



ANNUAL REPORT 2008

This Annual Report for the Country Fire Authority (CFA) has been prepared in accordance with the *Financial Management Act 1994* and the Directions of the Minister for Finance. It:

- provides a record of events, performance, volunteer and career staff activities
- acknowledges the support of CFA people
- reports against CFA's Annual Plan 2007-08
- informs the government and public about CFA's services and organisational development during the financial year
- demonstrates how CFA's objectives and goals are being delivered to meet community outcomes.

Further copies of this Annual Report may be obtained online from CFA's website: www.cfa.vic.gov.au, or printed copies may be requested from CFA, PO Box 701, Mt Waverley, Vic 3149. Telephone: 03-9262 8444. Facsimile: 03-9264 6200.

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CFA Today

Manner of establishment and the relevant Minister

During the past 60 years, CFA has evolved from informal beginnings to become one of the world's largest volunteer-based emergency service organisations, providing a diverse range of risk reduction and fire suppression services to minimise the impact of fires and other emergencies on the community. CFA is wholly committed to the prevention, preparedness, response and recovery phases of emergency situations.

CFA is a statutory authority which reports to the Minister for Police and Emergency Services.

CFA is funded through contributions by insurance companies (77.5 per cent) and by the Victorian State Government (22.5 per cent).

Patron

Professor David de Kretser, AC
Governor of Victoria

Objectives, functions, powers and duties

Under the *Country Fire Authority Act 1958* ('the CFA Act'), CFA is vested with the duty of "taking superintending and enforcing all necessary steps for the prevention and suppression of fires and for the protection of life and property in case of fire ... so far as relates to the country area of Victoria". This includes wildfires and structure fires, as well as incidents involving hazardous materials, road rescue, and rescue in areas of diverse risk, including high-risk industries such as petrochemical and gas.

Nature and range of services provided

As a statutory authority, CFA is a volunteer-based, community-focused emergency service organisation, providing a diverse range of services to contribute to the safety and well-being of Victorians.

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

CFA's services are based on the internationally adopted 'comprehensive approach' to emergency services (prevention, preparedness, response and recovery) used to classify the key functions in managing emergency events, as described by the Productivity Commission's annual *Report on Government Services*.

Figure 1. CFA service locations - Areas, regions and principal offices



CFA provides State-wide fire and related emergency coordination including:

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

CFA Dimensions

Victoria's natural environment is among the most bushfire prone in the world and CFA is responsible for an area that is home to more than half the State's population.

A large part of outer metropolitan Melbourne, as well as provincial towns and small rural communities, comes under the protective umbrella of CFA. This protection encompasses some of Victoria's critical infrastructure, including the power industry of the Latrobe Valley, gas production facilities at Longford in Gippsland, oil refinery facilities in Geelong, as well as major tourism areas, alpine resorts, extensive plantations, marine environs and growing mining industries.

As our communities extend further into rural interface areas, more Victorians will rely upon the services that CFA provides:

- CFA serves a population of approximately 2.6 million people and protects more than one million dwellings.
- CFA volunteers contribute an estimated \$840 million annually to the Victorian economy¹.
- With around 60,000 people, CFA manages a workforce of a size comparable to Australia's largest organisations.
- CFA is one of the largest providers of tertiary-level training in rural Australia.
- CFA is recognised for delivering one of Australia's largest and most successful community awareness education and safety programs.
- CFA operates one of Australia's largest transport fleets, with almost 2,300 trucks.
- CFA operates one of the largest public safety communications networks in Australia.
- CFA's diverse area of responsibility includes some of the State's most significant commercial centres, industries, critical infrastructure, recreational and tourist attractions.
- CFA services Victoria's growth corridors, which are among the fastest developing regions in Australia.
- CFA operates one of the State's major emergency coordination centres.

¹ Handmer, J., Ganewatta, G., *Comparison of approaches for valuing fire and emergency services volunteers*, RMIT Centre for Risk and Community Safety, 1 March 2008

CFA at a Glance - 30 June 2008

Brigades	
Brigades, including:	1,211
- Road rescue brigades	24
- Forestry industry brigades	24
- Coast Guard brigades	12
- Regional headquarters brigades	11
People	
Volunteers	58,362
Career firefighters	498
Support and administration staff	900
Total CFA people	59,760
Services in 2007-08	
Total number of incidents	38,892
Total number of brigade turnouts	71,518
Total community education sessions delivered	3,977
Total community education participants	69,461
Visits to CFA web site over summer	1,300,898
Buildings	
Fire stations - urban	203
Fire stations - rural	952
Headquarters and offices	24
Training grounds	7
Mechanical workshops	13
Communications workshop and store	2
Protective Equipment workshop	1
Residences	22
Vehicles	
Tankers	1,268
Pumpers	244
Pumper tankers	29
Aerial appliances	7
All-terrain appliances	3
Quick attack appliances	19
Mobile communications vehicles	7
Hazardous materials units	10
Protective Equipment support vehicles	5
Rescue appliances	26
Specialist (mechanical support) vehicles	29
Cars or transport vehicles	424
Other vehicles (including trailers)	403
Brigade-owned vehicles	1,091
Communications	
Base radios	1,189
Mobile radios (vehicle-mounted)	6,953
Portable radios (hand-held)	2,943
Pagers - on the State Emergency Alerting System (EAS) network	29,000
Satellite terminals	58
Pre-conference interceptors	10,776

Chairman's report

Dear Minister

On behalf of the Board, I would like to report on the activities of CFA and the administration of the *Country Fire Authority Act 1958* for the year ended 30 June 2008.

The past year has been one of both change and consolidation as we embark on an exciting new chapter in CFA's evolution as a broad emergency management agency.

As Victoria begins to enter an era that is forecasting extraordinary growth, CFA has turned its attention to the challenges and opportunities which lie ahead. It will require CFA to remain flexible with a focus on innovation, new technology and education to meet the growing demands on our service both in Greater Melbourne and regional Victoria.

The challenge for CFA will be potential changes to our risk profile that will occur as a result of metropolitan and provincial centre growth. This will impact on volunteer availability, capacity and skill sets. Part of the challenge will be the inevitable costs that will come from the growth. CFA will need to plan for appliance-equipment upgrades, mechanical service support, station operating costs including additional staffing in some cases, more training, administration and education-awareness program delivery.

The Board expects this growth to open up opportunities for CFA. Partnerships will be crucial to ensure a cohesive approach to the future delivery of fire and emergency services to match the growth in the years ahead. CFA will contribute to the development of social cohesion in these new communities. Importantly, it will also open the opportunity to attract a new generation of CFA volunteers.

Set against the challenge of the State's future growth, the Board resolved to reset CFA's strategic direction around six key themes for the immediate years ahead. These themes are: volunteerism, environment, financial sustainability, industrial relations, organisational health and partnerships.

Volunteerism

The Board recognises volunteerism is crucial to the future delivery of fire and emergency services to Victoria. Our service delivery model will continue to be largely built around volunteers with support from career staff. We continue to be cognisant of the demands we place on our dedicated members. Changes in brigade risk profiles which will occur as a result of urban growth will likely impact on volunteer availability, capacity and skill sets. Volunteer brigades may require support as their communities change. Increased urban risk will also create a ripple effect in adjacent brigades with an increase in support call activity.

CFA volunteers continue to add enormous value to the communities of Victoria. Research conducted by the Bushfire Cooperative Research Centre indicates CFA volunteers provide economic benefit by a value of \$840 million per annum. Volunteers also provide wider support to their community that is often unrecognised. In many remote and rural communities, particularly those under stress of drought, CFA volunteers create social cohesion in the absence of other community services. CFA members are not immune from economic hardship and CFA welcomes the State Government's provision of one-off funding of \$2 million in support of the volunteers welfare fund.

To further support our volunteers, CFA continues its important equity and diversity programs. The Women's Leadership and Development Program has been particularly successful for

CFA. We have also sought to recruit more women as career fire fighters. The Board seeks more diversity of volunteers especially those from culturally and linguistically diverse backgrounds. This will be essential as CFA will need to attract a new generation of CFA volunteers in the growth areas of Greater Melbourne and regional centres that are being populated by immigrants. Volunteer retention, recruitment and satisfaction will remain central to CFA's future planning.

Environment

CFA's activities are fundamentally linked to the natural environment. Climate change is already having an impact on CFA – creating more risk and longer fire seasons. Lack of water caused by drought is becoming critical for CFA, particularly in places like northern Victoria. Climate scientists are predicting more frequent extreme weather conditions with a 25 per cent rise in risk of bushfire by 2020.

Our principal environmental focus includes water conservation, waste reduction, and minimising fire management impacts on the environment. Essentially we need to understand more about our overall carbon footprint. Therefore the Board has directed that an environmental sustainability committee be established to assess and identify the most serious risks our operations may have on the environment and develop action plans to minimise these risks. We are actively adjusting operations and business practices to reduce our impact on the environment. 'The Way Forward' is our principle environmental strategy and this underpins a range of environmental priorities to ensure CFA is protecting and conserving our environment for the future. Greenhouse gas reduction initiatives have been introduced into our climate change strategies.

Financial Sustainability

Financial sustainability will become increasingly important to CFA in maintaining its immediate and future service delivery obligations to the community of Victoria. The State Government has been very supportive in creating a statutory funding stream that has allowed CFA to modernise its infrastructure, appliances and equipment.

The surge in population growth that is now emerging in Victoria will compel CFA to recalculate the future dollar cost of providing fire and emergency services to new housing estates, transport hubs, industrial precincts and major roads that are now being built or planned over the next ten years. This is likely to include the need to establish new volunteer fire brigades, re-locate some stations, and introduce appliances that support a changing fire risk environment. With this comes the need for more volunteer recruitment, training and fitting-out of stations and firefighters.

Industrial Relations

Industrial relations is an essential business tool to enable CFA to effectively achieve its mission and business objectives. The Board has therefore sought to take a more collaborative approach taking into consideration all our key stakeholders – employees, volunteers, unions and government. A key industrial relations strategic issue for CFA is to find ways to manage stakeholder's interests and involvement which allows for CFA to pursue identified future directions. This approach reflects our policy of 'One CFA' where all of our people – whether volunteer or career – are valued and feel a sense of purpose and direction as part of the CFA family.

Organisational health

The Board aspires that CFA be a 'healthy organisation'. We believe that a healthy organisation can only exist when the work climate, culture, values and practices facilitate health and well-being among all career and volunteer members.

Our objective is to become a flexible organisation where people of both genders are provided the opportunity to develop to their full potential. The Board seeks to create a culture where we can draw on diversity of our people to position CFA at the forefront of change and innovation. We also believe it's vital that the Board be attentive to the expectations of CFA members particularly in terms of behaviours, rewards, recognition, policies, and practices.

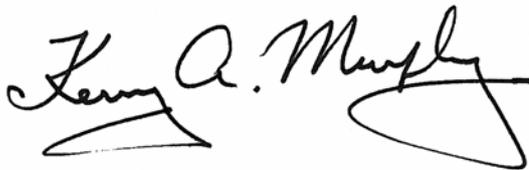
Partnerships

The Board recognises that partnerships are crucial to ensure a cohesive approach to the future delivery of fire and emergency service to match the State's growth in the years ahead. We continue to build on our close relationships with other emergency service providers, while extending and strengthening CFA engagement in the broader government and business sector. In recent years, CFA has forged closer ties with its traditional partners the Metropolitan Fire and Emergency Services Board, Department of Sustainability and Environment, the Victoria State Emergency Service, and the Australian Volunteer Coast Guard - Victoria.

CFA has begun working with a range of key government departments and industry to participate in the early planning of services to the growth corridors of Greater Melbourne and the expanding urban areas of the major regional cities. We have established strong ties with the Department of Planning and Community Development, the Growth Area Authority, and VicUrban to ensure we are on the ground floor in planning future community services.

Minister, the Board is confident that the six strategic themes established this year will set CFA on a course that will further enhance our service delivery to the people of Victoria. In reshaping our priorities I would like to acknowledge my fellow Board members for their sustained dedication this past year.

Finally, on behalf of the Board I wish to thank you, Minister, for your personal attendance at many brigade functions this year and also assisting CFA to gain much needed resources to enhance delivery of our service to the Victorian community.

A handwritten signature in black ink, reading "Kerry A. Murphy". The signature is fluid and cursive, with a large loop at the end of the name.

Kerry Murphy PSM AFSM
Chairman

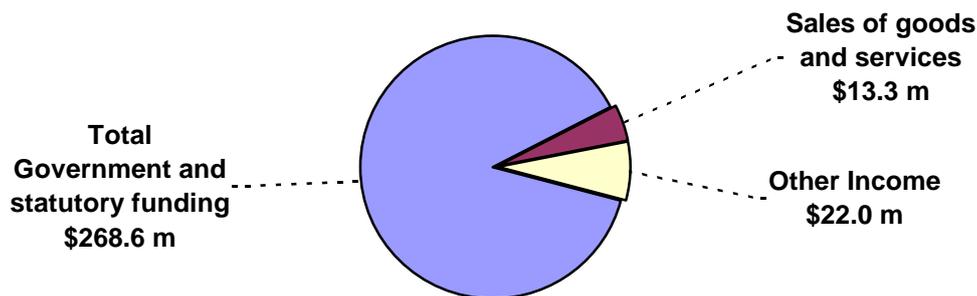
Financial summary

Discussion and Analysis - Operating Statement

The following analysis refers to elements of the Financial Statements section of this Annual Report.

INCOME

Total Income: \$303.9 million



Incomes

Total income for the 2007-08 year was \$303.9 million, which is a decrease of \$19.6 million over the previous year's total of \$323.5 million. The major reasons for this variation are an increase of \$8.4 million in government and insurance contributions, and a decrease in other income of \$31.7 million following the recognition of brigade cash and deposits for the first time in 2006-07 of \$35.7 million. The Operating Statement for 2007-08 discloses the movement in brigade cash and deposits over the financial period.

Government and statutory funding

Under the CFA Act, CFA receives funding of annual expenditure through the Victorian State Government (22.5 per cent), insurance contributions (77.5 per cent), and from other companies under Section 80A of the CFA Act (which relates to property insured offshore). During 2007-08 statutory contributions totalled \$268.6 million (2006-07: \$260.2 million), comprising \$58.5 million from the State Government (of which \$3.2 million was treated as contributed capital), \$215.0 million from insurance companies, and \$9.2 million from other companies. In addition, \$2.8 million was contributed by other government sources. Government contributions as a percentage of total revenue have decreased in 2007-08 due to a reduction in supplementary funding, as major fire incidents in 2007-08 were fewer compared with 2006-07.

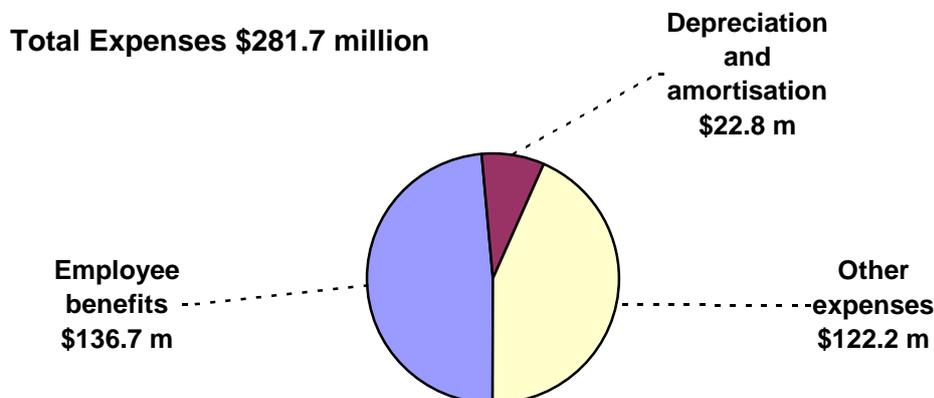
Sales of goods and services

CFA received \$13.3 million during the year from the provision of goods and services to external bodies (2006-07: \$9.8 million). These include the provision of external training services, fire protection fees, alarm monitoring, dangerous goods inspections, and hazardous materials incidents. The main increase is due to the inclusion of the Fire Equipment Maintenance (FEM) business income.

Other income

Other income during the year totalled \$22.0 million from a number of sources including the Transport Accident Commission, interest, public donations, the recognition of the value of additional brigade-owned vehicles, and a Commonwealth Government grant.

EXPENSES



Expenses

Total expenses for the 2007-08 year were \$281.7 million compared with \$288.9 million for 2006-07. This decrease of \$7.2 million can be attributed mainly to there being a significant reduction in major fires during 2007-08.

Employee benefits

During 2007-08 \$136.7 million (2006-07: \$133.0 million) 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 \$563.9 million (2006-07: \$540.6 million). Depreciation expense was \$22.8 million during 2007-08, which is consistent with the corresponding 2006-07 figure.

Borrowing costs

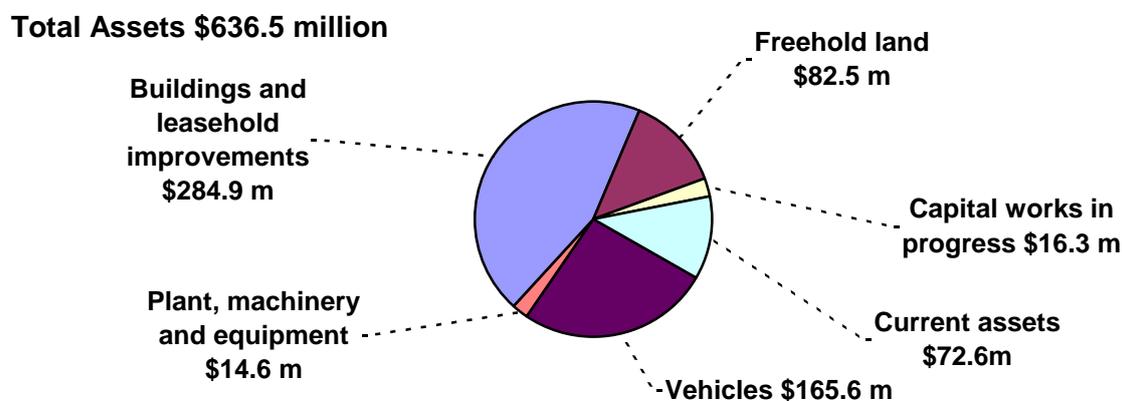
Due to CFA's level of liquidity this year, there were no borrowing costs during 2007-08.

Other expenses

CFA spent \$122.2 million on general operating costs and other expenses during 2007-08. This was a decrease of \$11.6 million over the previous year as described above.

Discussion and Analysis - Balance Sheet

ASSETS



Total Assets

Total assets at 30 June 2008 were \$636.5 million compared with the 2006-07 total of \$609.1 million. This variation of \$27.4 million was caused by a movement in current assets (\$4.1 million), an increase in the value of CFA's land and building assets (\$6.0 million), and the acquisition of new firefighting and transport vehicles (\$17.3 million).

Current assets

Current assets totalled \$72.6 million (2006-07: \$68.5 million) and included inventories and goods held in store (\$7.1 million), money owed to CFA (\$9.5 million), properties for sale (\$5.3 million) and cash at bank, deposits and prepayments made by CFA (\$50.6 million).

Cash reserves are generally held for specific purposes and include initiatives such as replacement of personal protective clothing for firefighters, and land and buildings projects. Receivables increased compared with 2006-07 due to funds outstanding at 30 June 2008 for reimbursement of major fire costs, which were received early in the new financial year.

Vehicles

After depreciation, the value of CFA vehicles was \$165.6 million. Of these, CFA-owned vehicles were valued at \$142.4 million (2006-07: \$126.2 million), and brigade-owned vehicles were valued at \$23.2 million (2006-07: \$22.1 million).

Plant, machinery and equipment

This included computer hardware, general plant and communications equipment to a total value of \$14.6 million (2006-07: \$17.4 million).

Buildings and leasehold improvements

The value of CFA-owned buildings and improvements made to leasehold buildings was \$284.9 million (2006-07: \$279.3 million).

Freehold land

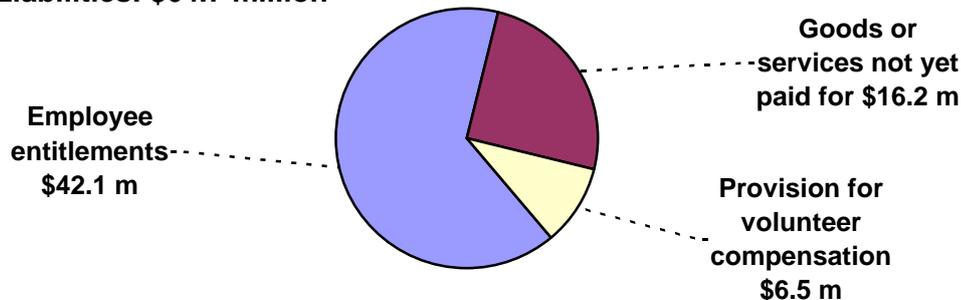
The value of land owned by CFA was \$82.5 million (2006-07: \$80.9 million).

Capital works in progress

The value of expenditure on capital works, such as buildings, firefighting vehicles and plant, machinery and equipment, which was not yet complete, totalled \$16.3 million (2006-07: \$14.7 million).

LIABILITIES

Total Liabilities: \$64.7 million



Total Liabilities

Total liabilities at 30 June 2008 amounted to \$64.7 million compared with the previous year's total of \$62.7 million. The variation of \$2.0 million was caused by amounts accrued in relation to increases in the provisions made for employee benefits and volunteer compensation.

Employee entitlements

A total of \$42.1 million (2006-07: \$39.9 million) is accrued for annual leave and long service leave payments to staff. Most of this will become payable at a future date.

Goods or services not yet paid for

At the end of the financial year a total of \$16.2 million was owed for goods or services already provided but not yet paid for. This was an increase of \$0.2 million over the corresponding figure last year.

Provision for volunteer compensation

Based on previous claims and actuarial calculations, a total of \$6.4 million has been estimated to allow for compensation for injuries to volunteers up to 30 June 2008. This is a decrease of \$0.3 million compared with the figure at 30 June 2007.

Balance Sheet Explanatory Note

Each year, the contributions received from the State Government and insurance companies provide funding for that year's recurrent expenditure and capital works. These contributions are classified as income. After deducting recurrent expenses for the year, CFA's net result is determined. Contributions not used for recurrent expenditure provide funding for CFA's capital expenditure program, and also represent funds held for specific programs which have either not yet commenced, or are partially implemented. CFA's accumulated surplus of \$150.9 million as disclosed in the balance sheet is an accounting entry reflecting the total of prior year operating results, and does not indicate the level of CFA's cash reserves and/or liquidity.

VOLUNTEER BRIGADE ACTIVITIES

The major assets of CFA volunteer brigades - land, buildings and brigade-owned assets and bank/cash equivalents - are recognised as assets by the Authority 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. The bank/cash equivalents incorporated into these financial statements are those held by the brigades at 30 June 2008.

