWOOD (NZ) LTD	SPECIALISED BROKING ASSOCIATES PTY LTD
G-TECH SEPARATION PTY LTD	STRATHEARN INSURANCE BROKERS
GUARDIAN UNDERWRITING SERVICES	TERRACE INSURANCE BROKERS PTY LTD
JARDINE LLOYD THOMPSON PTY LTD	TOLEHOUSE RISK SERVICES PTY LTD
KJ RISK GROUP PTY LTD	WILLIS AUSTRALIA LTD
MA RISK SOLUTIONS PTY LTD	

Disclosure index

Victorian Industry Participation Policy (VIPP)

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

A total of eight contracts were commenced or completed during 2012-13 to which the VIPP applied. Contracts in regional Victoria exceeding \$1 million in value included the CFA/SES collocations at Tallangatta and Wycheproof, the CFA/Bullocke

Shire Collocation at Berrywillock, new fire stations at Beechworth and Wonthaggi and contracts for the new shower block and new student accommodation at Fiskville Training College.

Local content (including all labour and materials) for the eight contracts reported was around 95 per cent.

Compliance with statutory disclosure requirements

CFA's Annual Report is prepared in accordance with all relevant Victorian legislations and pronouncements. This index has been prepared to facilitate identification of CFA's compliance with statutory disclosure requirements.

Reference	Requirement	Reference Page
Charter and purpose		
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FRD 22C	Objectives, functions, powers and duties	11
FRD 22C	Nature and range of services provided	14
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Reference	Requirement	Reference Page
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FRD 113	Investments in Subsidiaries, Jointly Controlled Entities and Associates	109
FRD 114A	Financial Instruments – General Government Entities and Public Non Financial Corporations	107
FRD 119	Contributions by owners	154

Relevant legislation and policies

Financial Management Act 1994

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

Compliance with the Protected Disclosure Act 2012 (formerly the Whistleblowers Protection Act 2001)

The *Protected Disclosure Act 2012* (the Act) encourages and assists people in making disclosures of improper conduct by public officers and public bodies. The Act provides protection to people who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

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

Disclosures of improper conduct or detrimental action taken by CFA or any of its public officers should be made directly to the Independent Broad-based Anti-corruption Commission, Level 1, North Tower, 459 Collins Street, Melbourne, Victoria 3000 www.ibac.vic.gov.au.

In relation to the matters specified in section 70 of the *Protected Disclosure Act 2012* during the reporting year:

- CFA has procedures in accordance with Part 9 of the Act;
- CFA's procedure is accessible from <http://www.cfa.vic.gov.au/protected-disclosure-act>;
- Copies of CFA's procedure is available for public access during normal business hours from districts, regions and headquarters; and
- The number of disclosures to CFA under the former *Whistleblowers Protection Act 2001* during the period 1 July 2012 to 9 February 2013 was nil.

Information Privacy Act 2000

The Information Privacy Act 2000 regulates how CFA protects the privacy of individuals, including but not limited to CFA members.

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

CFA has a privacy policy and registers and responds to all enquiries and complaints.

Freedom of Information Act 1982

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

Making a request

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

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

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

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

- an individual's personal information, such as personnel records;
- information which is currently available in the public domain; and
- information which is available for purchase (e.g. fire incident reports).

Fees and charges

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

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

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

Freedom of information contact information

CFA Freedom of Information Officer, PO Box 701 Mount Waverley Vic 3149. Telephone: (03) 9262 8512; email: foi@cfa.vic.gov.au

CFA consultancies 2012-13

Details of individual external consultancies over \$10,000

(\$'000)						
Consultant	Purpose of consultancy	Start date	End date	Total approved project fee (excl. GST)	Expenditure 2012-13 (excl. GST)	Future expenditure (excl. GST)
Red Strategic Communications	Community engagement in relation to municipal fire management plans	May 2012	Jun 2013	32.0	27.4	0.0
Stevenson Hallifax	Organisational culture and leadership assessments	Sep 2011	Jun 2014	240.0	96.8	46.4
Wyndarra Consulting	Risk management policy and related governance tools processes	May 2012	Sep 2012	32.0	17.3	0.0
Grosvenor Management Consulting	Business process and workflow architecture	Jan 2013	Feb 2013	25.0	19.7	0.0
Nous Group	Organisation performance	Jan 2013	Apr 2013	150.0	12.6	0.0
CDL & Associates	Financial model review	Jan 2013	Feb 2013	48.0	22.1	0.0
Cube Management	Value for money review	Mar 2013	Jun 2013	67.6	57.7	0.0
Cube Management	Fleet maintenance business service model assessment	May 2013	Aug 2013	20.0	15.2	4.8
Pricewaterhouse Coopers	State Fire Management Planning Strategy review	Apr 2013	Sep 2013	100.0	18.2	0.0
Pricewaterhouse Coopers	Sustainable planning practices review	Feb 2013	Jul 2013	55.0	20.0	0.0
Total				769.6	307.1	51.2

Details of external consultancies less than \$10,000

In 2012-13, CFA engaged two consultancies where the total fees payable to the consultants were less than \$10,000, with a total expenditure of \$2,983 (excl. GST).

CFA Annual Report 2012-13

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