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 (for example: '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, for example '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. CFA also provides brigades with access to an extended credit facility to support brigade-related small asset acquisition programs.

The annual financial statements of brigades are required to be audited each year in accordance with CFA Regulations 2004 (Reg 60). This is to be amended to reflect that brigade financial statements are part of the consolidated CFA financial statements and will be subject to internal CFA financial inspection from 1 July 2008 rather than each brigade having to appoint their own individual auditor.

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 the Annual Financial Statements.

Chief Executive Officer's report

From its very beginnings, CFA has been propelled by ingenuity and innovation. Whether they came from early generations of firefighters on the land or more recently scientific laboratory testing, new ideas and forged pathways have kept CFA at the forefront of emergency management for more than 60 years.

Strong partnerships between volunteers, staff and our leadership team continue to generate progressive projects and exciting initiatives for the future. From an executive viewpoint, we know that many of the best ideas come from people on the ground; and part of the management team's role is to strengthen a culture that fosters, encourages and realises the potential our industrious and forward-thinking members.

The 2007-08 financial year was again rich with innovation. While this Annual Report details activities and initiatives past, I want to highlight the ongoing projects that continue to grow and strengthen our organisation during this exciting time of change.

Truck safety features

The safety and wellbeing of our people remains our number one priority. We continued to test and evaluate crew protection system components for our trucks this year. As a result, additional safety features were added to tanker design including the deck access hatch for dual cabin tankers.

Work began on a new design light tanker concept prototype unit that will feature remote control monitors, an ultra high pressure pump and other features to improve ergonomics, firefighter safety and firefighting efficiency, as well as minimising water use. We expect the prototype to be complete by 1 January 2009.

Equipment, technology and communications

Each year, we evaluate new equipment and assess its suitability for CFA use. Some of the equipment we explored in 2007-08 included global positioning system units, radio frequency identification technology, chemical biological radiological response products, toxic air monitoring instruments, fuels technology for CFA's operational fleet, robotics technology, and satellite technology applications for fire observation.

Our ongoing development of operational communication channels continued as our short message service (SMS) gateway project provided an alternative to our traditional pager network. While pagers will remain the primary means for alerting personnel to an incident, SMS can be used to supplement our paging service and ensure the widest possible coverage.

The past year saw a strong focus on developing our requirements for the next generation of radio or wireless communications equipment. We are working towards integrated communications through Internet Protocol based networks that can manage voice, data, video and other forms of information traffic. This project will also increase our interoperability with other key agencies.

Juniors

Our junior members are not just our future, they are our today.

Our commitment to building and protecting the ranks of our younger members is reflected in our leading edge 'Children/Young Persons Protection' policy and new management

procedures. We now have 251 brigades compliant with these policies and 2,100 junior members across Victoria.

Environmental initiatives

The environment is inseparable from our operations and informs our decision-making at every level of the organisation. Our primary focus in the past year has been empowering CFA leaders and office staff to provide an example of 'walking the talk'.

We highlighted 20 key environmental management priorities in a policy called The Way Forward, joined Sustainability Victoria's Resource Smart Government program, jointly won two City of Whitehorse Sustainability Awards and continued to deliver environmental training.

We also launched the Green Office project in November. Its goal is to help CFA staff to take personal responsibility for the environment within their sphere of influence.

Recycled water

As most parts of Victoria continued to struggle with water supplies this year, CFA and MFB joined together to investigate firefighting with recycled water. Following detailed research, we endorsed the use of Class A recycled water for firefighting and launched the policy in March.

The project has increased the capacity of CFA and MFB firefighters to train and fight fires, as well as reducing our impact on the environment and an already drought ravaged State. The Australasian Fire and Emergency Service Authorities Council (AFAC) has used the outcomes of the project as the basis for a national position on firefighting with recycled water.

Population

Victoria is undergoing significant demographic change. The population of outer metropolitan growth areas has exploded and will continue to increase over the coming decades.

CFA needs to be at the planning table now to deal with these changes and we have built a strong relationship with organisations like the Department of Planning and Community Development, the Growth Areas Authority and VicUrban. Together, we are planning for and addressing the issues raised in the *Melbourne 2030* policy to ensure our levels of service delivery and volunteerism can meet the challenges of the future.

Acknowledgements

As always, we could not have had such a successful year without the dedication and commitment of our members and supporters. It is their ingenuity, innovation and tireless commitment that continue to drive us forward.

Thank you all for making CFA what it is today, and what it will be in the future.



Neil G Bibby AFSM
Chief Executive Officer

Report of Operations 2007-08

Partnerships

CFA deals with complex issues that need to be addressed through a comprehensive range of integrated programs and services. Whether it is through operational arrangements with emergency service organisations, Whole of Government partnerships, or private partnerships with organisations such as the Independent Grocers of Australia (IGA) and Royal Automobile Club of Victoria (RACV), CFA continues to search for ways to tackle these issues together with organisations whose expertise and resources complement its own.

SHARED CFA/MFB INITIATIVES

CFA and the Metropolitan Fire and Emergency Services Board (MFB) have continued a number of joint initiatives and resource-sharing activities under the auspices of a Joint Coordinating Committee.

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

Other arrangements between CFA are formalised in other MoUs or Service Level Agreements (SLAs) including:

- Eastern Freeway MoU
- South Eastern Training Ground SLA
- Internet Protocol Telephony SLA
- Marine Response MoU
- East Link tunnels
- Secondment of MFB employees for the purpose of implementing the Integrated Fire Management Plan.

During the year, operational cooperation between the CFA and MFB resulted in:

- the development of a Chemical, Biological and Radiological (CBR) incident management course
- CFA assisting MFB in building and maintaining an urban search and rescue capacity, including training
- CFA and MFB building relationships as a result of functions associated with ports and building control, such as the development of a joint marine pre-incident response plan and regular meetings with the Building Commission
- ongoing community safety initiatives such as the 'Change the Battery' campaign and 'Winter Fire Safety' campaign
- joint research and review of equipment such as personal protective equipment, training and response to incidents.

OTHER ORGANISATIONS

CFA's history of building strong and meaningful partnerships has been enhanced with further developments as part of an ongoing building redevelopment program by agreement with the Department of Planning and Community Development (DPCD).

The program, in its second year, is allowing redevelopment of up to 20 CFA fire stations to add flexible community use facilities in rural areas of Victoria where these facilities are otherwise inadequate or non-existent. DPCD has committed \$1.4 million in funding one-half of the estimated costs of a four year program. The redeveloped facilities and infrastructure will in turn strengthen the integral partnership between CFA and communities. The improved facilities will include open space for meetings, classes or functions, amenities and provides storage space for the retention of valuable community history.

The cost of each project is being shared between DPCD grant funds, CFA contributions and, where possible, the local municipality and participating community groups. CFA will manage the construction of the infrastructure; the facilities will be managed by a committee involving the brigade and the community.

The fast-tracking of land to be released in the designated outer-metropolitan growth corridors as identified in *Melbourne 2030* will result in 90,000 new residential blocks by 2020. CFA has formed a Metropolitan General Managers' Group to be proactive in building relationships with organisations such as the Growth Areas Authority, VicUrban and DPCD. The relationships will allow the exploration of key strategic issues and consideration of how CFA can ensure a combined and timely approach to addressing these issues. This will maximise CFA's support to service delivery, development of strong communities and viable brigades. Discussions are also commencing with Victorian State Emergency Service (VicSES) on the possibility of working together on the growth issues.

In respect of CFA's obligations to marine fire safety, an MoU has been signed between CFA and Svitzer Australia Pty Ltd. This allows for a closer working relationship between the two organisations with a view to knowledge sharing and training to allow for safe use of Svitzer tugs to support activities involved in managing fires and incidents in the Port of Geelong and the Port of Hastings.

Enhancement of joint activities, in both operational and training scenarios, with St John Ambulance has been achieved, again with the signing of an MoU. This will enable further development of range of initiatives designed to improve areas of mutual interest.

Strategic partnership development work is progressing with Transfield Services Australia Pty Ltd (Puckapunyal), Corrections Victoria (Department of Justice) and the Aviation Fire Fighting Division of Airservices Australia for agreements on service delivery arrangements for their respective interests.

Prevention Services

'Prevention' services describe the measures taken in advance of an emergency aimed at decreasing or eliminating its impact on the community and the environment. Effective prevention activities reduce the requirement to respond to, and recover from, emergency events. CFA's Community Safety staff have provided support, advice and advocacy within the Authority and to external stakeholders on all matters relating to fire prevention and management in the country area of Victoria, including:

- land use practice and planning
- structural safety, compliance with standards and levels of safe practices

- dangerous goods and material certification, including handling arrangements
- risk assessment and emergency management planning.

LAND USE PLANNING

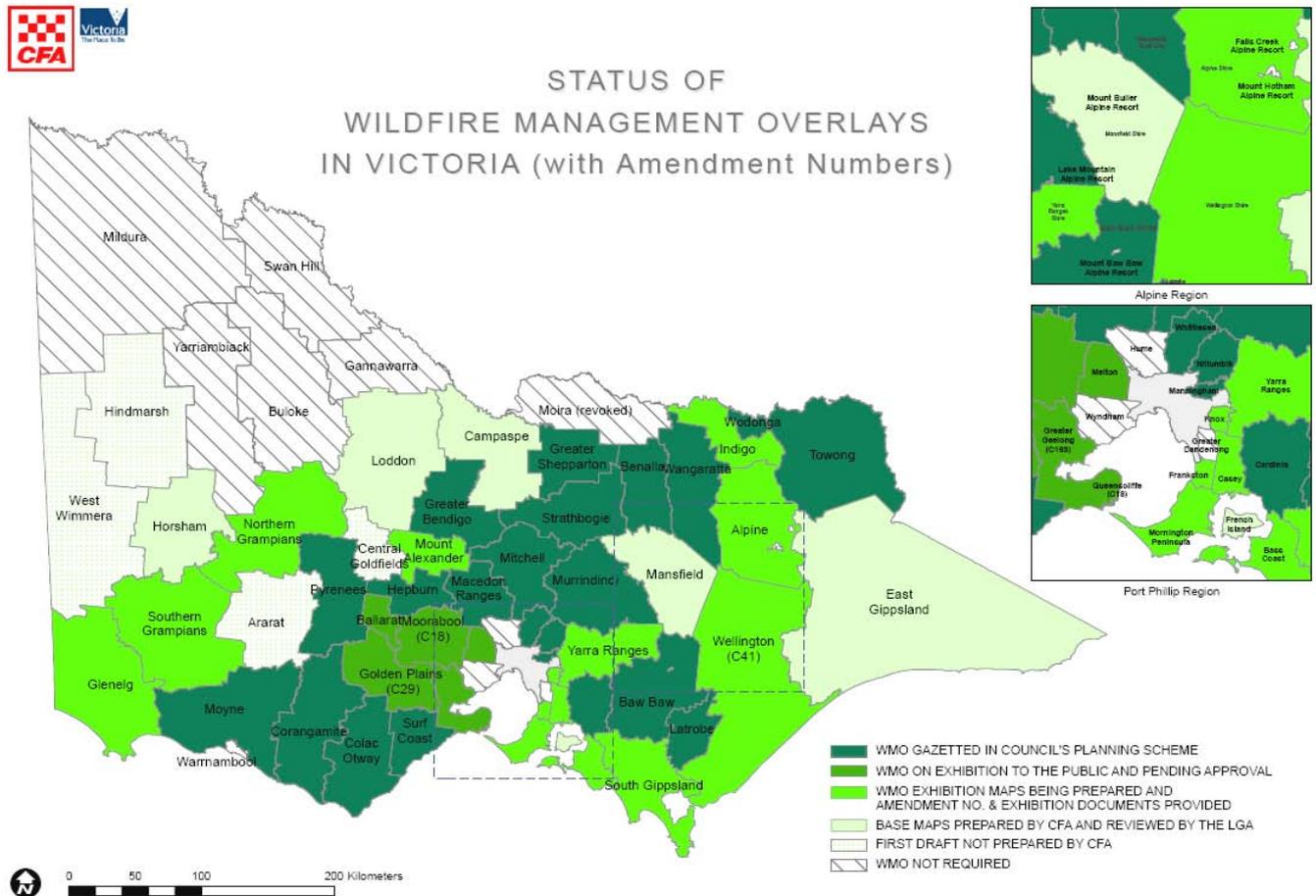
Consistent with the State Government's policy of cutting bureaucratic red tape, CFA has partnered with DPCD to amend the Victoria Planning Provisions of planning schemes and eliminate referral of straight-forward subdivisions.

CFA received a 'Cutting Red Tape' award from the Minister for Planning for its effort in streamlining the current land use planning process, a joint effort involving the Outer Metro Norwest Area and CFA Headquarters.

Four Wildfire Management Overlay (WMO) awareness sessions were conducted and two regional land use planning awareness sessions were held across the State to maximise awareness of structural and wildfire issues. The 'Building in a Wildfire Management Overlay' Applicants' Kit (2004) was updated and made more user-friendly.

As shown by the map at Figure 2, the process of mapping bushfire prone areas and introducing complementary WMOs into planning schemes is progressing State-wide. The number of WMOs to be gazetted increased from 17 in 2006-07 to 22 in 2007-08.

Figure 2. Status of Wildfire Management Overlays in Victoria



Property Bushfire Preparedness and Native Vegetation Management Project

In Victoria, vegetation management is a requirement of any new development in high wildfire risk areas. As such areas often have high conservation value, historically there has been

conflict between the objectives for wildfire risk management and conservation. CFA initiated a project to address the community need for tools to reconcile the conflict.

Evaluation of the project pilot has been completed; this has informed CFA that a Whole of Government approach, at the local level, will maximise fire safety and environmental outcomes. This work formed the basis of a presentation, in Colorado in October 2007, to the 'Human Dimensions of Wildland Fire' conference of the International Association of Wildland Fire.

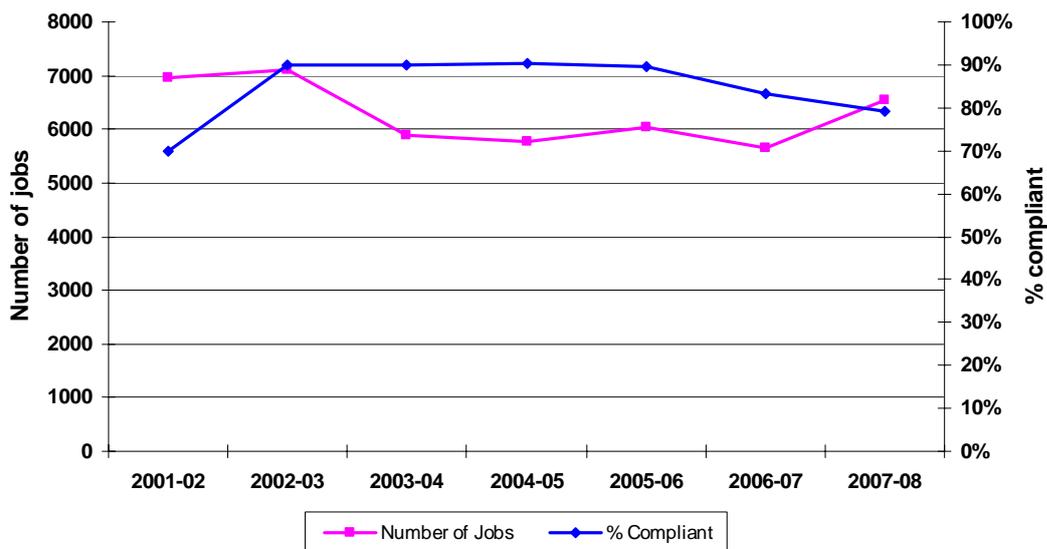
STRUCTURAL FIRE SAFETY

CFA's attention to ongoing improvement of service delivery for structural fire safety included:

- cementing the understanding and use of fire engineering principles when assessing complex structures relating to fire safety
- support for Barwon Corangamite Area in conducting a pilot Introduction to Inspection training for career firefighters, which has resulted in station staff achieving competence
- in the field of Supported Residential Services, Department of Human Services (DHS) has committed to:
 - increase the awareness of the need for emergency management plans amongst proprietors
 - provide training and tools for Supported Residential Service proprietors to development emergency management plans
 - increasing knowledge and awareness of DHS staff (Authorised Officers) to identify and address fire safety issues.

The workload for CFA's statutory building and planning assessment services in 2007-08 increased from the previous year, as shown in Figure 3.

Figure 3. Statutory workload and compliance



Training

A continuous professional development process for CFA fire safety officers has been established. Corporate guidance has been developed, in the form of practice notes (14 practice notes for structural fire safety and five for land use planning). The practice notes state both how structural fire safety and land use planning fire safety assessments are to be undertaken and advice reported to the community and industry. Draft 'Dangerous Goods Inspection' training materials have been completed.

DANGEROUS GOODS

A dangerous goods endorsement process has been developed, with two CFA officers successfully being endorsed to undertake dangerous goods and major hazard facility reporting.

Two joint seminars on ammonia refrigeration gas were conducted. Approximately 40 participants from industry, WorkSafe, MFB and CFA attended.

MUNICIPAL FIRE PREVENTION

CFA has supported fire prevention in the following ways:

- assisted Melbourne Water to appoint and train their first three fire prevention officers. Melbourne Water has committed to engage CFA in the review of their wildfire prevention and major hazard facilities fire prevention plans.
- completed stage one of a three part process regarding fire on railway corridors. Stage one related to data-sharing with the Department of Infrastructure (DOI) and is part of an anticipated MoU between CFA and DOI.
- initiated and successfully completed a new triennial audit cycle
- conducted two 'Municipal Fire Prevention Officer' courses, with 40 people being successfully trained
- made recommendations to Energy Safe Victoria, as part of the Electric Line Clearance Consultative Committee, to maintain current electrical line clearance requirements and simplify information provided to the electrical companies and the public
- managed the development and distribution of the 'Living on the Edge' DVD in partnership with the RACV
- achieved regulatory change to the Rail Safety Regulations 2006 to minimise the impact of the legislation on CFA volunteers undertaking fire prevention activities in rail corridors.

PROJECTS TO IMPROVE PREVENTION

Road and Rail Corridor Fire Management Program

Following development of guidelines, procedures and training for roadside fire management in 2006-07 in response to new legislation and codes of practice, rail corridor fire management works guidelines have now been drafted and circulated for comment. Guidelines for brigades undertaking rail corridor works on a fee-for-service basis have been drafted, and will be circulated after consultation with VicTrack.

A pilot research project, incorporating a cost/benefit analysis of the Road and Rail Fire Corridor Management program was undertaken. This identified benefits to brigades, community, financial benefits, and environmental management with the estimated return on

investment in terms of the value of work performed by volunteers being conservatively more than four times the cost invested.

On the Land

In May 2007, CFA finalised and released fire management guidelines for agriculture, entitled *On the Land*. These guidelines provide a framework for considering fire management on broad-acre agricultural and smaller lifestyle properties. Project work will continue until June 2009 to support the distribution, communication and implementation of these guidelines across Victoria. Key activities this year involved:

- initiating the integration of *On the Land* within CFA summer preparedness activities, focusing on *Fire Ready Victoria*
- increasing the community's awareness and understanding of fire management within the farming and rural communities via partnership with Department of Primary Industries (DPI), WorkSafe and the Victorian Farmers Federation, along with a strong presence at key regional shows and field days
- joint farm planning courses conducted with DPI
- 45,000 copies of *On the Land* guidelines distributed via municipalities, rural real estate agencies and libraries
- *On the Land* was a feature in this year's Victorian Bushfire Information Line (VBIL) Fire Awareness Day.

Preparedness Services

'Preparedness' describes the results of measures to ensure that, if an emergency occurs, communities, resources and services are capable of responding to, and coping with, the effects. It also involves establishing equipment standards and monitoring adherence to those standards. Activities that contribute to preparedness include:

- public information campaigns and educational programs to promote safe practices in the community
- the exercising, training and testing of emergency service personnel
- standby and resource deployment and maintenance.

INTEGRATED FIRE MANAGEMENT PLANNING

CFA hosts the integrated fire management support team. The implementation of the Integrated Fire Management Planning (IFMP) framework has achieved the following:

- The State Fire Management Planning Support Team (manager, assistant and eight regionally based Fire Planning Network Managers) has been recruited.
- Agency Liaison Managers from CFA, MFB, VicSES and Municipal Association of Victoria (MAV) have been seconded to build agency preparedness, provide input into product development and to enhance communication across agencies during implementation.
- The State Fire Management Planning Committee has been established and is now meeting bimonthly.
- A project implementation plan with explanatory documentation including the accompanying brochure 'Implementing the Integrated Fire Management Planning Framework 2007 to 2025' has been prepared in conjunction with CFA and the Office of the Emergency Services Commissioner (OESC).

- development of State Fire Strategic Plan with the State Fire Management Planning Committee
- identification, evaluation and refinement of risk processes and tools with the OESC and other stakeholders
- development of a communication framework and strategy through the OESC and utilising the seconded Agency Liaison Managers
- development of plans to establish the eight Regional Strategic Fire Management Planning Committees in the first quarter of 2008-09.

COMMUNITY INFORMATION AND DEVELOPMENT

Community Development Programs

CFA places enormous emphasis on planning, community education, legislation and a range of other risk treatments. CFA has made great leaps forward but the journey continues – as problems such as residential fire safety, juvenile fire-lighting behaviours and the emergence of mega fires become increasingly complex CFA seeks to broaden its horizons through new and innovative partnerships.

Research and experience has demonstrated that the majority of people who die in house fires are generally vulnerable – those who have reduced mental capacity, live in isolation or poverty or suffer from a range of other social problems. Alcohol and smoking are also factors in residential fire fatalities. For these people, a hard-hitting television campaign is likely to achieve little, and the best way CFA can make inroads into this group is through partnerships with State-wide and local agencies.

Brigades in Schools

All targets for the 'Brigades in Schools' (BIS) program were surpassed in 2007-08. The number of students participating in BIS was lower than the previous year (2006-07: 47,241 students), largely as a result of the increasing popularity of the Mobile Education Unit (MEU) - see Table 1.

Table 1. Service delivery for Brigades in Schools 2007-08

No. Sessions	No. Schools	No. Students
1,604	524	34,876

The program has been earmarked for review in 2008-09 with a focus on the relationship between BIS and the MEU. As with 2006-07, the connection of the BIS program to both the Curriculum Standards Framework II and the Victorian Essential Learning Standards has been of benefit to CFA.

Mobile Education Unit

The number of MEU sessions delivered increased by 15 per cent on the previous year (2006-07: 543 sessions delivered). Details are shown in Table 2.

Table 2. Service delivery for Mobile Education Unit 2007-08

No. Sessions	No. Students	No. CFA Areas Visited
626	14,899	7

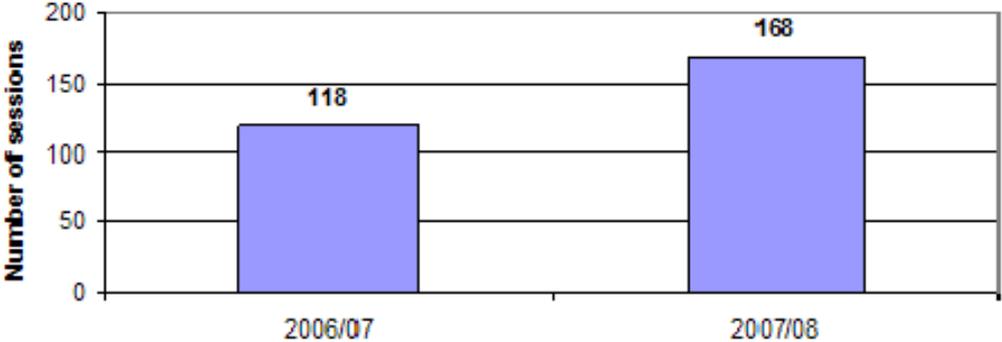
Feedback from schools continues to be extremely positive. The unit provides a new environment for student learning.

The MEU was featured at all three of this year's State Championship competitions, providing all participating CFA members with an opportunity to view and understand the new program. The MEU will continue to be a part of the Championship series each year. The MEU will also be used at other major events around the State where there is a connection to the program.

Early Fire Safe

The significant upgrade of the 'Early Fire Safe' program in 2006-07 has seen numbers increase on previous years as shown in Figure 4. The total number of participants in 2007-08 was 1,975.

Figure 4. Service delivery for 'Early Fire Safe' 2006-07 to 2007-08



Feedback on the redeveloped program has been very positive, due to the increase usability of the program. The program will undergo annual reviews, to ensure that it meets its purpose.

Hard to Reach

People aged 65 years and over are in one of the highest fire risk groups in the community and have an elevated risk of fire fatality and injury, which also increases as they continue to age.

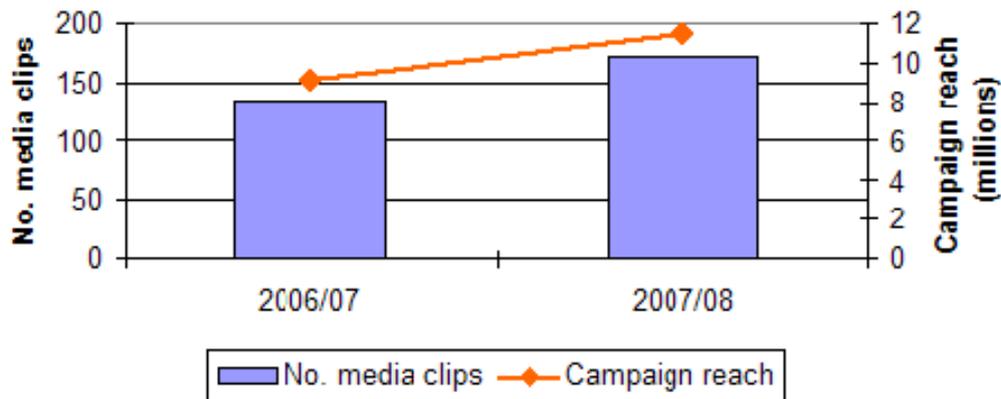
With MFB as the lead agency, CFA has been working towards the development and inclusion of competencies in the Community Services Training Package to address this risk. This package is almost complete, and includes three new units that fall under 33 qualifications in the training package. There is full support Australia wide among the fire services for these units.

Change Your Clock Campaign

The 2008 'Change Your Clock, Change Your Smoke Alarm Battery' campaign was implemented across Victoria during February, March and early April leading up to the end of Daylight Saving on 6 April 2008.

The impact of the campaign increased from the previous year, with a 26 per cent increase in the number of media clips picked up by Media Monitors to 172 clips in 2007-08, and a 25 per cent increase in campaign reach as shown in Figure 5.

Figure 5. Service delivery for 'Change your Clock' campaign 2006-07 to 2007-08



Media releases were distributed to all metropolitan, regional, suburban and specialist media.

Consumer promotions were arranged with *Herald Sun* 'Corinella' (children's pages).

Media Packs, including a First Alert smoke alarm, Duracell fire bunny and batteries, were sent to metropolitan and regional weather presenters and selected radio and TV presenters.

V/Line was approached and agreed to display campaign posters at 100 regional rail stations. It also included an article in its monthly newsletter and distributed 2,000 campaign magnets over the Easter weekend, its busiest train travel weekend of the year.

Area firefighters were involved in local photo opportunities for suburban and regional newspapers. A campaign photo was widely used and helped with campaign and Duracell exposure.

Campaign posters were displayed in all fire stations and the campaign was promoted where possible through websites and newsletters. CFA and MFB spokespersons were involved in interviews with local radio stations.

The MFB and CFA attended 20 Bunnings stores as part of the Bunnings fire safety in-store promotion during the weeks of the campaign.

Winter Program

The launch of the Winter Program media campaign occurred on 15 May 2008 at the Alfred Hospital. Representatives from all the partner agencies - MFB, The Alfred, Archicentre, Energy Safe Victoria and CFA - participated.

Press and radio advertisements featured an elderly burns victim, Maria, and her daughter, Rosa, as well as a burns surgeon, Dr Michael Weymouth. This theme was reproduced in posters.

The 'Check Your Hotspots' theme has continued and is used on posters, websites and press ads. The 'Check Your Hotspots' website was updated and made more interactive.

FIRE READY VICTORIA

Street meetings and community meetings

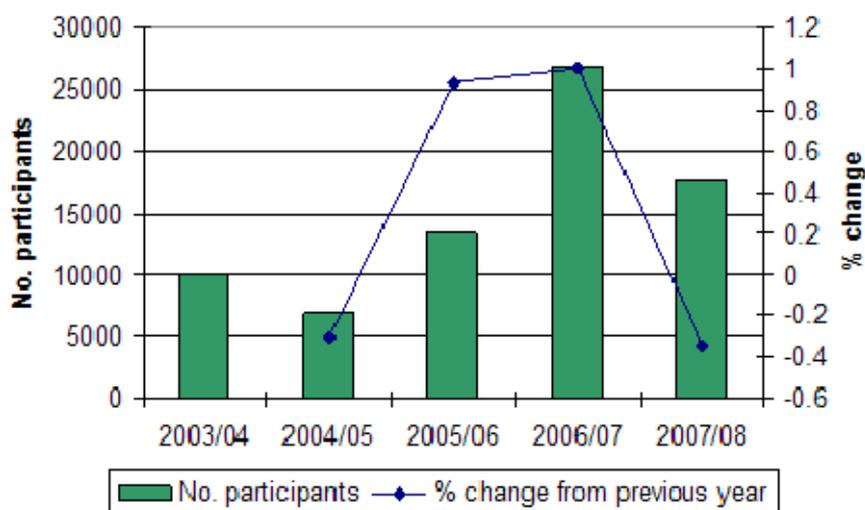
Areas established targets for the interactive elements of the *Fire Ready Victoria* (FRV) program to treat their identified risks. Areas aimed to deliver 727 interactive FRV meetings but exceeded their targets to deliver a total of 1,075 meetings to an audience of approximately 17,711 people from 8,050 households. Details of the meetings held across the State are shown at Table 3.

Table 3. Number of FRV meetings and participants 2007-08

CFA Area	Meetings	Participants
Barwon Corangamite	66	889
Gippsland	61	586
Midlands Wimmera	142	6,930
North East	141	81
North West	66	1,215
Outer Metro Norwest	51	758
South West	243	3,056
Westernport	151	1,768
Yarra	154	2,416
Total	1,075	17,711

Figure 6 illustrates that a decrease in bushfire activity during the 2007-08 season was reflected in a decline in meeting attendance, from 43,264 people in 2006-07.

Figure 6. Service delivery for FRV meetings 2003-04 to 2007-08



Note: All annual figures are calculated as at 31 March

Bushfire planning workshops were successfully trialled across the State. These workshops will now form part of a suite of options available for areas to offer the community.

Community Fireguard

A regular newsletter has been developed this year to improve support for Community Fireguard facilitators. The newsletter provides information about updated resources, and provides a focal point for facilitators across the state. Any new items of interest and importance are able to be communicated via the newsletter, for example the position

recommended by the Australasian Fire and Emergency Service Authorities Council (AFAC) on sheltering in vehicles during a bushfire.

There were 504 Community Fireguard sessions delivered throughout the summer season. Comparative data are shown in Table 4.

Table 4. Service delivery for Community Fireguard 2004-05 to 2007-08

CFA Area	2004-05	2005-06	2006-07	2007-08
Barwon Corangamite	44	80	73	48
Gippsland	13	27	33	10
Midlands Wimmera	245	205	222	184
North East	38	25	46	19
North West	34	2	11	6
Outer Metro NW	19	37	42	24
South West	6	3	4	20
Westernport	51	51	64	52
Yarra	199	309	345	141
Total	649	736	840	504

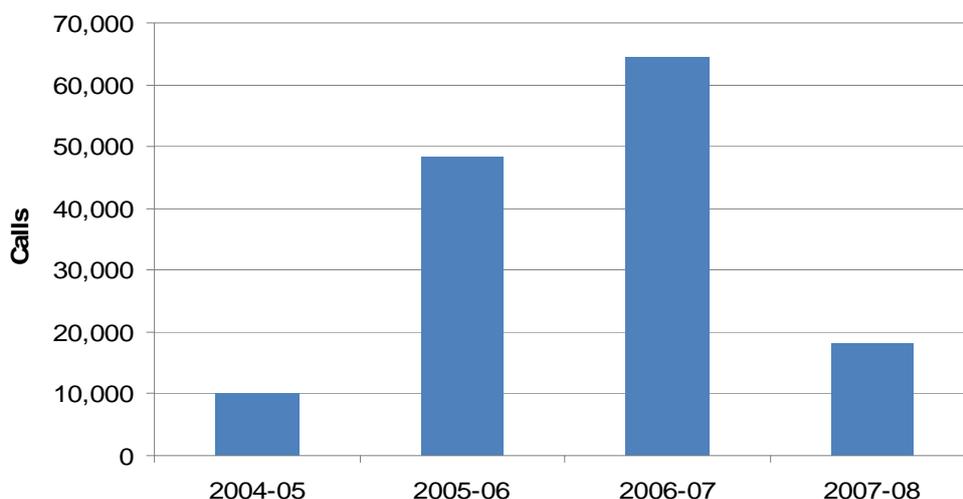
Community Fireguard continues to be an important part of the Fire Ready Victoria strategy catering for those who require a more intensive program with more detailed information about how to prepare for and respond to bushfire

Victorian Bushfire Information Line

The FRV strategy aims to generate calls to the VBIL on several issues, including preparedness activities, fire restrictions and Total Fire Bans (TFBs), and significant incident information. The number of calls both during major fires and on a day-to-day basis throughout summer demonstrates that the VBIL is providing a valuable service to the community and continues to be an important component of the FRV Strategy.

Figure 7 shows the number of calls received in the 2007-08 summer period represented a decrease of 72 per cent from the previous year which was a very busy and extended fire season.

Figure 7. Number of calls to VBIL over Summer Period 2004-05 to 2007-08



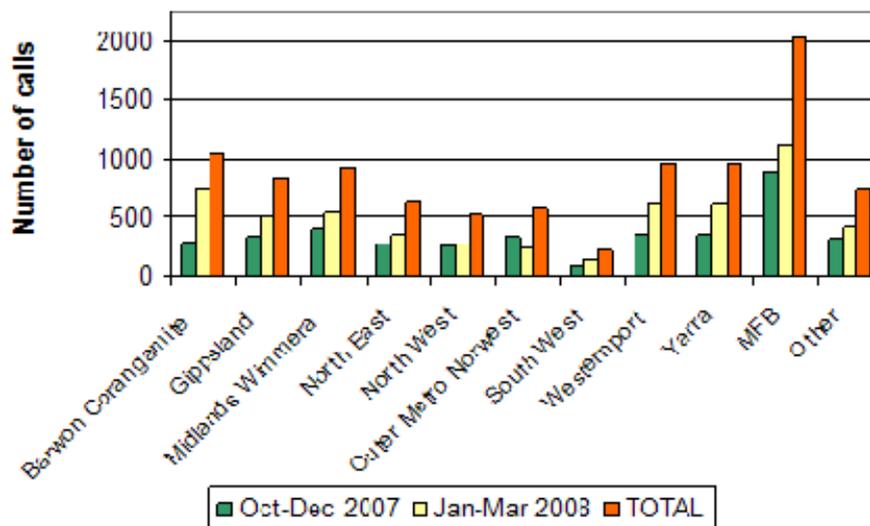
Between November 2007 and March 2008 the VBIL received 18,073 calls in total, including 8,215 which were answered by operators as shown in Table 5. The interactive voice response (IVR) service is used by the public to order bushfire safety packs which are posted to their address.

Table 5. Service delivery for VBIL over summer period 2007-08

Month	IVR	Customer Service Operator	TOTAL
November	1,481	988	2,469
December	2,302	1,795	4,097
January	2,449	2,844	5,293
February	1,158	408	1,566
March	2,468	2,180	4,648
Total	9,858	8,215	18,073

A breakdown of calls by CFA area is shown in Figure 8.

Figure 8. Regional service delivery for VBIL over summer period 2007-08



Internet access by the community

The internet is a major channel for disseminating information to the community both before and during wildfire.

Figure 9 shows public access to the CFA website during the months of January and February, for the relatively quiet 2007-08 bushfire season compared with access during the major campaigns in 2003 and 2006-07. Despite the quiet season, usage of the CFA website for bushfire information has clearly increased significantly since its introduction.

Figure 9. Public access to the CFA web site - comparing 2007-08 and recent campaigns

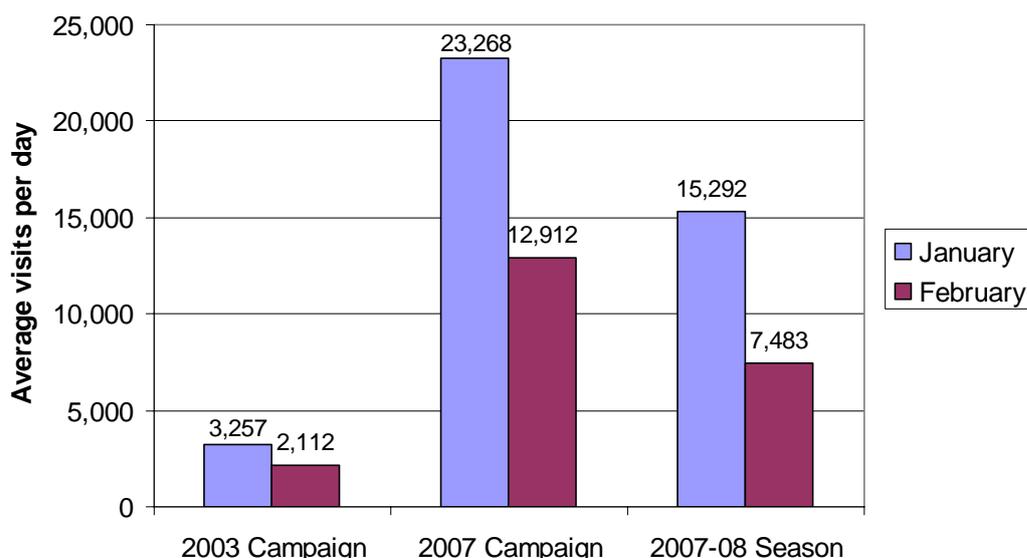


Table 6 shows a breakdown of public access of the CFA website over the 2007-08 summer period.

Table 6. Service delivery for CFA public website – summer 2007-08

	Dec 07	Jan 08	Feb 08	Mar 08
Total no. visits	266,911	474,079	217,013	342,895
Avg. no. visits per day	8,610	15,292	7,483	11,061
Max. no. visits in single day	33,856	66,416	14,846	39,840

ABC Bushfire Awareness Phone-in Day

ABC Bushfire Awareness Phone-in Day was conducted on 1 November 2007. It featured interviews with CFA, DHS and Department of Sustainability and Environment (DSE) personnel and community members about community and individual preparedness for the summer fire season.

Heavy promotion of the VBIL on the day generated 282 calls.

Culturally and Linguistically Diverse Campaign

In line with government requirements, a bushfire awareness campaign targeting culturally and linguistically diverse (CALD) groups was run during the season.

A CFA radio advertisement was translated into eleven languages and run on SBS radio over a seven week period. Copies of the translated messages were also distributed to nine regional CALD community stations for community announcements.

Eleven community spokespersons from CALD communities were selected with the assistance of LOTE Marketing Pty Ltd, and briefed on CFA summer fire awareness messages. The community spokespersons were interviewed on SBS radio in their own languages, and provided scripted information to the CALD communities about the fire danger period and TFB days. Four interview scripts were translated and supplied to both the community spokespersons and the language groups at SBS Radio. The spokespersons also promoted the VBIL and the CFA website.

Promotional Resources

Resources developed during the initial stages of the FRV strategy continue to be used successfully. These include the Living in the Bush workbook and interactive CD, wallet cards and fridge magnets promoting the VBIL and bushfire safety information for travellers.

Posters focusing on key bushfire safety messages were also widely distributed and displayed in high bushfire risk areas.

Media and Communications

An extensive media and public relations campaign is a key component of the FRV strategy. In 2007-08 the campaign targeted all residents living in high wildfire risk locations, tourists travelling into high wildfire risk areas and residents living in close proximity to public land.

Total campaign spend was approximately \$900,000 (inclusive of extended FRV funds). MFB and DSE also contributed to the costs. The campaign focused on three strands as follows:

- television commercials: The campaign commenced in early October 2007, with the airing of the 2005-06 TV commercial. Two new commercials were also developed and aired 800 times on metropolitan and regional commercial television over a four week period (December 2007 – January 2008)
- radio commercials: Four radio commercials were developed and aired in 255 spots on metropolitan and 96 spots on regional commercial radio stations
- print media: During the second week in December 2007 an eight page newspaper supplement, 'Fire Ready Victoria', appeared in almost 100 Victorian newspapers, reaching almost 1.2 million readers.

The summer media campaign was implemented through a multi-phased approach:

- Phase 1: A joint-branded campaign (CFA, DSE, MFB) focused on preparedness in order to empower people in communities to work with CFA to develop bushfire survival plans.
- Phase 2: A joint-branded campaign (CFA, DSE, MFB) focused on harm minimisation and safe behaviours. Key messages were based on campfire safety on public land and campfire use on TFB days, tourists in bushfire risk areas, and the hazards of road travel.

Flexibility was built into the campaign design, allowing CFA to respond to specific risks such as haystack combustion and grassfire, and ignition minimisation and driving safety issues around bushfire during the Australia Day long weekend and Easter period, with intensive short-term campaigns.

Extended FRV

Additional funding to extend the FRV campaign was again received in the 2007-08 season. CFA partnered with other agencies to extend the campaign to vulnerable, remote and at risk communities.

Approximately \$500,000 was distributed to CFA areas and \$500,000 was spent on a media and communications campaign to enhance the FRV message. CFA areas used these funds to meet local issues and needs, including the following:

- Additional FRV presentations were held including meetings catering for groups with special needs, meetings targeting small towns, and increased delivery of street and

community meetings. In some areas additional Community Fireguard meetings were also conducted.

- Extra resources were produced by some areas to support the delivery of the FRV program. These included Community Fireguard facilitator family activity kits, first aid kits for presenters and portable PA systems.
- Direct engagement through doorknocks occurred in several locations to contact remote properties, re-activate Community Fireguard groups and provide information packs. Another form of direct engagement included setting up stalls at local community meeting places to provide information to the public.
- Several areas directed funding to extend the media campaign through print, radio and cinema advertising. Local papers and newsletters were used extensively. Bushfire safety messages were also included in other publications such as 'Holiday Planners' and newspaper inserts.
- Additional resources were produced by several areas to address specific safety issues such as water supplies. In one area the 'Living in the Bush' CD was sent to every householder in high risk localities in the area.
- A number of areas produced signage, banners, stickers and other promotional materials. Two mobile billboards were located on major highways and several portable displays were also produced.
- Several areas also developed local partnerships with key organisations such as health services, councils, community groups, schools and other agencies.

These activities added substantially to the scale and reach of FRV across the State and enabled areas to develop local initiatives and address local issues.

Fit to Drive

The 'Fit to Drive' program aims to contribute to a reduction in the over-representation of young people in Victoria's road user fatalities and serious injuries. CFA participates in the Fit to Drive program with partner agencies including Victoria Police, Ambulance Victoria, MFB, VicRoads and the Confederation of Australian Motor Sport.

Fit to Drive is run in Victorian secondary schools. Many schools in CFA areas have requested the Fit to Drive program, and a project officer was appointed to coordinate the CFA road rescue component of Fit to Drive, based on a model delivered by MFB.

Fire Ready Victoria Framework 2008-2012

CFA is leading the development of a new whole of government FRV framework that will govern all awareness, education, engagement and empowerment activities relating to wildfire and prescribed burning. The framework and associated strategies will be the delivery agent for all engagement and education activities of the multi-agency Bushfire Strategy.

The framework involves a partnership agreement between CFA, MFB, DSE and DHS, who will work in partnership with other key stakeholders including the MAV, Victoria Police, Tourism Victoria and VicSES.

Arson Reduction Strategy

CFA has developed a project plan for the development of a Whole of Government approach to the problem of arson-related fires. It has been developed in response to research from the Australian Institute of Criminology and the Bushfire Cooperative Research Centre (CRC) which identified a number of limitations in relation to arson management, such as:

- poor fire data quality and complexities in the accurate recording of fires and incidents
- the need for strong coordination between fire and police services and other key agencies such as social welfare, community service and environmental management and design agencies.

Consultation with Victoria Police will form a critical component of the development of the Arson Strategy.

Research into community attitudes to bushfire safety

Research was undertaken into community attitudes towards bushfire safety and bushfire preparedness in the following four high fire-risk areas of Victoria:

- Upper Beaconsfield
- the Dandenong Ranges
- Macedon
- the Surf Coast.

Two linked telephone surveys were conducted:

- Pre-summer involving 1,024 households in November 2007: This survey investigated household awareness of information about bushfire safety and found that 93.5 per cent of households had at some time received information about bushfire safety and 63 per cent of respondents had attended one or more bushfire safety meetings in the past.
- Post-summer in May 2008 involving 633 households that had been contacted in the first survey: This survey also examined activity over the 2007-08 fire season, finding that 60.9 per cent of households had received information during the summer from a range of sources including bushfire safety meetings, Community Fireguard meetings and the CFA 'Living on the Edge' DVD.

Table 7 shows the proportion of households that reported undertaking some bushfire safety measures.

Table 7. Bushfire Safety Measures Undertaken by Households 2007-08

Measure taken	Pre-Summer	Post-Summer
Clear gutters of leaves	88.0%	95.4%
Move combustible fuel away from the house	86.9%	92.8%
Get equipment such as ladder, buckets and mops for spot fires	86.8%	91.5%
Remove leaf litter, undergrowth etc from 20-30cm round house	88.0%	91.1%

While more than 90 per cent of respondents reported that they have a bushfire plan in place, only about one-third of respondents had their plan written down or had practised it. As a result, CFA has developed a 'Bushfire Planning' workshop to assist residents in high bushfire risk areas to prepare comprehensive bushfire survival plans for their household.

The research found that the majority of households still have high expectations of assistance from fire services during a bushfire. In both surveys, more than one-half of the respondents thought it was likely or very likely that a fire truck or a firefighting aircraft would come to protect their property in the event of a bushfire.

There was little significant difference between the pre- and post-summer responses for most aspects of the surveys. This could be a reflection of a very quiet fire season which may have

meant that the majority of respondents did not get highly involved in the issue of bushfires. As behaviour change to increase bushfire preparedness is complex and requires time and multiple levels of engagement, it would also be unlikely that significant attitudinal and behavioural changes would be detected over a period of four months.

FIRE EQUIPMENT MAINTENANCE

FEM is a commercial operation conducted by CFA through volunteer brigades.

The core business is the servicing and inspection and sale of fire extinguishers, fire blankets and fire hoses in public and private enterprise on a fee-for-service basis.

Approximately 300 of CFA's brigades are engaged in FEM. Collectively the brigades provide services to around 30,000 customers each year. Annual turnover is in excess of \$6 million.

This year saw consolidation of previously started activities together with some new initiatives. Some of the activities undertaken during the reporting period include:

- centralisation of accounts payable function was completed with the work now integrated into normal business practice within CFA's Finance Directorate
- FEM policy review is nearing completion and will be presented to the Board in 2008-09
- a pilot scheme to provide online access to FEM business systems for 10 brigades has been undertaken through a customer relationship management package.
- the FEM contracts for brigades who use contractors are due for renewal in 2008. The majority of the contracts have been finalised.
- FEM Officer training is underway with 20 students commencing the second stage of the program.

PROJECTS TO IMPROVE PREPAREDNESS

Mapping

CFA recognises the importance of local knowledge and up-to-date technology to improve its mapping capability. In partnership with DSE's Spatial Information Infrastructure and Spatial Vision, CFA is producing upgraded map books to service its operational needs. The first edition of the new generation of map books has been produced, reducing the number of map books while retaining full coverage of the State and border areas of NSW and SA.

Several strategies have been implemented through the partnership to increase the accuracy of information displayed, including the reclassification of over 91,000 driveways and roads. Points of interests were also captured from old CFA map books for inclusion in future editions and thousands of check maps have been distributed to CFA brigades for feedback.

This year, edition one of the North East and South East map books were delivered. Significant planning for the second edition series, including brigade field data checking, has been completed in areas covered by the Central, North West and South West books. Wall maps were also designed, printed and delivered for use in Incident Control Centres (ICCs) and Regional Emergency Coordination Centres (RECCs).

RESEARCH AND DEVELOPMENT

CFA's operational research and development is active in a number of projects. The following sections outline significant research activities.

Bushfire Cooperative Research Centre

CFA is the project leader on a multidisciplinary national research project within the Bushfire CRC. The CRC project on firefighter health, safety and wellbeing is being conducted in association with Deakin University and inter-state cooperation with Tasmania Fire Service, Fire and Emergency Service Authority and Department of Environment and Conservation in Western Australia, Queensland Fire and Rescue Service, and the Department of Environment and Heritage and Country Fire Service in South Australia. The project is investigating the many factors that contribute to the health and safety of Australian firefighters during bushfire suppression. The project will improve the health and safety of firefighters by providing strategies to promote health and safety and to improve prevention of fatigue, injury and fatalities.

CFA and CRC researchers collected data on firefighters at prescribed fuel reduction fires in Victoria and CRC experimental large scale burns in South Australia during 2007-08. The researchers conducted project-related research that is consistent with CFA safety, welfare and operational requirements. Laboratory research has also been conducted using CFA rural brigade volunteers and recruit firefighters. The research is directed at managing the physiological stress that cause firefighter fatigue, the effects of dehydration and poor nutrition on firefighters, and the physical characteristics of firefighter fit-for-duty protocols. The work is improving the understanding of occupational health and safety issues faced by bushfire fighters.

The CFA has published several papers and conference posters on the CRC project, which are listed at the Additional Information section of this Annual Report.

CFA has actively supported the transfer of Bushfire CRC findings from research on firefighter health, safety and well-being on the fireground, through CRC seminar presentations to CFA volunteers and staff, and community stakeholders at Stawell, Bendigo and Ivanhoe. Research adoption is also occurring through a series of presentations to CFA Operations staff and to key AFAC stakeholder groups.

CFA is a significant participant in the development of end user requirements and the potential research program in support of the bid for the new CRC on 'Fire Environment and Society'. CFA has also proposed a new body of research through collaboration with Deakin University and the University of Ballarat in response to the call for proposals to the new CRC.

Crew Protection System

The testing and evaluation of crew protection system components at an experimental test platform and through field validation have resulted in the system components incorporated into the design of new tankers beginning in 2007-08.

The deck access hatch for dual cabin tankers has successfully been tested and is now a part of the design of new tankers.

CFA, in cooperation with CSIRO, has fire laboratory tested and evaluated new radiant heat protective curtain materials to support the use of the materials in firefighting appliance design.

Equipment Evaluation and New Technology

The equipment evaluation process continues to register new equipment and coordinate the assessment of new items and procedures. Operational equipment research is completed under CFA policy and process guidelines.

Evaluations and testing for 2007-2008 have included but have not been limited to:

- global positioning system units
- radio frequency identification technology
- CBR response products
- hydration backpacks
- firefighting hoses
- toxic air monitoring instruments
- compressed air foam systems
- fuels technology for CFA's operational fleet
- extension of use of water for firefighting (foams, gels, recycled water)
- use of robotics technology in urban, rural, and CBR applications
- satellite technology applications for fire observation
- personnel protective equipment
- Emergency Medical Response equipment.

Response Services

'Response' encompasses the results of strategies and services to control, limit or modify the emergency to reduce its consequences. Activities that contribute to response include:

- the implementation of emergency plans and procedures
- the issuing of emergency warnings
- the mobilisation of resources in response to emergency incidents
- the suppression of hazards (for example, fire containment)
- search and rescue.

INCIDENTS AND TOTAL FIRE BANS

The 2007-08 summer fire season saw a significant drop in wildfire activity for CFA in comparison with the previous five years. Although initial early season indicators reflected a high probability of an early and active summer wildfire season, weather conditions moderated from November 2007 onwards with a number of significant rain events occurring at critical times over February, March and April 2008, reducing the State-wide grass and forest fire risk for Victoria.

In total 10 TFB days were declared, two of which were whole of State declarations (11 January and 14 March 2008). All TFBs involved the western half of the State and, in particular, the North West TFB District. Table 8 provides details of the TFBs declared in 2007-08. Table 9 provides comparative data for TFBs for the period 2003 to 2008.

'Fire Danger Period' declarations began on 1 November 2007, with all bans concluding by 1 May 2008.

Table 8. Days of Total Fire Ban 2007-08

Date	Total Fire Ban District
29 December 2007	North West
31 December 2007	North West; South West; Central

Date	Total Fire Ban District
1 January 2008	North West; North East; Central
10 January 2008	North West; South west; Central; North East
11 January 2008	Whole State
10 March 2008	North West; South West; Central
13 March 2008	North West; South West; Central
14 March 2008	Whole of State
15 March 2008	North West
17 March 2008	North West; South West; Central

Table 9. Number of Total Fire Ban Days declared (2003 to 2008)

Fire Season	Whole of State	Partial
2003-04	2	9
2004-05	0	8
2005-06	2	10
2006-07	9	11
2007-08	2	8

The reduced summer fire risk provided firefighters, fire line managers, and group, regional and headquarters staff and supporting organisations with welcome relief from the high activity periods experienced over the preceding three years.

A Victorian contingent from CFA and DSE provided strike teams and supporting resources to the South Australia Country Fire Service (CFS) for large scale fire activity on Kangaroo Island from 9-17 December 2007. This support saw strike teams, administrative and liaison personnel, district mechanical officers and equipment, as well as communications personnel deployed in support of the CFS request.

The largest wildfire managed by CFA over the 2007-08 summer season occurred on 10 January and was known as Morrisons Fire. This fire started on private land in Atchisons Road, Mt Doran and quickly spread to adjoining Dollys Creek State Park and burnt an area of 518 hectares. This event involved 48 vehicles and required CFA attendance for seven days.

CFA urban and rural response activity over the summer 2007-08 period remained at usual levels and saw CFA responses for a diverse range of incidents including:

- a range of technical rescues, notably the Beulah Silo fatality requiring recovery of the victim, trench collapse incident at Narre Warren North, and confined space rescues at Terang, Murmungee, Leongatha and Stawell
- marine fire responses in conjunction with Coast Guard flotillas at Carrum and Portland as well as the boarding and management of a ship board fire off the Victorian coast on the Chinese cargo vessel MV Jin Hui.

With the weather conditions affecting the farm sector, a large number of cereal farmers took the opportunity to recover some potential financial losses by cutting failing cereal crops for hay. As a result CFA noticed an increasing trend in hay bale and hay shed fires occurring as the summer progressed. This resulted in significant losses in some instances of storage and hay stocks. One facility at Donald suffered a loss of 4,500 bales at an estimated cost of \$1.3 million. CFA in conjunction with DPI investigated and informed the rural sector of this emerging trend as the cause was determined to be high moisture levels in the cereal grasses when baled.

Summer activities peaked during two periods, with March 2008 providing a short run of high temperature days with very high to extreme potential, but little increase in fire activity occurring, and, a land gale storm event occurring in April 2008 which resulted in CFA actively supporting VicSES at a number of levels.

In total CFA attended 38,892 incidents in the period 1 July 2007 to 30 June 2008 resulting in 71,518 brigade responses. Tables 10, 11 and 12 provide further details of these incidents.

Table 10. Total Number of incidents 2001 to 2008

Incident Type	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Fire and explosions	13,946	14,859	13,187	13,028	11,162	16,368	15,497
Motor vehicle accidents, rescue, Emergency medical support calls	3,328	3,387	3,354	3,403	2,909	3,661	3,723
Hazardous condition	2,883	2,750	2,885	3,576	2,965	3,599	2,929
Overpressure rupture	22	35	42	43	36	62	73
Service calls	2,092	2,390	2,433	2,099	2,090	2,698	2,740
Good intent calls	3,880	4,690	4,316	5,190	4,410	5,520	5,283
False alarms/false calls	7,702	7,759	7,468	7,560	5,988	7,482	7,430
Other Situations	150	157	190	160	151	224	184
Incomplete Report	115	218	197	575	6,677 ²	1,398	789
Undetermined/other	141	231	164	168	242	240	244
Total Primary Incidents	34,259	36,476	34,236	35,802	36,630	41,252³	38,892

Table 11. Total number of turnouts by CFA brigades 2003 to 2008

	2003-04	2004-05	2005-06	2006-07	2007-08
Primary	34,236	35,802	36,630	41,252	38,892
Support	25,193	26,982	32,538	38,475	32,626
Total	59,429	62,784	69,168	79,727	71,518

Table 12. Summary of Major Incidents 2007-08

Date	Incident Type	Location	CFA appliances	Fire Size (hectares) or Cost
23 July 2007	Factory Fire	Dandenong	25	\$7.8 million
21 August 2007	Structure Fire	Rutherglen	14	\$1-2 million
8 November 2007	Structure Fire	Bayswater	13	Supermarket Warehouse/St Vincent De Paul Both stores received substantial building damage. Approximately \$1 million worth of stock was lost and the building was damaged, resulting in loss of employment.

² The high number of incidents shown as 'Incomplete' in 2005-06 was impacted by industrial bans on reporting.

³ Part of the increase in annual number of incidents in 2006-07 can be attributed to the implementation of Computer Aided Dispatch (CAD) and EAS paging across the state, which automatically generates a Fire Report for every incident paged. Due to amended reporting conditions on the automatic Fire Reports, this also added a significant proportion of the incidents shown as "Incomplete" in 2006-07.

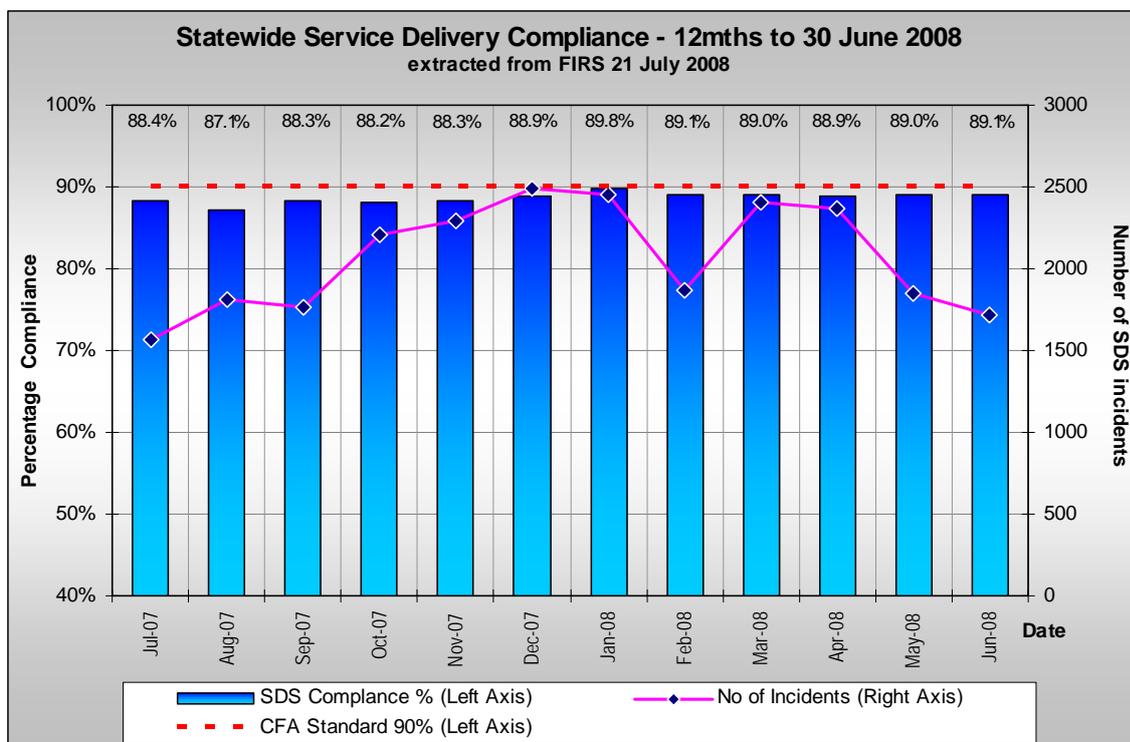
Date	Incident Type	Location	CFA appliances	Fire Size (hectares) or Cost
18 November 2007	Grass Fire	Wathe Flora and Fauna Reserve	23	5,000 hectares of public land (80 per cent of the reserve) burnt in Wathe Flora and Fauna Reserve. The reserve is the home to the Mallee Fowl – a rare bird species, which is only found in Mallee Scrub areas.
16 December 2007	Structure Fire	Donald	8	4,500 bales of fodder at an approximate cost of \$800,000 to \$1.3 million
10 January 2008	Grass Fire	Allestree, approx 10 kms north-east of Portland	23	88.4 hectares Significant economic impact. Fire caused by high voltage power line failure (pole burnt through dropping wires onto a fence) resulting in loss of power over a wide area of south western Victoria for several hours. Properties involved also lost fodder, fences, a caravan and pastures. Princes Highway closed for several hours.
10 January 2008	Grass Fire	Morrison's	48	534 hectares Significant economic impacts in the saving of 80 ha of pine nursery and gene stock owned by AKD Colac on the western flank. Approximately 100 ha of grassland on private property was lost. Other assets lost included a shed, including contents at the point of origin of the fire – estimated value \$90,000; and a weekender shack at Morrison's – estimated value \$50,000.
7 February 2008	Marine Incident	Geelong	4	MV Jin Hui. Loss of approximately 6–8 tonne of product from a total load of 12,614 tonne. Delays in unloading caused disruption to surface transport and ship berthing arrangements.
13 February 2008	Structure Fire	Frankston Oval	10	The grandstand has historical significance in the area. The facility contained dressing and training rooms, etc underneath. Seating capacity of approx 1,000 means spectators will be without seating for approx 6 months. Estimated value of \$2 million.
7 March 2008	Structure Fire	Darnum	11	Milk factory explosion and fire. The incident has cost the company approximately \$1 million to reinstate the damaged plant and to process its supplier's milk offsite for the time the plant was down.
12 March 2008	Factory Fire	Swan Hill	10	Factory fire at Tank World. Damage estimated at \$1 million.
20 March 2008	Structure Fire	Rosebud	10	DHS owned Peninsula Community Health Centre destroyed. Estimated \$2 million damage.
26 March 2008	Structure Fire	Greensborough	20	Apollo Parkways Primary School 100m x 50m section of the building was involved. Approx \$2.5 – \$3 million for building only.
4 June 2008	Boat Fire	Portland	18	Commercial fishing boat fire. \$500,000 damage sustained to vessel

SERVICE DELIVERY STANDARDS

CFA attended 38,892 primary incidents during 2007-08 with 24,795 incidents being classified as emergency incidents for measurement of Service Delivery Standards (SDS) purposes. Of these 21,994 incidents (88.7 per cent) met the required response time standard for the type of hazard attended with a further 655 incidents (2.6 per cent) missing compliance by less than 30 seconds. Monthly performance ranged from 87.1 per cent to 89.8 per cent. Figure 10 shows a summary of SDS for the year.

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

Figure 10. State wide Service Delivery Compliance to 30 June 2008



Issues Affecting Service Delivery

The following issues have affected service delivery over the reporting period:

- Call processing delays and incident duplication when incidents occur on the border of the two CAD centres: linking of the two centres occurred in August 2007, which has resolved this issue.
- Reliability of EAS pagers resulting in some volunteers missing calls: replacement pagers are currently being rolled out to rectify this issue.

STATE-WIDE REPORTING AGAINST CFA ACT SECTION 29

A process to allow the Chief Officer to assess and report the operational efficiency of fire brigades to the CFA Board has been in place since 1 July 2004. The key indicators of

operational efficiency are deemed to be training, operational readiness, response performance and fire ground performance.

CFA brigades inspected during the year use a web-based Section 29 reporting system (S29). The online system allows regions and brigade management to view completed S29 inspection reports from previous years, preview future inspection data and monitor the progress of agreed actions to resolve any issues identified. It also provides links to further information such as training records and performance reports. The revised online system provides a consistent State-wide approach to brigade inspections to determine the brigades' readiness and performance against agreed standards. It also allows for the identification of actions required to assist brigades to meet the standards in the future.

OPERATIONS PERFORMANCE ANALYSIS

Online Fire and Incident Reporting System (FIRS) and performance analysis was further extended this year to include:

- brigade incidents listings
- member response summary report
- incident injury summary report
- fire report status report
- fire report late completion report.

The 'hectares burnt' report was expanded to allow for comparison between multiple years and 'SDS reporting' now provides drill-down functionality to display individual incident and appliance details. Many of these reports have been linked to the Section 29 reporting to provide further evidence of automatic data provided. These reports are available to CFA staff and brigade management teams in varying formats and are also available online to volunteers and staff.

Dollar Loss (from Structure Fire) Report

Table 13 shows total and median dollar loss for structure fires attended. The data is extracted from estimates included in completed primary fire reports by individual brigades.

Table 13. Estimated Dollar Loss from Structure Fires 2007-08

CFA Area	No. Structure Fires	Structure Fires with Loss Value	Total Dollar Loss	Median Dollar Loss
South West	113	47	\$3,078,020	\$6,250
Barwon Corangamite	356	189	\$9,413,470	\$15,000
Westernport	841	431	\$29,781,147	\$4,000
Gippsland	288	139	\$6,107,690	\$36,750
Yarra	371	206	\$12,201,232	\$5,000
Outer Metro Norwest	363	181	\$12,904,260	\$4,000
Midlands-Wimmera	278	123	\$6,767,220	\$45,400
North West	303	144	\$8,714,250	\$23,500
North East	348	193	\$15,508,400	\$38,000
Total	3261	1653	\$104,475,689	\$5,000

Containment to Room of Origin (Structure Fire) Report

Table 14 shows the total number of structure fires per area and summarises the number of incidents allocated to each of the flame damage categories in the fire reports. It then shows the percentage confined to room of origin.

Table 14. Structure Fire⁴ Containment to Room of Origin 2007-08

CFA Area	0 - Extent of damage undetermined	1 - Confined to the object of	2 - Confined to part of room or area of origin	3 - Confined to room of origin	5 - Confined to the floor of	6 - Confined to structure of	7 - Extended beyond structure of	8 - No damage of this type/not applicable	9 - Extent of damage not classified	Total Structure Fire Incidents	Per cent Confined to Room Of
South West	0	9	19	6	1	21	3	6	0	65	62%
Barwon Corangamite	1	42	58	56	1	68	20	12	1	259	65%
Westernport	5	146	141	88	14	153	29	49	4	629	67%
Gippsland	4	24	46	21	3	75	17	8	1	199	51%
Yarra	7	32	78	32	5	69	17	26	1	267	64%
Outer Metro Norwest	2	33	72	40	2	66	18	30	1	264	66%
Midlands-Wimmera	2	24	45	30	3	61	15	8	2	190	57%
North West	1	25	45	30	1	77	15	7	0	201	54%
North East	1	25	55	41	4	84	20	4	2	236	53%
Total	23	360	559	344	34	674	154	150	12	2310	61%

PROJECTS TO IMPROVE RESPONSE

Class B Foam

With the phasing out of perfluoro-octyl sulphonate foams and widely-varying foam stocks, CFA needed to determine an alternative foam supply to meet its performance, risk profile, environmental, engineering and Occupational Health and Safety (OHS) needs. The project involved the immediate replacement of all existing class B foam concentrate stocks from regional headquarters, other large stock piles and in appliances with a new class B foam concentrate (Angus Tridol ATF 3-6 per cent).

Implementation of the new foam has now been completed across the State by district mechanical officers and regional staff. This included the collection, flushing and disposal of all existing class B foam.

CFA now has a class B firefighting foam concentrate standard across the State. With the completion of the project, arrangements for purchasing class B foam have now reverted to CFA regions.

Firefighting with Recycled Water

Long term drought conditions coupled with climate change has led to a significant deficit in water availability for firefighting in most parts of Victoria. The lack of available water, combined with water restrictions and the introduction of recycled water in new housing

⁴ The determination of structure fires in the 'Containment to Room of Origin' report refers only to building fires. The 'Dollar Loss' report also includes building fires confined to a container, for example a chimney or cooking equipment, and hence shows a larger total number of structure fire incidents.

developments, prompted CFA and the MFB to investigate the use of recycled water for firefighting. Together with Western Water, Yarra Valley Water, South East Water, Environment Protection Authority Victoria and DHS, CFA and the MFB set out to establish a position on the use of recycled water for firefighting, the first initiative of its kind in Victoria.

Following detailed research, CFA and MFB determined to support the use of class A recycled water for firefighting. The use of recycled water for firefighting was launched on 7 March 2008. Related management documents were implemented shortly after. Overall, the CFA/MFB recycled water project has:

- secured a reliable source of water for firefighters to continue to undertake their role in the protection of the community in both the urban and rural environments while water availability remains limited
- enhanced capacity to attack fires
- enabled firefighters to continue important training for skills maintenance
- reduced our impact on drinking water supplies.

CFA believes this innovative project is a good example of an industry being proactive to reduce the effects of climate change, one of the most significant issues facing Australian fire agencies today. The outcomes have been used to form the basis of a national position on the use of recycled water for firefighting through AFAC.

CFA Capability to Manage Marine Incidents

This project aims to establish, plan for and maintain a capability to manage marine incidents in accordance with CFA's statutory obligations under Victoria's emergency management arrangements. It builds on the partnership established previously with the Australian Volunteer Coast Guard.

To date the following milestones have been achieved:

- the formation of a CFA/Coast Guard Reference group.
- CFA radios have been fitted to all Coast Guard Vessels.
- safety at sea training module is in final draft.
- personal flotation devices for supporting brigades with a marine risk are ready for distribution.
- EAS pagers have now been delivered to all Coast Guard brigades.
- an Expression of Interest for supply of the fire pumps to be fitted to all Coast Guard vessels is progressing with a prototype on order.

Liaison and partnership work with Coast Guard progressed significantly at a local level to establish and register CFA Coast Guard brigades. To date fourteen Coast Guard brigades have been formed with another three scheduled for the second half of 2008.

Class A Foam

CFA's current tender arrangements for the supply of class A foam have recently expired. This provided the opportunity to investigate new products on the market and compare them with CFA's current foam. An expert working party was formed to oversee this process with membership from corporate CFA, Victorian Urban Fire Brigades Association (VUFBA), Victorian Rural Fire Brigades Association (VRFBA) and the United Firefighters Union Victorian Branch. There were also observers from the MFB and Tasmania Fire Service.

The working party selected two foams for intensive performance testing and constituent chemical analysis examining environmental impact and human safety. CFA's existing class A foam was also tested as a benchmark along with water used as a control to establish the level of extinguishment benefit the addition of class A foam provided.

This scientific testing and analysis process resulted in a recommendation for a new brand of class A foam, superior in all aspects to the foam CFA used previously. The proposed new foam also has US Department of Agriculture Forest Service approvals and is approved for aircraft use in Canada, optimising its potential operational versatility.

CFA existing class A foam stocks will be reduced by attrition as this brand of foam was assessed by the analysis process as safe to use subject to CFA's existing procedures.

Catering Review

The Catering project is nearing completion with the submission and adoption of a consultant's report in December 2007. A project officer was appointed and has begun work on development of tools and guidelines for CFA members involved in planning for and delivering logistical support, including catering and related services.

The initial drafts of standards, standard contracts and operating procedures has commenced for the delivery of catering in the field. The communications strategy has been developed to keep all internal and external stakeholders informed of progress. There has been extensive contact with stakeholders including potential catering providers.

Short Message Service Gateway

The aim of this project is to allow the ability of messages sent to brigade EAS pagers (including group management teams) to be copied to selected brigade personnel mobile phones by Short Message Service (SMS), thus allowing for the redistribution of EAS pagers to brigade members who are more likely to respond. In most cases, the ability to use SMS is given to brigade members who provide 'operational support' and do not have an EAS pager.

The SMS gateway is generally via the Emergency Services Telecommunications Authority (ESTA) CAD system and, as such, provides emergency and non-emergency information sent by the CAD. The SMS gateway project has recently been extended to include the ability of administrative messages, sent via direct VIPER access, to brigade pagers to be included on SMS.

Recovery Services

'Recovery' describes the results of strategies and services to support affected individuals and communities in the reconstruction of physical infrastructure and their restoration of emotional, social, economic and physical wellbeing. From CFA's perspective Recovery also includes the results of strategies and services to return to a state of preparedness after emergency situations. Activities that contribute to CFA's recovery include:

- critical incident stress debriefing
- the return of resources to the state of readiness specified in their response plan.

JOINT CFA AND DSE POST FIRE SEASON SURVEY

The final report on the post-fire season operational survey for 2006-07 was completed and published on the CFA online bookshelf.

The online survey was further refined for 2007-08 with the incorporation of additional questions regarding seat belt use and fatigue. A total of 147 respondents completed the survey; 67 from DSE and 80 from CFA. The results have been analysed and the report will be published early in 2008-09.

Memorial Website

CFA is developing a memorial website to pay tribute to CFA firefighters who have lost their lives in the line of duty. The site will include a roll of honour containing the name, date, brigade and location of those that have died while in the line of duty.

The website will be part of the CFA external website (www.cfa.vic.gov.au) available to the general public and CFA's internal online member's site, Brigades Online and the CFA Intranet. Consultation is occurring with loved ones of those members, to seek permission for names to be included on the roll of honour.

Debriefing Process

DSE and CFA have prepared a discussion paper on 'Improving Local Debriefing'. The paper discusses the issues and highlights the process and benefits of including the After Action Review methodology into CFA and DSE as part of debrief practice.

Traffic Management Guidelines

Guidelines, developed by Victoria Police, CFA and DSE, for 'Operation of Traffic Management Points during Wildfires' were released in November 2007. A review process is currently underway with feedback being sought from stakeholders.

PROJECTS TO IMPROVE RECOVERY

Fire Investigation

CFA's Fire Investigation Section has completed a number of major projects to further enhance the delivery of the fire investigation program.

Alignment of the CFA's 'Structural and Vehicle Fire Investigation' and 'Wildfire Investigation' course learning manuals to the public safety training packages has been completed. Draft course learning manuals were used at the structural and wildfire investigation courses during 2007-08.

CFA continues to be actively involved in the Victorian Fire Investigation Policy and Procedures Working Group, with the CFA's State Fire Investigation Coordinator as Chair.

An online version of the Fire Investigation Management System is currently being developed. Once implemented, the completed fire investigation reports will update FIRS with accurate information relating to the origin and cause of the fire. It is envisaged that this system will greatly assist in the identification of fire trends and allow for further analysis to occur in support of the development of community safety and education campaigns.

Power Continuity Services

This project continued a multi-year program to provide emergency generator power to nominated ICCs and RECCs across the State. Phase 3 saw the installation of uninterrupted power supplies and fixed generators at all existing Level 3 ICCs finalised in June 2008. Phase 4 has commenced entailing pre-wiring for portable generators at nine Level 2 ICCs, provision of four portable generators for Gippsland, and fixed generators for new Level 3

ICCs. The project has identified a further 24 sites for fixed emergency generator installations to be undertaken in phase 5.

Organisational Support

CFA PEOPLE

As at 30 June 2008, CFA had a total of 59,760 members, comprising 58,362 volunteers, 498 firefighters and 900 staff and officers. Table 15 provides comparative data for CFA's workforce over the period 2003 to 2008.

Table 15. CFA workforce data for current and previous reporting periods

Type	2003	2004	2005	2006	2007	2008
Volunteers	59,136	58,583	58,662	58,849	59,509	58,362 ⁵
Career firefighters	425	438	431	464	494	498
Support and administration staff	750	774	813	837	837	900
Total	60,311	59,795	59,906	60,150	60,840	59,760
Change from previous year	+4.0%	-0.86%	+0.19%	+0.41%	+1.15%	-1.67%

Diversity within CFA

CFA has continued its focus on improving organisational awareness and capability in the management of diversity and relationships. This has involved integrated initiatives and programs to recognise diversity of backgrounds of members.

Key achievements in this reporting period are:

- diversity initiatives together with enhanced recruitment tools have resulted in female membership continuing on an upward trend by 3.3 per cent to a total of 10,971
- rollout of the Relationship and Diversity Awareness Program has continued with 3,273 staff and volunteers having attended
- the Relationship and Diversity program Phase Two focussed on the enhancement of CFA leadership capability in the area of relationship management
- focus groups have been held with CALD communities to inform recruitment and engagement
- CFA has continued Women and Career Firefighting Information forums which have resulted in an increased pool of female candidates and four female recruits graduating during the year
- in October 2007, CFA sent 20 delegates to the Diversity in Emergency Services Conference. In addition, CFA supported the Conference by participating in a trade display during the Conference.

Safety and Wellbeing

- CFA has implemented leading edge 'Children/Young Persons Protection' policy and new management procedures which have resulted in 251 brigades compliant with these policies and a total of 2,100 junior members

⁵ The reduction in number of volunteers for 2007-08 reflects adjustment of administrative records for junior members in line with new management procedures.

- Critical Incident Stress (CIS) programs have continued to be enhanced through the development and availability of 'Certificate IV in Community Services' to CIS peers
- volunteer support programs have been delivered to over 1,000 volunteers in drought-affected areas to enhance awareness of CFA's welfare services and other services provided by government and community agencies
- To support the implementation of CFA's 'Safety First' management system six project officers were engaged for the three year implementation period. As a result a broad range of safety audits have been completed and the first phase of the system's implementation has been undertaken.
- CFA gained the support of Cancer Council of Victoria to train a number of internal providers to deliver cancer awareness sessions internally as part of its 'Healthy for Life' program. During the reporting period, 111 sessions were delivered.
- CFA, as the coordinator of the emergency service volunteer health and wellbeing program, developed and introduced 'ESV Healthwatch' and 'Heartrack Online', two web-based health sites for volunteers
- compliance programs were maintained with 63 audits completed and a range of risk assessments undertaken
- CFA contributed to the review of OHS and accident compensation legislation.

Compensation

during 2007-08 compensation claims by volunteers decreased by approximately 47 per cent and staff claims increased by 12 per cent compared with the previous eight year averages as shown in Table 16.

Table 16. Compensation claims (based on injury date)

Claims	2003-04	2004-05	2005-06	2006-07	2007-08	8-year average
Volunteers	177	149	222	217	115	215
Employees	86	89	114	105	113	99

The WorkSafe premiums are shown in Table 17 as a percentage of remuneration to enable a comparison with previous periods.

Table 17. WorkSafe premium

Year	WorkSafe Premium
2008-09 ⁶	1.3331%
2007-08	1.0896%
2006-07	1.2032%
2005-06	1.3259%
2004-05	1.2299%
2003-04	1.2861%

Management of Talent

Strategic workforce planning work has continued with the key components being developed and tested and rollout education commenced.

A leadership development strategy has been developed and extensive consultation with volunteers, staff and unions and volunteer Associations completed.

⁶ This is the indicative premium for 2008-09.

Workforce Sustainability and Capabilities

- Delivery of CFA's career firefighter recruitment campaigns continued with 40 firefighter recruits graduating during the year and preparations complete for an additional 20 to commence a recruit course early in 2008-09.
- CFA's enhanced volunteer recruitment tools, in conjunction with local brigade activity, have seen membership numbers remaining relatively steady.
- CFA continued its strong working relationships with the volunteer Associations, enabling active involvement in the 'Valuing Volunteer' program. This resulted in additional funding of \$288,000 being obtained for key volunteerism initiatives.
- The Emergency Memberlink program was enhanced following a review and feedback from members. The program has enhanced its range of discount offers and availability of benefits to regional and rural areas and was relaunched in April 2008.
- A comprehensive review of 'Administrative Support to Brigades' was undertaken with a report under consideration.
- CFA hosted a highly successful National Championships at Lakes Entrance in October 2007. In conjunction with the local organising committee and the Volunteer Fire Brigades Victoria (VFBV), this event showcased key emergency management initiatives and programs.

Renegotiation of Workplace Agreements

During this year CFA renegotiated a number of collective Workplace Agreements:

- Negotiation of the 'Professional Technical and Administrative Workplace Agreement' 2007 covering 630 employees was finalised in November 2007. This agreement is for three years and delivers on flexible employee work arrangements to meet volunteer after-hours availability requirements.
- Agreement on the 'Operational Staff Workplace Agreement' covering 643 employees was achieved in May 2008, however the process leading to formal lodgement is not expected to be completed until August-September 2008. Key outcomes of this agreement were provisions relating to use of sessional instructors and more flexible lateral entry and 'no contracting out' provisions.
- Also in May 2008, agreement was reached on the 'Operational Officers and Operational Managers Workplace Agreement' covering 99 employees, however the process leading to formal lodgement is not expected to be completed until August-September 2008. CFA secured additional funding commencing in 2008-09 for an extra 25 operations officer positions. In turn this allowed the agreement to deliver manageable relief provisions and the necessary resources to better service the needs of volunteers.

Learning and Development

Leadership and Professional Development

- An executive coaching program has been introduced to support the transition of new staff into an executive role. Five executives are currently participating in this program.
- all executive officers participated in a 360 degree feedback process and development discussion during the year
- The 'Fireline Leadership' program continues to be conducted as part of CFA's leadership development strategy for volunteers. Thirteen programs were conducted in 2007-08 and to date over 300 brigade leaders have attended this program.

- the sixth Diploma of Business program commenced with 18 participants
- thirty-five volunteers and five staff attended the CFA Challenge program
- studies assistance was provided for 35 staff undertaking external tertiary courses of study
- six volunteers and six staff were selected to attend AFAC leadership development programs at the Australian Institute of Police Management in Sydney.

CFA also supported a series of other professional development programs during 2007-08:

- 100 CFA members attended the 14th AFAC/Bushfire CRC Conference in Hobart
- 37 professional development programs were conducted around the State
- 17 people commenced the second 'Certificate IV in Finance and Administration'
- Five CFA members received study grants to conduct research on emergency management topics during the year.

Minimum Skills Training

To date, 42,434 volunteers have been trained and qualified to the level of Wildfire Minimum Skills.

Partnerships and Multi-Agency training

CFA conducted 63 'Working Safely at a CFA Incident Scene' courses for VicSES. In addition, 20 'Introduction to AIIMS' courses were completed for VicSES and a further eight were conducted for other emergency services or external customers

Commendations and Awards to CFA People

Tables 18, 19 and 20 provide details of CFA recipients of awards and commendations in 2007-08.

Table 18. CFA recipients of Australian Fire Service Medal (AFSM) 2007-08

Award Date	Recipient
Australia Day 2008	Mr Ronald Tuckett Hooper, Echuca
Australia Day 2008	Mr William Thomas (Bill) Pressey, Mortlake
Australia Day 2008	Mr Michael James Sanderson, Seymour
Australia Day 2008	Mr William Andrew Speirs, Nelson
Queen's Birthday 2008	Mr Barry Richard Barnett, Lancefield
Queen's Birthday 2008	Mrs Patricia Elaine Bigham, Gruyere
Queen's Birthday 2008	Mr Richard Kenneth (Rick) Williams, Ballarat

Table 19. Chief Officer's Commendations 2007-08

Date	To	Incident	Region
17 December 2007	Lieutenant Karen Whitehurst Newry Rural Fire Brigade (RFB)	For actions during the major flood event that impacted on numerous communities across Region 10 from 28 June through until mid July 2007.	10
17 December 2007	Loch Sport RFB	For the actions of brigade members during the major flood event that impacted numerous communities across Region 10 from 28 June through until mid July 2007.	10

Date	To	Incident	Region
17 December 2007	Newry RFB	For the actions of brigade members during the major flood event that impacted numerous communities across Region 10 from 28 June through until mid July 2007.	10
20 December 2007	Caroline Springs Urban Fire Brigade (UFB)	For the actions of brigade members whilst attending a severe multi vehicle accident on Sunday 14 October 2007 on Derrimut Road, Truganina.	14
20 December 2007	Hoppers Crossing UFB	For the actions of brigade members whilst attending a severe multi vehicle accident on Sunday 14 October 2007 on Derrimut Road, Truganina.	14
20 December 2007	Fire Officer David Abbey Hoppers Crossing UFB	For actions whilst attending a severe multi vehicle accident on Sunday 14 October 2007 on Derrimut Road, Truganina.	14
20 December 2007	LFF Charles Paynter Hoppers Crossing UFB	For actions whilst attending a severe multi vehicle accident on Sunday 14 October 2007 on Derrimut Road, Truganina.	14
20 December 2007	Werribee UFB	For the actions of brigade members whilst attending a severe multi vehicle accident on Sunday 14 October 2007 on Derrimut Road, Truganina.	14
19 March 2008	Dandenong UFB	For actions by brigade members in partnership with Hallam Fire Brigade, whilst attending a fire on 23 January 2008 at 1/107 Curtain Crescent, Dandenong.	8
19 March 2008	Hallam FB	For actions by brigade members in partnership with Dandenong Fire Brigade, whilst attending a fire on 23 January 2008 at 1/107 Curtain Crescent, Dandenong.	8
20 March 2008	Firefighter Andrew Carlin Dandenong UFB	For actions whilst attending a house fire at 18 Deanswood Road, Hampton Park on Friday 15 February 2008.	13
20 March 2008	Volunteer Firefighter Ray Rickards Hampton Park UFB	For actions whilst attending a house fire at 18 Deanswood Road, Hampton Park on Friday 15 February 2008.	8
10 June 2008	North West Area	For actions by officers, firefighters, management staff and volunteers of North West Area in responding to the level crossing accident north of Kerang on 5 June 2007, which tragically claimed the lives of 11 civilians and injured 17 others.	20
10 June 2008	Kerang UFB	For actions by officers and firefighters of Kerang Urban Fire Brigade in responding to the level crossing accident north of Kerang on 5 June 2007, which tragically claimed the lives of 11 civilians and injured 17 others.	20
10 June 2008	Cohuna UFB	For actions by officers and firefighters of Cohuna Urban Fire Brigade in responding to the level crossing accident north of Kerang on 5 June 2007, which tragically claimed the lives of 11 civilians and injured 17 others.	20
10 June 2008	Lake Charm RFB	For actions by officers and firefighters of Lake Charm Rural Fire Brigade in responding to the level crossing accident north of Kerang on 5 June 2007, which tragically claimed the lives of 11 civilians and injured 17 others.	20
10 June 2008	Ex Group Officer Norm Bowen Woodvale FB	For actions by the CIS peers in support of Kerang Fire Brigade, Cohuna Urban Fire Brigade and Lake Charm Rural Fire Brigade, in responding to the level crossing accident north of Kerang on 5 June 2007	2

Table 20. CFA Valour Medals 2008 (Section 99A of the CFA Act)

Date	To	Incident	Region
CFA Board meeting April 2008	Leading Firefighter Adam Shearer Geelong City Fire Brigade	For efforts in attempting to rescue a trapped employee from an unstable engulfment of granola seed at the Graincorp silo in Port Fairy Road, Hamilton on 5 December 2007.	5
CFA Board meeting April 2008	Leading Firefighter Mathew Kneebone Geelong City Fire Brigade	For efforts in attempting to rescue a trapped employee from an unstable engulfment of granola seed at the Graincorp silo in Port Fairy Road, Hamilton on 5 December 2007.	5

CFA ASSETS

Firefighting Appliance Strategy

Production of appliances continued against the Board-approved five-year appliance strategy program, which is due to be completed on 30 June 2009. As the program is in its fourth year production rates have increased, with 87 completed by 30 June 2008.

Several innovative designs of appliances were developed with trials being completed for heavy pumpers, medium tankers and pumper tankers.

Production runs for these units have now been approved. In addition, the first production unit of a light pumper design is due for completion in the first quarter of 2008-09, with the remaining production run of 24 to be completed by 30 June 2009.

Orders have also been placed for two 42-metre aerial ladder platforms and two hazardous material appliances. Planned production of 27 light tankers did not proceed, due to the higher than anticipated cost of production exceeding the allocated budget. Accordingly, the funds were redirected to produce an additional 10 medium tankers, 6 heavy tankers and the development of a new design light tanker concept prototype unit has commenced.

The light tanker concept unit will feature remote control monitors, an ultra high pressure pump and other features which will focus on improved firefighting efficiency, minimised water usage and improved ergonomics and safety enhancements for firefighters. The prototype is due for completion by 1 January 2009.

Firefighting Appliance Program

During 2007-08, 87 appliances were completed and expenditure on appliance programs for the year totalled \$27 million, including appliances delivered via the Community Safety Emergency Support Program (CSESP). The appliances manufactured are as follows:

- 51 heavy tankers model 3.4C – 3,000 litre, 4WD (includes 4 CSESP units)
- 20 medium tankers model 2.4C – 2,000 litres, 4WD
- 11 light tankers – 1,500 litre single cab, 4WD, CSESP units
- one heavy pumper – 4,000 litre per minute pump capacity
- one mobile communications van
- one rapid deployment module (Dandenong – majority brigade funded)
- one heavy rescue appliance
- one medium pumper tanker.

Community Safety Emergency Support Program

The CSESP is a program under the Victorian Government's Community Support Fund to assist eligible emergency service volunteer organisations. CFA's share of the CSESP funding has been focused on providing brigades with assistance to replace existing aged brigade-owned tankers or to acquire new tankers, vehicles or equipment.

Since its inception in August 2000, CSESP programs have involved CFA in the following:

- CFA brigades received \$9.5 million from a total CSESP funding pool of \$15.5 million available to the participating agencies.
- CFA contributed a further \$8.1 million to assist brigades replace aged brigade-owned tankers and the brigades also provided contribution towards the costs.
- A total of 1,214 applications for assistance were received by CFA, with 313 brigades successful to date.

The successful CSESP projects have delivered significant capability to CFA brigades:

- 56 heavy tankers
- 5 medium tankers
- 51 light tankers
- 52 slip-on appliances
- 26 specialist vehicles
- 55 cars
- 64 ancillary equipment projects.

The remaining two heavy tankers and five medium tankers approved from CSESP3 Round 1 were out to tender at the end of the reporting period. The three light tankers from this round were in production and are due to be completed by the end of October 2008. The field operations vehicle is due for delivery mid September 2008.

It is anticipated that the Minister will announce CSESP 3 Round 2 in 2008-09.

Land and Buildings Program

In line with the five-year rolling land and building program 23 projects were completed in 2007-08 including the delivery of 18 new and refurbished integrated, urban and rural fire stations. Another 18 building projects were progressed in 2007-08 for future year programs. The 2007-08 land and building program, including funding for the Labor Financial Statement (LFS) 'Ready for any Emergency' and the additional operational staff programs, included work to the value of \$21.98 million.

Major projects completed during the year included new fire stations at:

- Ocean Grove
- Gorae West
- Purnim
- Baddaginnie
- Newlyn Dean
- Cobram East/Boosey

- Stuart Mill
- Carlyle.

Refurbishments or extensions to stations were completed at:

- Sunbury
- Craigieburn
- Bayswater
- Browns Plains
- Noorongong.

In this first year of the four-year LFS sub-program Reefton and Badger Creek Fire Stations were completed. Construction commenced at the following fire stations:

- Traralgon
- Geelong West
- Wallan
- Christmas Hills
- Toora.

Projects developed for planned release of tenders early in 2008-09 include works for fire stations at:

- Geelong City
- Castlemaine
- Bonegilla
- Halls Gap
- Mitta Mitta.

Projects in 2007-08 on the infrastructure program supporting the deployment of additional operational staff included the completion of the Mornington and Melton Fire Stations and the major refurbishments of the Sunbury and Craigieburn Fire Stations. These projects completed all planned works under this program.

Major land acquisitions were completed in 2007-08 including sites at:

- Mildura
- Geelong West
- Rutherglen
- Leongatha
- Wallan
- Violet Town
- Taradale
- Warneet.

A number of additional sites for rural fire stations were purchased or leased.

Office Accommodation Planning

In 2007-08 project planning and documentation for the new Ballarat emergency management office was progressed to allow commencement of construction in 2008-09. Office accommodation planning was also undertaken during the year for the CFA Headquarters at Burwood East with a range of options being evaluated for future needs following the expiry of current office leases at the end of 2009. CFA has been coordinating with ESTA (a co-tenant at Burwood East) on office accommodation planning options that consider the needs of both agencies.

Personal Protective Clothing

This program will enable the replacement of protective ensembles for qualified CFA structural firefighters. The ensembles employ the latest textile technologies to deliver garments that meet and exceed Australian Standards for Structural Firefighting Apparel. Design and contractual issues associated with the rollout program are substantially complete and the program will commence to the 100 busiest brigades, by incident response, in 2008-09.

State Logistics Centre

The opening of CFA's State logistics centre (SLC) in July 2007 at Knoxfield provided a major boost in the support for brigades and regions. The SLC provides ongoing support for operational consumables and logistics to both CFA's regional operations and major incidents across the State, particularly during the summer fire danger period. The range of goods supplied through the SLC has increased and in many cases reduced the lead times from suppliers. Using a common information technology logistics control system across all regional offices, the SLC provides a next-day delivery across the State for all warehoused items.

During the fire danger period the SLC has increased its preparedness, by storing a number of potential high demand items such as hydrate, water, hose, and fittings. This enables the SLC to react quickly in the support of any major incidents throughout the state.

CFA INFORMATION AND COMMUNICATIONS

Operational Communications – the Next Generation

Work is progressing well on developing the requirements for the next generation of radio or wireless communications equipment for CFA. With the diverse range of information flows that occur in managing incidents, it is critical that CFA be well prepared to provide timely, accurate and reliable voice and data traffic to its front line personnel. With voice, data, video and other forms of information traffic now able to be managed together in Internet Protocol-based networks, CFA's information needs at fires and other incidents will be able to be managed in an integrated way – and one that ensures interoperability with other key agencies.

Tactical information flows have now been documented to form the basis for new networks and terminal equipment, with an examination being made of new conceptual solutions that are expected to become available in the next 3-5 years. Work continues on examining how transportable and mobile equipment and field-based terminals, for example in fire appliances, can be integrated with CFA's fixed network infrastructure.

Operational Communications – CFA Radio Replacement Project

CFA was successful in its bid to replace its radio terminals following approval of this initiative in the Victorian Government's May 2008 budget, at a cost of \$12.8 million. Much of the work

already completed in developing conceptual solutions for the next generation of radio will contribute to the planning for the immediate project to replace CFA's current vehicle-mounted and handheld radios.

The project will replace radio terminals that were introduced into CFA service in the mid-1990s and which have now reached their end of life. To be undertaken in close consultation with other emergency services, this project will ensure that CFA is well prepared to continue to provide its firefighting members with the capability needed for emergency response. CFA's existing radio networks, with which the radio terminals operate, do not require replacement.

Information and Communications Technology Strategy

In 2007-08, the Information and Communications Technology (ICT) program continued the implementation of the ICT Strategy through the development of infrastructure and software platforms to establish the foundations of a modern ICT environment.

This year's program work included data warehouse, system integration, process management, identity management, disaster recovery and web content management. Reviews of the on-line services strategy and ICT strategy were undertaken to complement and refresh the current ICT strategy.

Geographic Information Services

During the year CFA's Geographic Information Services (GIS) team completed significant research and development and produced a wide range of data and information to support regular corporate reports, online mapping services and project specific materials.

In conjunction with Operations, a trial of the field mapping program 'EIMS Mapper' commenced. EIMS Mapper captures fireground data, provides map production services for local resources and includes planning and visualisation functionality for ICCs and RECCs. EIMS Mapper communicates with Google Earth interactively as a means of providing overview or 3D visualisation services. Field trials are underway at many locations and include both staff and volunteers.

An interactive mapping tool as an addition to 'Maps Online' was developed. The tool will be available to all staff and brigades.

GIS provided many products and services over the course of the year. Two GIS training courses were delivered to staff and volunteers, extensive support for the map book program continued and over 1,000 hydrant-town maps were added to Maps Online.

CFA FINANCES

CFA and Brigades Donations Trust Fund

Under Division 30 of the Income Tax Assessment Act "deductible gift recipients" must maintain a gift fund for all donations. Accordingly, CFA established the CFA and Brigades Donations Trust to operate as a gift fund for CFA brigades. Seven trustees were appointed, two representing CFA and five from VFBV.

The Trust uses the Commonwealth banking system and CFA's financial management system; it requires minimal administrative support and incurs running costs of approximately \$45,000 per annum, which are absorbed by CFA. The Trust has 1,065 brigades registered and received approximately \$4.3 million in donations in 2007-08. All interest accrued in the Trust is redistributed to the brigades, and T.V.Lant and Associates is appointed as the external auditor of the Trust.

Legal Protection for Volunteers

The project identifies and implements processes to ensure brigades are not adversely impacted by the transition to operate under CFA's Australian Business Number (ABN). This transition is being undertaken in order to protect volunteers from any legal ramifications, and improve financial management accountabilities and transparency for CFA. Approximately 95 per cent of CFA brigades now operate under CFA's ABN.

Brigade Financial Management

The Victorian Auditor-General has recommended that CFA and all brigade financial activities, including assets, are consolidated within the CFA's overall financial reporting structure and accountability framework. In response to this recommendation, CFA worked with stakeholders to develop appropriate ways to achieve compliance with minimal disruption and adverse consequences on brigades.

This project has now concluded. All brigade cash balances and plant and equipment assets are now consolidated into CFA's Balance Sheet. Cash balances have been obtained from all brigades and groups of brigades enabling consolidation at financial year end. Amendments to CFA's Regulations to support brigade financial management are currently being progressed.

CFA also supports its brigades financially by making available short-term credit for asset acquisitions and replacements, on interest-free terms.

Records Management Project

A significant project is well underway to implement a dedicated Records Management system across all CFA areas and business units. The project is nearing completion with a pilot being successfully run and user acceptance testing completed. A scheduled rollout has been developed in consultation with CFA areas.

Awareness sessions for senior management, finance and business managers were organised, and in-depth awareness sessions held for all administrative staff across CFA.

Major Insurance Claim

As a consequence of a heavy downpour in December 2007, 60 staff had to be relocated from one of the Headquarters office buildings in Burwood East. Temporary accommodation was arranged, following which partitions and carpet were removed to allow rectification works to be facilitated. Reinstatement was completed within 30 days.

ENVIRONMENTAL MANAGEMENT

CFA's environmental sustainability program assists individuals, brigades and CFA business units to manage their business in an environmentally-responsible way. CFA also continues to provide leadership in environmental management at the state and national levels.

The work of the environmental sustainability program is guided by the *CFA Environment Strategy* which was approved by the Board in December 2003.

A primary focus for 2007-08 was to assist CFA leaders and office staff to demonstrate leadership in environmental management. Highlights are outlined below.

- 'The Way Forward' was developed to highlight 20 key environmental management priorities for CFA. Priorities include strong climate change action, personal action, responsible fire management, collaboration and improved management systems. This

document was developed following a review of implementation of the *CFA Environment Strategy* conducted during 2006-07.

- Governance arrangements and opportunities for learning and collaboration were strengthened through the formation of an executive-led Environmental Sustainability Committee and management-level Environmental Sustainability Coordination Group.
- CFA's executive officers participated in a team objective to learn more about climate change, discuss climate change issues with their teams, to reduce their work-related greenhouse gas emission by five per cent and to support environmental initiatives in CFA.
- This initiative has been very successful with 68 per cent of executives completing all targets, and 75 per cent of executives reported that this initiative helped them to demonstrate leadership in this important area. A case study of this initiative was shared with other government agencies at the request of Sustainability Victoria.

In January 2008, CFA joined the 'Resource Smart Government' program administered by Sustainability Victoria. Participating agencies will be assessed on their planning and progress in reducing resource use and be subject to audit by the Commissioner for Environmental Sustainability. A preliminary assessment indicates that CFA is well-placed compared with other agencies because of its commitment, planning and implementation of behaviour change programs. However, further work is needed to achieve targets for resource use reduction

CFA is part of a team (the 'Tally Ho Hub') that won two awards at the 2008 City of Whitehorse Sustainability Awards for leadership in sustainability (sustainable business award and overall sustainability award). The hub was established two years ago with the aim of bringing together local businesses to support each other in improving organisational sustainability performance. The hub is facilitated by the Metropolitan Regional Waste Management Group. Other organisations involved include World Vision, RSPCA, VicRoads, Agilent, HP and Fastwire.

Environmental training continues to be included in CFA training courses. Environmental care is now included in six CFA courses (Prescribed Burning, Operational Management, Incident Planning, Urban Crew Leader, Supervision of Machinery and Class A Foam).

The CFA environmental grants continue to be popular with brigades. This year \$17,906 was provided for 24 projects. The projects have helped brigades to save energy and water, and to provide leadership in environmental management.

Green Office Project

This project commenced in November 2007 with the objective of assisting CFA staff to take personal responsibility for improving waste and resource-use reduction within their sphere of influence.

To date, the project has targeted CFA area and regional offices, directorates and two training grounds and has achieved:

- the establishment of 19 Green Teams with 125 members
- 27 Green Office training sessions completed
- introduction of 'Top 20 Actions' including:
 - a Carbonmetrix utility tracking tool to allow the establishment of baseline measures

- recycling programs
- fuel efficiency in cars
- 'environmentally friendly' input to planning for CFA's 2008-09 Championships.

Other 'environmentally friendly' initiatives:

- introduction of photocopiers which use soy based inks, are more efficient and do not use a fusing (heating) process
- purchasing 100 per cent recycled paper for use at CFA Headquarters
- carbon offset for all airline travel, and Headquarters' pool vehicles
- procurement of all corporate stationery through an 'environmentally friendly' printer.

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 CFA Act.

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

The CFA Act provides for a Board of 12, consisting of the Chairman and 11 other members, appointed by the Governor-in-Council for up to three years. The CFA Act prescribes those bodies that can nominate people to the Board. The current nominating bodies include the Minister for Sustainability and Environment, VRFBA, VUFBA and MAV.

The Chairman and Board Members are paid an allowance determined by the Governor-in-Council.

In addition to the requirements of the CFA 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 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 in its Corporate Plan and Annual Plan.

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

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 COMMITTEES

During the year, the Board reviewed the role and functions of its Committees. The Committees are:

- Audit and Risk
- Remuneration and Appointments
- Industrial Relations.

The Charter of each Committee describes the roles and responsibilities of the Committee as well as various governance and machinery matters.

Audit and Risk Committee

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

It does this by reviewing and monitoring the:

- integrity and quality of annual financial reporting and disclosure
- adequacy and integrity of management reporting
- identification and review of key strategic business, financial and regulatory risks
- existence of appropriate policies and the processes for compliance with them
- existence of processes that regularly review organisational compliance with relevant laws, government policies, standards and codes
- adequacy of the internal control framework and structure
- adequate discharge of CFA management duties concerning the management responsibility of CFA
- performance of the external and internal audit functions.

CFA's internal audit function is undertaken by PricewaterhouseCoopers, which reports to the Audit and Risk Committee at each of its meetings.

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

Membership:

- Clif Lang (Chair)
- Claire Higgins
- Ken King
- Peter Marke
- Michael Tudball

Remuneration and Appointments Committee

The Remuneration and Appointments Committee has been established to take specific responsibility for recommending to the Board CFA's policy and practice for executive officer appointments and remuneration review processes. It is also responsible for reviewing and recommending to the Board remuneration and terms and conditions concerning all non-executive employees.

The Remuneration and Appointments Committee:

- manages the appointment process of executive officers and makes recommendations to the Board in relation to those appointments

- advises the Board on all matters relating to the remuneration and reimbursement of expenses of CFA Board members having regard to any government guidelines or policies that are in place
- advises the Board on all industrial relations matters involving the unions with which CFA has formal relationships
- reports and recommends actions to the Board on all relevant matters within its Charter.

Membership:

- Claire Higgins (Chair)
- David Gibbs
- Peter Harmsworth
- Kerry Murphy

Industrial Relations Committee

The Industrial Relations Committee's roles and responsibilities are to assist the Board to ensure that well-developed industrial relations strategies and systems are in place, and that due diligence reporting occurs in its defined areas of responsibility.

The role of the Industrial Relations Committee is to:

- provide advice to the Board on matters that the Board has referred to it for consideration or matters which the Chair believes it ought to consider
- provide a forum for Board members and management to develop industrial relations strategies and to monitor existing and evolving industrial relations issues affecting CFA people and business performance
- review and make recommendations to the Board regarding industrial relations issues for inclusion in the CFA Annual report
- review and make recommendations to the Board on industrial agreements within current government wages policy and industrial relations frameworks including giving proactive consideration to the implications on CFA of new legislation, government policies or similar prescriptive requirements
- consider the implications of proposed agreements or employment contracts to be executed by CFA where they are likely to have a significant impact on the employment, careers or working conditions of CFA people.

Membership:

- Kerry Murphy (Chair)
- David Gibbs
- Peter Harmsworth
- Michael Tudball

Attendance at Board Meetings

	Board Meetings	Audit and Risk	Remuneration and Appointments	Industrial Relations
Number of meetings to 30 June 2008	14	5	3	2
Kerry Murphy	13	-	2	2
Zena Burgess ¹	10	-	1	1
Kevin Erwin ²	11	-	-	-
David Gibbs	13	2	2	2
Claire Higgins ³	8	2	3	-
Lyn Gunter ⁴	11	-	-	-
Peter Harmsworth	13	-	3	2
Peter Jamvold	14	-	-	-
Ken King	13	5	-	-
Peter Marke	14	3	-	-
Michael Tudball	14	5	-	2
Frank Zeigler	13	-	-	-
Clif Lang ⁵	-	5	-	-

Notes:

¹ Term Expired 1 April 2008

² Appointed 25 September 2007

³ Appointed 2 October 2007

⁴ Appointed 1 July 2007

⁵ Term Expired 30 June 2006. Appointed as independent Chair of Audit and Risk Committee

AUTHORITY MEMBERS

The 12 member Authority comprises the CFA Chairman and members appointed by the Governor-in-Council.

Kerry Murphy
PSM, AFSM



Appointed as Chairman: 1 April 2007
Member of CFA Board since 1 July 2006

Board Committees: Remuneration and Appointments, Industrial Relations

Former joint Executive Director Business Victoria. Retired Chief Executive of Regional Development Victoria (a statutory body responsible for coordinating regional development in provincial Victoria). Former Chairman Albury Wodonga (Victoria) Development Corporation.

Awarded PSM (2002) for service to Business in regional Victoria.
Awarded AFSM (2002).

Claire Higgins
BComm, FCPA, FAICD



Appointed as Deputy Chairman: 2 October 2007

Board Committees: Remuneration and Appointments, Audit and Risk

Claire has over 25 years governance, management, finance and accounting experience with major Australian corporates – BHP and OneSteel Limited and major Belgian Corporate – NV Bekaert SA. In addition, Claire has been on the Board of Barwon Health since 2000 and Chair since 2002. She has been a member of the Victorian Health Service Management Innovation Council for 2 years. During 2007, Claire was appointed to Chair of Victorian State Emergency Services Authority and a Board Member of Barwon Water. Claire is married with 2 daughters and lives in the Surf Coast Shire.

Dr Zena Burgess
PhD



Member of CFA Board since 31 May 2005
Term expired: 1 April 2008

Board Committees: Remuneration and Appointments

Zena is an Organisational Psychologist with experience in organisational change, primarily in public sector management, boards and committees of management. Currently Zena works in Human Resource Consulting and is Victorian State Manager of Davidson Trahaire Corpsych which is one of the largest Employee Assistance and Trauma debriefing providers in Australia. She is a Fellow of the Australian Psychological Society and was Vice President and Director of Membership 1998-2000 of the Australian Psychological Society, Board Member of the Tertiary Credit Union 1995-1997, VCAT Sessional Member 1998-2006 and Member of Rotary 1998-2000.

Kevin A. Erwin



Member of CFA Board since 25 September 2007

Board Committees: -

Joined CFA Board during 2007 and a CFA volunteer for the past 37 years. Former Captain of the Callawadda Fire Brigade, DGO and currently Group Officer of the Stawell Group. Former Mayor and currently Councillor for the Northern Grampians Shire Council. Is a Director of the Grampians Regional Waste Management Group; Chairman of Region 16, Regional Planning Committee and member since 1999. Kevin is a primary producer and holds numerous roles in the community.

David Gibbs
B.Juris.LL.B., Notary
Public, MAICD



Member of CFA Board since 15 April 2006

Board Committees: Remuneration and Appointments and Industrial Relations

David has conducted his own Legal Practice at Hastings, on the Mornington Peninsula, since 1980 and is both a Business Law and Family Law Specialist, as well as being accredited as a Mediator and Arbitrator. He has been a member for many years of numerous School Councils and Community Organisations and was Chairman of an Independent School Board until January 2007.

He has been a CFA Volunteer for 37 years, Secretary of the Somers Brigade for 21 years, Deputy Group Officer for 8 years and current Group Officer for 19 years of the Westernport Group. He has been Chairman of the Region 8 Regional Planning Committee for 11 years. Operationally, David holds Level 3 Accreditation as an Incident Controller, Operations Officer, Planning and Logistics Officer and brings to the Board operational experience as well as his professional expertise. Awarded National Medal (1995), Clasp (2001) and Honorary Life Membership (2004).

Lyn Gunter



Member of CFA Board since 1 July 2007

Board Committees: -

Lyn is the Local Government representative on the Board and has been involved in emergency management since 1987 as Controller of Kinglake VicSES unit, Chairman of the Municipal Emergency Management Planning Committee and Communication Officer for Flowerdale CFA.

Peter Harmsworth AO
BComm, GradDipDP



Member of CFA Board since 26 June 2007

Board Committees: Remuneration and Appointments and Industrial Relations

Joined CFA Board June 2007. Has extensive experience in management at senior levels across the public sector. Held previous roles as Chairman/CEO, State Services Authority; Secretary, Department of Innovation, Industry and Regional Development; Secretary, Department of Justice; Director, Office of Training and Further Education; Director General, Office of Corrections; Manager, Organisational Services, SECV; Director, Management Consultancy Division, PSB and Constable/Senior Constable, Victoria Police.

Undertook a review of CFA and MFB for the government in 1982 and a review of the Ash Wednesday Findings for the Premier in 1983, resulting in the current emergency management legislation.

Recipient of the Centenary Medal and National Fellow, Institute of Public Administration Australia and made an Officer in the Order of Australia in 2008

Peter Jamvold
BSc



Member of CFA Board since 1 July 2006

Board Committees: -

Broad business background. Australian Trade Commissioner in Washington DC, Bangkok and Osaka. Business Development Manager, North West Shelf LNG project and National Government Affairs Manager, Shell. Pearl farmer in the Northern Territory. Regional Manager (Victoria, South Australia and Tasmania), Insurance Council of Australia.

Ken King
BForSc (Hons), DipFor
(Creswick)



Member of CFA Board since 1 July 2003

Board Committees: Audit and Risk

Recently retired as Executive Director, Land and Fire Management with the Department of Sustainability and Environment and was a Board member of the Phillip Island Nature Park (1997-2003). Has extensive experience in wildfire activities since 1971 and as a forester in the Public Service since 1974. Was previously Regional Manager for Department of Conservation Forests and Lands through to the former Department of Natural Resources and Environment in South Gippsland, North West and Port Phillip Regions. Awarded the National Medal in 1989. Also a Board member of Parks Victoria since 2005.

Peter Marke
JP, MAICD



Member of CFA Board since 18 May 2004

Board Committees: Audit and Risk

Captain of Upwey Fire Brigade for the past 35 years, and member of the brigade for 49 years. Retired in 2007 as a provider of Emergency Procedures, Risk Assessments and Disaster Recovery Planning and Training. Held past memberships of numerous national and international Fire Protection industry committees. Served as Chairman and member of MEMC and currently a member of MFPC. Member of various community groups, including the Upwey and District Community Bank Group, for which he is Chairman. Formerly a Shire President and Councillor for the Shire of Sherbrooke for over 7 years. Has held various positions including Manager Fire Safety for Telstra Victoria, Principal Director for Fire and Recovery Planning Pty Ltd. Director of the recently founded Strategic Advisory Board of Bendigo Bank.

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



Member of CFA Board since 28 October 2003

Board Committees: Industrial Relations and Audit and Risk

Currently MD of Strategic and Business Planning consultancy. Professional memberships as a Fellow of Australian Institute of Company Directors (FAICD) and Member of Institute of Public Administration Australia; Board President of Djerriwarrh Health Services and Councillor with Moorabool Shire Council. Chairman of the Area Advisory Board (CFA Region 14), former Officer and current operational member of Bacchus Marsh Urban Fire Brigade.

Frank Zeigler
VA, Dip Ed Trg & Asses.
GradDip (Disaster Mgt),
MOHS, FAICD

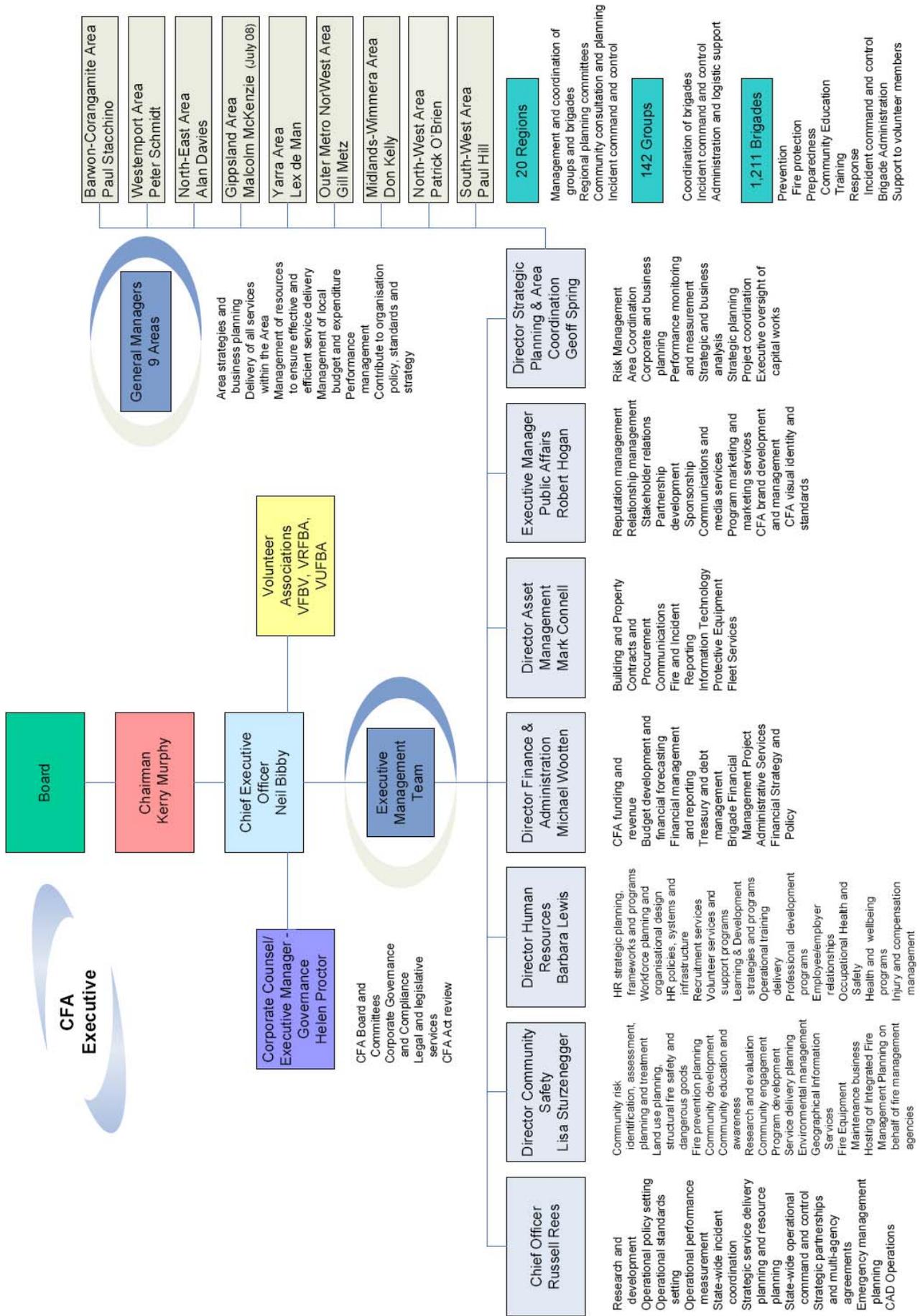


Member of CFA Board since 1 January 1997

Board Committees: -

Managing Director of Hyperbaric Technologies Australia, and Smarter Safer Solutions, Councillor and former Mayor of the Glenelg Shire. Chairman of Portland Eco Trust. 32 years experience in emergency services.

CFA Organisation Chart 2007-08



Financial Statements

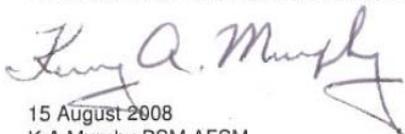
Accountable Officer's and Chief Finance and Accounting Officer's declaration

We certify that the attached financial report for CFA has been prepared in accordance with Standing Direction 4.2 of the Financial Management Act 1994, applicable Financial Reporting Directions, Australian Accounting Standards and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes forming part of the financial report, presents fairly the financial transactions during the year ended 30 June 2008 and financial position of CFA as at 30 June 2008

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

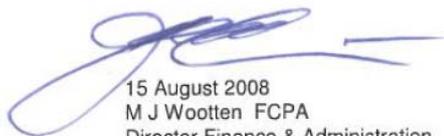
We authorise the attached financial report for issue on 15 August 2008.



15 August 2008
K A Murphy PSM AFSM
Chairman



15 August 2008
N G Bibby AFSM
Chief Executive Officer



15 August 2008
M J Wootten FCPA
Director Finance & Administration

Operating Statement for the financial year ended 30 June 2008

	Notes	2008 \$'000	2007 \$'000
INCOME			
Contributions	2(a)	268,637	260,236
Sales of goods and services	2(b)	13,279	9,847
Other income	2(c)	21,984	53,396
Total Income		303,900	323,479
EXPENSES			
Employee benefits	2(d)	136,685	133,038
Depreciation and amortisation	2(e),7(b)	22,848	22,118
Other expenses	2(f)	122,246	133,783
Total Expenses		281,779	288,939
Net Result for the period		22,121	34,540

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

Balance Sheet as at 30 June 2008

	Notes	2008 \$'000	2007 \$'000
Current assets			
Cash and cash equivalents	17(a)	48,776	50,308
Receivables	3	9,537	7,856
Inventories	4	7,086	7,594
Other	5	1,867	2,021
		<u>67,266</u>	<u>67,779</u>
Non-current assets classified as held for sale	6	5,290	666
Total current assets		<u>72,556</u>	<u>68,445</u>
Non-current assets			
Property, plant and equipment	7	563,971	540,617
Total assets		<u>636,527</u>	<u>609,062</u>
Current liabilities			
Payables	8	16,192	15,952
Provisions	9	37,368	36,659
Total current liabilities		<u>53,560</u>	<u>52,611</u>
Non-current liabilities			
Provisions	9	11,165	10,035
Total liabilities		<u>64,725</u>	<u>62,646</u>
Net assets		<u>571,802</u>	<u>546,416</u>
Equity			
Contributed capital	10(a)	199,870	196,605
Asset revaluation reserve	10(b)	221,016	221,016
Accumulated surplus	10(c)	150,916	128,795
Total Equity	10(d)	<u>571,802</u>	<u>546,416</u>
Contingent liabilities and contingent assets	15		
Commitments for expenditure	15		

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

Statement of Changes in Equity for the financial year ended 30 June 2008

	Notes	2008 \$'000	2007 \$'000
Total equity at beginning of financial year		546,416	463,139
Gain/(loss) on property revaluation	10(b)	0	45,208
Net income recognised directly in equity		0	45,208
Net result for the period	10(c)	22,121	34,540
Total recognised income and expense for the period		22,121	79,748
Transactions with the State in its capacity as owner	10(a)	3,265	3,529
Total equity for the financial year ended 30 June 2008		571,802	546,416

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

Cash Flow Statement for the financial year ended 30 June 2008

	Notes	2008 \$'000	2007 \$'000
Cash flows from Operating Activities			
Receipts			
Contribution receipts from Government		59,760	80,386
Receipts from other entities		222,755	195,033
Goods and services tax recovered from the ATO		17,422	16,564
Interest received		2,992	3,043
Other revenue		15,681	45,524
Total receipts		318,610	340,550
Payments			
Payments to suppliers and employees		(273,309)	(278,453)
Goods and services tax paid to the ATO		(2,517)	(2,341)
Total Payments		(275,826)	(280,794)
Net cash flows from/ (used in) operating activities	17	42,784	59,756
Cash flows from Investing Activities			
Payments for property, plant and equipment		(51,959)	(45,807)
Deposits on land acquisitions		0	99
Proceeds from sale of property, plant and equipment		4,378	6,081
Net cash flows from/ (used in) investing activities		(47,581)	(39,627)
Cash flows from Financing Activities			
Proceeds from capital contributions		3,265	3,194
Net cash flows from/ (used in) financing activities		3,265	3,194
Net increase (decrease) in cash and cash equivalents		(1,532)	23,323
Cash and cash equivalents at the beginning of the financial year		50,308	26,985
Cash and cash equivalents at the end of the financial year	17	48,776	50,308

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

Notes to the Financial Statements for the Year Ended 30 June 2008

1 Summary of Accounting Policies

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared on an accrual basis in accordance with the *Financial Management Act 1994*, applicable Australian Accounting Standards (AAS), which includes the Australian accounting standards issued by the Australian Accounting Standards Board (AASB), AAS29 Financial Reporting by Government Departments, Interpretations and other mandatory professional requirements. The financial report also complies with relevant Financial Reporting Directions (FRDs) issued by the Department of Treasury and Finance, and relevant Standing Directions (SD) authorised by the Minister for Finance.

(b) Basis of preparation

The financial report has been prepared on an historical cost basis, except for the revaluation of certain non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

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

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.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2008 and the comparative information presented in these financial statements for the year ended 30 June 2007.

(c) Reporting Entity

The financial report covers the Country Fire Authority which is a statutory authority and operates under the Country Fire Authority Act 1958. Its principal address is:

8 Lakeside Drive, Tally-Ho Technology Park Burwood East Vic 3151.

The financial statements include all the controlled activities of the Authority.

(d) 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 the authority 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.

(e) Goods and Services Tax (GST)

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

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

(f) Income recognition

Income is recognised for each of the Authority's major activities as follows:

(i) Contributions

Statutory contributions are determined under Section 77 of the Country Fire Authority Act 1958 and comprise 77.5% from insurance companies insuring against fire for property situated within the Country Area of Victoria, and 22.5% from the Consolidated Fund. Contributions Income is recognised in the financial year to which the determination under Section 77 applies.

(ii) Sales of Goods and Services

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

(iii) Other Income

Interest revenue

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

Fixed asset sales

The gross proceeds of non-current fixed asset sales are included as revenue at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed.

The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

CFA and Brigades Donations Fund

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

(g) Expenses

Employee Benefits

Employee benefits expenses include all costs related to employment including wages and salaries, leave entitlements, redundancy payments and superannuation contributions. These are recognised when incurred, except for contributions in respect of defined benefit plans.

Superannuation

Defined contribution plans

Contributions to defined contribution superannuation plans are expensed when incurred.

Defined benefit plans

The amount charged to the operating statement in respect of defined benefit plan superannuation represents the contributions made by the Authority to the superannuation plan in respect to the current services of current Authority staff. Superannuation contributions are made to the funds based on the relevant rules of each fund.

The Authority does not recognise any defined benefit liability in respect of the superannuation plan because the Authority 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* administers and discloses the State's defined benefit liabilities or surplus in its financial report.

Depreciation

Depreciation is provided on property, plant and equipment, including buildings but excluding freehold land. Depreciation is calculated on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to the Authority to its estimated residual value. Depreciation methods and rates and estimated useful lives are reviewed at the start of each annual reporting period. Property, plant and equipment is depreciated from the date of acquisition in a ready to use condition or, in respect of internally constructed assets, from the time an asset is completed and held ready for use.

The following expected useful lives are used in the calculation of depreciation:-

Buildings at Cost	67 years
Buildings at Valuation	52 years
Plant and Equipment	3 - 20 years

Leasehold Improvements

The cost of improvements to or on leasehold properties is amortised over the unexpired period of the lease or the estimated useful life of the improvement to the Authority, whichever is the shorter. Leasehold improvements held at the reporting date are being amortised over periods ranging from 4 to 50 years.

Impairment of assets

All assets are assessed annually for indications of impairment, except for inventories, financial instrument assets and non-current assets held for sale. If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off by a charge to the operating statement except to the extent that the write-down can be debited to an asset revaluation reserve amount applicable to that class of asset. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. 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.

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 the Authority. 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 is expensed when distributed.

(h) Assets

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, deposits at call and highly liquid investments with short periods to maturity, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

Receivables

All debtors are recognised at the amounts receivable less an allowance for doubtful debts.

Trade debtors are due for settlement at no more than 30 days from the date of recognition or other negotiated business terms. Contribution debtors are due within 14 days. A legislated rate of interest is charged on outstanding contribution debtors.

The collectability of debtors is assessed at balance date. Debts which are known to be uncollectible are written off.

An allowance has been made for estimated irrecoverable amounts, determined by reference to past default experience.

The movement in the allowance was recognised in the operating result for the current financial year. (See note 3)

Inventories

Inventories include goods and other property held either for sale or for distribution at no or nominal cost in the ordinary course of business operations. It excludes depreciable assets.

All inventories and consumable stores were physically counted and valued as at 30th June 2008, or counted during the year on a rotating basis using the perpetual inventory method, at the lower of cost and net realisable value.

Cost is determined principally by the weighted average method.

Property, Plant and Equipment

Land and buildings are measured initially at cost, then subsequently at fair value.

Plant, equipment and vehicles are measured at cost less accumulated depreciation and impairment.

Acquisition of Assets

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

Costs incurred on fixed assets subsequent to initial acquisition are capitalised when it is probable that future economic benefits, in excess of the originally assessed performance, will flow to the Authority in future years.

Where these costs represent separate components they are accounted for as separate fixed assets and are separately depreciated over their useful lives to the Authority.

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

Revaluations of Non-current Assets

Prior to the current year, land and buildings revaluations were based on independent assessments obtained from the Valuer General on a three year rotation policy by dividing the State of Victoria on a geographical basis

Non-current physical assets measured at fair value are now to be revalued in accordance with FRD 103C. This revaluation process normally occurs every five years, based upon the asset's Government Purpose Classification. Revaluation increments or decrements arise from differences between carrying value and fair value.

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

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

Revaluation increases and decreases relating to individual assets within a class of assets are offset against one another within that class but are not offset in respect of assets in different classes.

Revaluation reserves are not normally transferred to accumulated surplus on de-recognition of the relevant asset.

Other Non Current Assets

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

Non-current assets held for sale

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

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

Operating Leases

The Authority leases property under non-cancellable operating leases expiring over the period of one to in excess of thirty years. Operating lease payments 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 in which economic benefits from the leased asset are consumed.

(i) Liabilities

Payables

Payables consist predominantly of creditors and other sundry liabilities.

These amounts represent liabilities for goods and services provided to the Authority prior to the end of the financial year that are unpaid, and arise when the Authority becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

Provisions

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

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

Employee benefits

(i) Wages and salaries and annual leave

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

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

(ii) Long service leave

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

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

The components of this current LSL liability are measured at :

present value - component that the Authority does not expect to settle within 12 months; and

nominal value - component that the Authority expects to settle within 12 months.

Non-current liability - conditional LSL (representing less than 10 years of continuous service) is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL liability is measured at present value.

(iii) 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 2008.

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.

(j) Commitments

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources and are disclosed at their nominal value.

(k) Contingent assets and contingent liabilities.

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

(l) Equity

Contributions by owners

Contributed capital is additions to net assets which have been designated as contributed asset transfers by owners in accordance with the requirements of paragraph 7c of Urgent Issues Group Interpretation 1038, Contributions by Owners to Wholly-Owned Public Sector Entities.

Other transfers that are in the nature of contributions or distributions have also been designated as contributions by owners.

(m) Rounding of amounts

Amounts in the financial report have been rounded to the nearest thousand dollars, unless otherwise stated.

(n) Functional and presentation currency

The functional currency of the Authority is the Australian dollar, which is also the presentation currency.

(o) Volunteer Brigade Policies

Volunteer Brigade cash and cash equivalents

Volunteer Brigade cash and cash equivalents as defined above have continued to be brought to account at 30 June 2008, as part of the ongoing consolidation of brigade activities with the Authority's financial activities. In accordance with Australian Accounting Standard AASB118, the movement has been disclosed as Income in the Operating Statement (note 2(c)) and as an increase in current assets in the Balance Sheet (notes 11& 17).

The basis of calculation for Brigade cash and cash equivalents was the balance as at 31 March 2008 adjusted for known income and expenditure to 30 June 2008.

Volunteer Brigade Land and Buildings

The Authority acknowledges the significant contributions made by Volunteer Brigades to the capital value of their fire stations. It has over 1,200 Volunteer Brigades and many of these have made substantial improvements to their fire stations and property over a number of decades. The value of these improvements is taken into account when the 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.

Brigade Owned Assets

The Authority fully recognises the major community contribution by bringing to account, at cost less accumulated depreciation, fire fighting vehicles acquired by volunteer brigades (Brigade Owned Vehicles) and Plant and Equipment valued at over \$5000.

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

(p) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2008 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 2008 the following standards and interpretations had been issued but were not mandatory for the financial year ending 30 June 2008. The Authority has not , and does not intend to, adopt these standards early.

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on the financial statements
Revised AASB 1004 Contributions	AASB decided to relocate requirements on contributions from AAS 27, 29 and 31, substantively unamended, into AASB 1004 as part of its short-term review of AAS 27, AAS 29, and AAS 31.	Beginning 1 Jul 2008	Impact expected to be insignificant
Revised interpretation 1038 Contributions by Owners made to Wholly-Owned Public Sector Entities.	Editorial amendments to Interpretation 1038 due to changes to AASB 1004.	Beginning 1 Jul 2008	Impact expected to be insignificant
AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB127, AASB 134, AASB 136, AASB1023 and AASB 1038].	An accompanying amending standard also introduced consequential amendments into other Standards.	Beginning 1 Jan 2009	Impact expected to be insignificant.
AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116, & AASB 138 and interpretations 1 & 12]	Option to expense borrowing cost related to a qualifying asset had been removed. Entities are now required to capitalise borrowing costs relevant to qualifying assets.	Beginning 1 Jan 2009	All Australian government jurisdictions are currently still actively pursuing an exemption for government from capitalising borrowing costs.
AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101	Editorial amendments to Australian Accounting Standards to align with IFRS terminology.	Beginning 1 Jan 2009	Impact expected to be insignificant.

(q) Prospective accounting changes

GAAP-GFS Convergence

The AASB has recently approved AASB 1049 Whole of Government and General Government Financial Reporting, which will apply to future financial reports of the Victorian general government sector. In October 2007, the AASB extended AASB 1049 to also apply to financial reports of the Whole of Government economic entity. The standard, which will be applicable for annual reporting periods beginning on or after 1 July 2008, converges Australian Generally Accepted Accounting Principles (GAAP) and Government Finance Statistics (GFS) reporting. It also includes additional disclosure requirements. The effect of any changes to recognition or measurement requirements as a result of this new standard is being evaluated.

2 Net result from operations

Income	2008 \$'000	2007 \$'000
(a) Contributions		
State Government	57,510	75,696
Insurance companies	201,466	175,870
Owners and insurance intermediaries etc.	9,150	8,179
Commonwealth Government	511	491
	<u>268,637</u>	<u>260,236</u>
(b) Sales of goods and services		
Revenue from sale of goods	4,878	3,623
Revenue from the rendering of services	8,401	6,224
	<u>13,279</u>	<u>9,847</u>
(c) Other income		
Property rental	641	751
Commonwealth Government Grant	4,375	4,375
Gain/(loss) on disposal of property, plant and equipment	(1,353)	(2,381)
Interest Revenue		
Interest on bank deposits	1,987	1,980
Interest on term deposits	992	1,009
Total interest revenue from financial assets not at fair value through Operating statement	2,979	2,989
Total interest revenue from financial assets at fair value through Operating statement	0	0
Total interest revenue	<u>2,979</u>	<u>2,989</u>
Volunteer Brigade		
Brigade donations received	4,351	3,984
Brigade owned vehicles and PME recognised	4,581	4,562
Brigade cash and cash equivalents recognised	570	35,695
Total Volunteer Brigade	<u>9,502</u>	<u>44,241</u>
Other (Aggregate of Immaterial items)	5,840	3,421
Total Other income	<u>21,984</u>	<u>53,396</u>
Total Income	<u>303,900</u>	<u>323,479</u>
Expenses		
(d) Employee Benefits		
Salaries	112,872	110,461
Superannuation (see note 16)	10,604	10,000
Other on-costs (payroll tax, fringe benefits tax, workcover premium)	8,093	7,730
Employee Support	5,116	4,847
Total Employee Benefits	<u>136,685</u>	<u>133,038</u>
(e) Depreciation and amortisation		
Depreciation of non-current assets		
Buildings	5,301	4,688
Vehicles	12,799	12,091
Other plant and equipment	3,777	4,443
	<u>21,877</u>	<u>21,222</u>
Amortisation of non-current assets		
Leasehold Improvements	971	896
	<u>971</u>	<u>896</u>
Total depreciation and amortisation	<u>22,848</u>	<u>22,118</u>

	2008	2007
	\$'000	\$'000
(f) Other expenses		
Buildings Operating and Maintenance	7,387	5,803
Motor Vehicle	9,494	10,122
Cost of Goods Sold / Services Provided	5,408	3,471
CFA Contributions to OESC Running Costs	2,142	1,972
Operating and other Lease payments	4,224	3,739
Other Operating and Maintenance	5,190	6,042
Computer equipment and systems	3,581	2,852
Communications and Alarms	7,024	8,299
Contract payments to external services	33,723	37,145
Volunteer Compensation and Insurance	2,125	3,540
External Training and Skills Maintenance	2,035	1,788
Uniforms and Equipment	4,311	5,866
Other Volunteer and Brigade Support	3,557	3,140
Audit Fees (note 14)	378	348
Bad Debts	27	(4)
Consultants Fees	122	11
Aircraft Hire	4,795	10,732
Hire Fees - Other	1,963	3,989
Legal Fees	880	1,334
Grants to Volunteer Associations and Local Government	1,041	1,110
Printing and Stationery	2,361	2,320
Publicity/Advertising	2,488	1,909
Brigade Donations Distributed	4,351	3,984
General Expenses	13,639	14,271
Total other expenses	122,246	133,783
3 Receivables		
Current:		
Trade Receivables	7,032	3,562
GST Recoverable	2,069	2,202
	<u>9,101</u>	<u>5,764</u>
Other Receivables	462	2,106
Allowance for Doubtful Debts (See also Note 10(a) below)	(26)	(14)
Total Receivables	<u>9,537</u>	<u>7,856</u>
(a) Movement in the Allowance for Doubtful Debts		
Balance at beginning of the year	(14)	(30)
Amounts written off during the year	0	10
Amounts recovered during the year	0	30
(Increase)/decrease in allowance recognised in profit or loss	(12)	(24)
Balance at end of the year	<u>(26)</u>	<u>(14)</u>
(b) Ageing analysis of Receivables		
Please refer to table Note 11(c) for the ageing analysis of receivables.		
(c) Nature and extent of risk arising from receivables		
Please refer to Note 11(c) for the nature and extent of credit risk arising from receivables		
4 Inventories		
Supplies and consumables:		
At lower of cost and net realisable value (Note 1(g))	7,086	7,507
Publications held for sale:		
At cost	0	87
Total Inventories	<u>7,086</u>	<u>7,594</u>
5 Other assets		
Prepayments	1,867	2,021
	<u>1,867</u>	<u>2,021</u>

	2008	2007
	\$'000	\$'000
6 Non-current assets classified as held for sale		
Freehold land and buildings held for sale	5,290	666
<p>The Authority intends to dispose of freehold land and buildings that are surplus to its programs and which are no longer utilised within the next 12 months. The properties were previously used as fire stations, as well as land acquired for building programs now no longer required. No impairment loss was recognised on reclassification of the properties as held for sale.</p>		
7 Property, plant and equipment		
(a) Value and Depreciation - Carrying amounts		
Freehold Land		
At cost	10,562	6,432
At independent valuation 2005	16,531	16,782
At independent valuation 2006	15,015	15,695
At independent valuation 2007	40,413	42,009
	<u>82,521</u>	<u>80,918</u>
Buildings		
At cost	38,643	23,965
Less: Accumulated Depreciation	(843)	(486)
At independent valuation 2005	86,522	87,336
Less: Accumulated Depreciation	(4,994)	(3,305)
At independent valuation 2006	83,602	84,316
Less: Accumulated Depreciation	(3,214)	(1,646)
At independent valuation 2007	83,469	84,856
Less: Accumulated Depreciation	(1,594)	0
	<u>281,591</u>	<u>275,036</u>
Leasehold Improvements - at cost	11,636	11,529
Less: Accumulated amortisation	(8,313)	(7,341)
	<u>3,323</u>	<u>4,188</u>
Vehicles - at cost	260,899	236,989
Less: Accumulated Depreciation	(118,526)	(110,814)
	<u>142,373</u>	<u>126,175</u>
Brigade Owned - at cost	32,653	29,979
Less: Accumulated Depreciation	(9,467)	(7,849)
	<u>23,186</u>	<u>22,130</u>
	<u>165,559</u>	<u>148,305</u>
Plant and equipment - at cost	62,853	62,782
Less: Accumulated Depreciation	(48,279)	(45,349)
	<u>14,574</u>	<u>17,433</u>
Brigade Owned - at cost	72	0
Less: Accumulated Depreciation	(3)	0
	<u>69</u>	<u>0</u>
	<u>14,643</u>	<u>17,433</u>
Property, plant and equipment in the course of construction - at cost	16,334	14,737
Total Property, plant and equipment	<u>563,971</u>	<u>540,617</u>

7(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 Improve'ts at cost	Vehicles at cost	Plant, Mach. & Equipment at cost	In the course of construction at cost	Total
Carrying amount	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2006	62,623	239,025	4,349	139,229	18,675	10,314	474,215
Additions	0	0	0	0	0	46,163	46,163
Disposals	(667)	(328)	0	(5,748)	(4)	0	(6,747)
Classified as held for sale	(521)	(145)	0	0	0	0	(666)
Net Revaluation Increments/(Decrements) (Note 10(b))	15,857	29,351	0	0	0	0	45,208
Transfers to Fixed Assets	3,626	11,821	735	22,353	3,205	(41,740)	0
Brigade Owned Vehicles Recognised (Note 2(c))	0	0	0	4,562	0	0	4,562
Depreciation/amortisation expense (Note 2(e))	0	(4,688)	(896)	(12,091)	(4,443)	0	(22,118)
Balance at 1 July 2007	80,918	275,036	4,188	148,305	17,433	14,737	540,617
Additions	0	0	0	0	0	52,192	52,192
Disposals	(20)	(253)	0	(5,007)	0	0	(5,280)
Classified as held for sale	(2,602)	(2,688)	0	0	0	0	(5,290)
Net Revaluation Increments/(Decrements) (Note 10(b))	0	0	0	0	0	0	0
Transfers to Fixed Assets	4,225	14,797	106	30,552	915	(50,596)	0
Brigade Owned Assets Recognised (Note 2(c))	0	0	0	4,508	72	0	4,580
Depreciation/amortisation expense (Note 2(e))	0	(5,301)	(971)	(12,799)	(3,777)	0	(22,848)
Balance at 30 June 2008	82,521	281,591	3,323	165,559	14,643	16,334	563,971

	2008 \$'000	2007 \$'000
8 Payables		
Trade payables	4,779	5,457
Sundry payables	8,767	9,058
Other payables and Accruals	2,646	1,437
	<u>16,192</u>	<u>15,952</u>

Nature and extent of risk arising from payables

Please refer to Note 11(d) for the nature and extent of risks arising from payables.

9 Provisions

Current

Employee Benefits (i) (See Note 9 (a))		
Unconditional and expected to be settled within 12 months(ii)	13,217	12,611
Unconditional and expected to be settled after 12 months(iii)	16,866	16,530
	<u>30,083</u>	<u>29,141</u>
Provisions related to employee benefit on-costs		
Unconditional and expected to be settled within 12 months(ii)	2,876	2,752
Unconditional and expected to be settled after 12 months(iii)	3,066	3,022
	<u>5,942</u>	<u>5,774</u>
Volunteer Compensation (See note 1(h))	1,343	1,744
Total current provisions	<u>37,368</u>	<u>36,659</u>

Non-Current

Employee Benefits (i) (See Note 9 (a))	5,116	4,241
Provisions related to employee benefit on-costs	918	765
Volunteer Compensation (See note 1(h))	5,131	5,029
Total non-current provisions	<u>11,165</u>	<u>10,035</u>

Total provisions

Employee Benefits (See Note 9 (a))	42,059	39,921
Volunteer Compensation (See note 1(h))	6,474	6,773
	<u>48,533</u>	<u>46,694</u>

(a) Employee Benefits and related on-costs

Current employee benefits		
Annual leave entitlements	13,482	12,848
Unconditional long service leave entitlements	16,601	16,293
Non-current employee benefits		
Conditional long service leave entitlements	5,116	4,241
Total employee benefits	<u>35,199</u>	<u>33,382</u>
Current on-costs	5,942	5,774
Non-current on-costs	918	765
Total on-costs	<u>6,860</u>	<u>6,539</u>
Total employee benefits and related on-costs	<u>42,059</u>	<u>39,921</u>

Note:

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

(ii) The amounts disclosed are nominal amounts

(iii) The amounts disclosed are discounted to present values

(b) Movement in provisions

	Employee Benefits 2008	On-costs 2008	Volunteer Compensation 2008	Total 2008
Opening balance	33,382	6,539	6,773	46,694
Additional provisions required	1,821	317	(299)	1,839
Closing Balance	35,203	6,856	6,474	48,533
Current	30,087	5,938	1,343	37,368
Non-current	5,116	918	5,131	11,165
	<u>35,203</u>	<u>6,856</u>	<u>6,474</u>	<u>48,533</u>

10 Equity and movements in equity	2008	2007
	\$'000	\$'000
(a) Contributions by owners		
Balance 1 July 2007	196,605	193,076
Capital Contribution from other Government entities	3,265	3,529
Balance 30 June 2008	<u>199,870</u>	<u>196,605</u>
(b) Reserves		
Asset Revaluation Reserve - Land	59,783	59,783
Asset Revaluation Reserve - Buildings	161,233	161,233
	<u>221,016</u>	<u>221,016</u>
Movements		
Asset revaluation reserve		
Balance 1 July 2007	221,016	175,808
Revaluation increment (decrement) of freehold land	0	15,857
Revaluation increment (decrement) of buildings	0	29,351
Movement for the year	<u>0</u>	<u>45,208</u>
Balance 30 June 2008	<u>221,016</u>	<u>221,016</u>
Nature and purpose of reserve		
Asset revaluation reserve		
The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in accounting policy note 1(g).		
(c) Accumulated Surplus		
Balance at beginning of financial year	128,795	94,255
Net Result	22,121	34,540
Balance at end of the financial year	<u>150,916</u>	<u>128,795</u>
(d) Change in Equity		
Total equity at the beginning of the financial year	546,416	463,139
Total changes in equity recognised in the statement of Changes in Equity	22,121	79,748
Contributions of equity (note 10(a))	3,265	3,529
Total equity at the end of the financial year	<u>571,802</u>	<u>546,416</u>

11 Financial Instruments

(a) Significant accounting policies

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

The Authority 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.

(b) Categorisation of financial instruments

Financial assets	Note	Category	Carrying amount	Carrying amount
			2008	2007
Cash and cash equivalents	17	N/A	48,776	50,308
Trade and other receivables (i)	3	Loans and receivables (at amortised cost).	7,141	5,668
Financial liabilities	Note	Category	Carrying amount	Carrying amount
			2008	2007
Trade creditors and other payables	8	Financial liabilities measured at amortised cost.	16,192	15,952

Notes:

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

(c) Credit risk

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

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

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

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

CFA has in place 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 (1988).

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

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

Interest rate risk exposure and ageing analysis of financial assets

	Weighted average effective interest rate %	Carrying Amount	Interest rate exposure			Not past due and not impaired	Past due but not impaired			
			Fixed interest rate	Variable interest rate	Non-interest bearing		Less than 1 month	1-3 months	3 months - 1 year	1-5 years
2008										
Cash and cash equivalents	7.09	48,776	2,000	46,723	53	48,776	0	0	0	0
Receivables (i)		0	0	0	0	0	0	0	0	0
Trade and other receivables	N/A	7,141	0	0	7,141	320	2,928	3,429	464	0
		55,917	2,000	46,723	7,194	49,096	2,928	3,429	464	0
2007										
Cash and cash equivalents	6.29	50,308	10,000	40,254	54	50,308	0	0	0	0
Receivables (i)		0	0	0	0	0	0	0	0	0
Trade and other receivables	N/A	5,668	0	0	5,668	2,225	2,094	1,041	308	0
		55,976	10,000	40,254	5,722	52,533	2,094	1,041	308	0

Notes:

(i) Ageing analysis of receivables must exclude the types of statutory receivables (e.g. Amounts owing from Victorian Government and GST input tax credit recoverable).

[This ageing analysis table is used only to show the ageing of past due but not impaired financial assets.]

(d) Liquidity risk

Liquidity risk would arise if the Authority was unable to meet its financial obligations as they fall due. The Authority 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

The Authority's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

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

Maximum exposure to liquidity risk is the carrying amounts of financial liabilities.

The following table discloses the contractual maturity analysis for the Authority's financial liabilities

Interest rate risk exposure and maturity analysis of financial liabilities

	Weighted average effective interest rate 2008 %	Carrying Amount	(\$ thousand)			Nominal amount	Maturity dates (i)			
			Interest rate exposure				Less than 1 month	1-3 months	3 months - 1 year	1-5 years
			Fixed interest rate	Variable interest rate	Non- interest bearing					
Payables:										
Amounts payable to other government agencies	-	3,542	0	0	3,542	3,542	0	0	0	0
Trade and other payables	-	12,650	0	0	12,650	12,650	0	0	0	0
		16,192	0	0	16,192	16,192	0	0	0	0
	2007									
Payables:										
Amounts payable to other government agencies	-	3,871	0	0	3,871	3,871	0	0	0	0
Trade and other payables	-	12,081	0	0	12,081	12,081	0	0	0	0
		15,952	0	0	15,952	15,952	0	0	0	0

Notes:

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

(e) Market risk

The Authority's exposures to market risk which would primarily be through day to day interest rates is minimal as the Authority currently has no interest bearing financial liabilities and only insignificant exposure to foreign currency and other price risks.

Foreign currency risk

The Authority 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.

The Authority has no current foreign currency exposure risk and any future risk is considered minimal.

Interest rate risk

Exposure to interest rate risk might arise primarily through interest bearing liabilities which are currently nil.

(f) Fair value

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

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

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

12 Responsible Persons

In accordance with the Ministerial Directions issued by the Minister for Finance under the Financial Management Act 1994, the following disclosures are made regarding responsible persons for the year ended 30 June 2008.

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 B Cameron MP

Authority Members

K A Murphy (Chairman)
C L Higgins (Deputy Chairman)
Z M Burgess (to 1 April 2008)
K A Erwin
D G Gibbs
L M Gunter
P B Harmsworth
P Jamvold
K W King
P G Marke
M G Tudball
F P Zeigler

Accountable Officer

N G Bibby (Chief Executive Officer)

Remuneration (other than the Responsible Minister)

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

Income Band	2008	2007
	No.	No.
\$0 - \$9,999	1	1
\$10,000 - \$19,999	9	10
\$20,000 - \$29,999	0	1
\$30,000 - \$39,999	1	0
\$290,000 - \$299,999	0	1
\$300,000 - \$309,999	1	0
Total Numbers	12	13
Total Amount \$'000	425	447

It should be noted that C L Higgins is Chairman of Victoria State Emergency Services, and P G Marke and D G Gibbs are board members of the Bendigo Community Bank. CFA had transactions with both these entities which were arms-length from the Authority members and at normal commercial terms.

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

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

13 Remuneration of Executives

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

Several factors have affected total remuneration payable to executives over the year. A number of employment contracts were completed during the year and renegotiated and a number of executives received bonus payments during the year. These bonus payments depend on the terms of individual employment contracts. Some contracts provide for an annual bonus payment whereas other contracts only include the payment of bonuses on the successful completion of the full term of the contract. A number of these contract completion bonuses became payable during the year.

Income Band	TOTAL REMUNERATION		BASE REMUNERATION	
	2008 No.	2007 No.	2008 No.	2007 No.
\$100,000 - \$109,999	0	0	0	0
\$110,000 - \$119,999	0	3	0	2
\$120,000 - \$129,999	0	0	0	0
\$130,000 - \$139,999	1	3	6	4
\$140,000 - \$149,999	4	3	5	13
\$150,000 - \$159,999	6	6	6	6
\$160,000 - \$169,999	2	8	5	2
\$170,000 - \$179,999	9	2	3	2
\$180,000 - \$189,999	2	4	1	1
\$190,000 - \$199,999	1	1	1	0
\$200,000 - \$209,999	2	1	0	0
Total Numbers	27	31	27	30
Total Amount \$'000	4,811	4,929	3,777	4,439

	2008	2007
	\$'000	\$'000
14 Remuneration of auditors		
Audit fees paid or payable to the Victorian Auditor-General's Office for audit of the Authority's financial statements pursuant to the Audit Act 1994.		
Paid as at 30 June 2008	70	58
Payable as at 30 June 2008	10	20
	<u>80</u>	<u>78</u>

15 Commitments for expenditure and Contingent Liabilities

(i) Commitments for expenditure

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

	2008	2007
	\$'000	\$'000
(a) Capital expenditure commitments		
Plant and equipment		
Payable:		
Not longer than 1 year	37,442	27,568
Longer than one year and not longer than 5 years.	1,990	7,456
Longer than 5 years	0	0
Total capital expenditure commitments	<u>39,432</u>	<u>35,024</u>

(b) Lease commitments

Non-cancellable operating leases payable:

Not longer than 1 year	4,364	4,338
Longer than one year and not longer than 5 years.	4,859	6,962
Longer than 5 years	3,094	3,670
Total lease commitments	<u>12,317</u>	<u>14,970</u>

(c) Other expenditure commitments

Statewide Integrated Public Safety and Communications Strategy (SIPSaCS)

(a) Call Taking & Dispatch Services.

There is an ongoing Service Agreement with the Emergency Services Telecommunications Authority (ESTA) for the provision of call taking and dispatch services for Outer Metropolitan and Regional Victoria, through facilities at East Burwood and Mt. Helen, Ballarat. The service fees for the year to 30 June 2008 were \$11.495M.

(b) Emergency Alerting System

CFA has an ongoing Service Level Agreement with the State, (through ESTA for 3rd party services) for the provision of an Emergency Alerting System. The contract services began in November 2005 with CFA incurring \$23.991M for the year ending 30 June 2008 (\$10.150M 2007).

(c) Short Message Service – SMS Gateway

There is an ongoing contract with the Emergency Services Telecommunications Authority (ESTA), for the provision of SMS Gateway Services. Base level Service Fees for 2007/08 were \$0.238M.

(d) Metropolitan Mobile Radio Services

CFA have entered into a contract with the MFB as a third party to their contract with the service provider. Base level Service Fees for 2007/08 were \$0.297M.

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

(ii) Contingencies

In the context of CFA's business and recognising the Authority's existing insurance arrangements, there are some matters which may be subject to judicial process. None of those items are considered likely to have a material effect on the financial statements at 30 June 2008.

16 Superannuation

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

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

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

There were no superannuation contributions outstanding at 30 June 2008.

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

Fund	2008 \$'000	2007 \$'000
Defined Benefits Schemes		
Emergency Services Superannuation Scheme (ESSS)	7,229	6,887
Other	38	35
Accumulation Schemes		
Emergency Services Superannuation Plan (ESS Plan)	3,278	3,023
Others	59	55
Total (See note 2(d))	10,604	10,000

Employer contribution rates were:

Defined Benefits Scheme.

The employer contribution rate for the financial year was 12.5% (2007: 13%) of salary for operational staff as well as for non-operational staff employed prior to 1 January 1994.

Accumulation Scheme

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

17 Cash flow information

(a) Reconciliation of cash and cash equivalents

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

	2008 \$'000	2007 \$'000
Cash at bank and on hand	46,776	40,308
Short Term Deposits	2,000	10,000
	48,776	50,308

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

Net Result for the period	22,121	34,540
Non-cash movements:		
Depreciation and Amortisation of non-current assets.	22,848	22,118
Brigade Owned Assets Recognised	(4,581)	(4,562)
Allowance for Doubtful Debts	12	(16)
(Gain) / Loss on sale of non-current assets	1,353	2,381
Movements in assets and liabilities:		
(Increase) decrease in assets		
Receivables and Prepayments	(1,612)	345
Current Inventories	508	(228)
Increase (Decrease) in liabilities:		
Current payables	296	(499)
Employee Entitlements	2,138	5,103
Volunteer Compensation	(299)	574
Total Adjustments	20,663	25,216
Net cash inflow from operating activities	42,784	59,756

18 Trust Account Balances

The following is a listing of Trust Account Balances relating to Trust Accounts Controlled or Administered by the Authority.

Cash and Investments as at 30 June 2008.

	2008	2007
	\$'000	\$'000
Controlled Trusts		
Public Trust Account	1	1
Total Controlled Trusts	<u>1</u>	<u>1</u>
Administered Trusts		
CFA and Brigades Donations Fund	927	641
Total Administered Trusts	<u>927</u>	<u>641</u>

There were no Trust Accounts opened and closed by CFA

19 Subsequent events

The Authority has no material or significant events

Auditor-General's Report



Victorian Auditor-General's Office

INDEPENDENT AUDITOR'S REPORT

To the Board Members, Country Fire Authority

The Financial Report

The accompanying financial report for the year ended 30 June 2008 of the Country Fire Authority which comprises the operating statement, balance sheet, statement of changes in equity, cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, 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 the fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the *Financial Management Act 1994*. This responsibility includes:

- establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

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. These Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance 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 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 obtained is sufficient and appropriate to provide a basis for my audit opinion.

1

Level 24, 35 Collins Street, 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

Auditing in the Public Interest

Independent Auditor's Report (continued)

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report published in both the annual report and on the website of the Country Fire Authority for the year ended 30 June 2008. The Board Members of the Country Fire Authority are responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on the Country Fire Authority web site.

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.

Auditor's 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 2008 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE
15 August 2008



D D R Pearson
Auditor-General

Risk Management Attestation



RISK MANAGEMENT ATTESTATION

I, (Neil Bibby) certify that CFA (Country Fire Authority) has a transitional risk management process in place consistent with the Australian Risk Management Standard 2004 (or equivalent). A functioning internal risk management framework is in place and is being enhanced to enable the organisation to better understand and manage its risks. The Board has endorsed the need for the framework to meet or exceed all regulatory risk management requirements.

A handwritten signature in black ink, appearing to read 'Neil G Bibby', is written over a horizontal line.

14 August 2008
Neil G Bibby AFSM
Chief Executive Officer

Additional Information

Powers, Duties and Responsibilities

The following Sections of the CFA Act provide the principal sources of direction as to the powers, duties and responsibilities of CFA and its personnel.

Section	Summary of Power, Duty or Responsibility
14	Control of the prevention and suppression of fires
20	General duty of the Authority
20AA	General powers of the Authority
20A	Attendances unconnected with fire
27	Chief Officer to have control of all brigades
28	Powers and duties of Chief Officer
29	General powers and duties of Chief Officer
30 and 33(2)	Powers of officers at fires
35	Authority to inform the Health Department on certain matters
36	Authority may require municipalities to provide hydrants
44	Duties of officers as to inspection, etc.
44A	Power of Chief Officer to close roads
48	Power of Chief Officer to direct extinguishment
97	Authority as 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 service
98	Power to investigate fires

In addition, the Act sets out a number of powers that can be exercised by CFA that relate to fire prevention which apply to the community. These include:

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

It should be noted that some of the duties and responsibilities placed upon CFA and its personnel derive from other statutes, such as:

- *Building Act 1993*
- *Dangerous Goods Act 1985*
- *Occupational Health and Safety Act 2004*

Relevant Legislation and Policies

Financial Management Act 1994

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

Whistleblowers Protection Act 2001

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

- CFA has procedures in accordance with Part 6 of the Whistleblowers Act.
- CFA received one disclosure under the Whistleblowers Act.
- CFA referred one disclosure to the Ombudsman for determination as to whether it is a public interest disclosure.
- The Ombudsman did not refer any disclosed matter to CFA.
- CFA did not refer any disclosed matter to the Ombudsman to investigate.
- The Ombudsman did not take over any investigation from CFA of a disclosed matter.
- CFA did not decline to investigate any disclosed matter.
- There were no disclosed matters that were substantiated on investigation and which required further action to be taken.
- The Ombudsman did not make any recommendations relating to CFA in relation to the Whistleblowers Act during the reporting period.

Freedom of Information

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.

Making a Request

A request generally falls into one of two categories:

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

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

Freedom of Information Officer
Country Fire Authority
PO Box 701
MT WAVERLEY VIC 3149

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

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

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

Fees and Charges

A request must be accompanied by an application fee of \$22.00. The application fee may be waived in cases where payment is likely to cause financial hardship to the applicant. An application for waiver of the fee should state grounds such as that the applicant has a low income or is the holder of a Commonwealth Health Care Card. Once documents have been located and processed access charges may also apply. These include charges for searching time and photocopying, which are the amounts prescribed by the legislation. Some access charges may be waived in certain cases.

Further Information

Further information regarding the FOI Act may be obtained from the FOI Act and regulations under the FOI Act and www.foi.vic.gov.au. The FOI Act and regulations under it may be purchased from:

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

Freedom of Information Contact:

CFA FOI Officer
Tel: (03) 9262 8512

Building Act 1993

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

National Competition Policy

CFA complies, to the extent applicable, with the National Competition Policy

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.

CFA commenced one contract totalling \$1.5 million in value to which the VIPP applied. The value of this contract is fully applicable to regional Victoria.

Commitments by contractors under VIPP included:

- an overall level of local content of 95 per cent of the total value of the contract
- 15 full-time equivalent jobs.

The benefits (as highlights) to the Victorian economy in terms of skills and technology transfer increases:

- CFA contracts have encouraged the use of locally developed technology in production of specialist firefighting assemblies and ancillary equipment.

No contracts were completed during the 2007-08 year to which the VIPP was applied.

Consultancies

During 2007-08 CFA engaged a total of six consultancies. Two consultancies were individually valued at greater than \$20,000 (exclusive of GST) and totalled \$99,000. The remaining four consultancies were individually valued at less than \$20,000 (exclusive of GST) and the total expenditure on these engagements was \$34,000 (exclusive of GST).

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 in 2007-08:

Ace Insurance Limited	Guild Insurance Ltd
AIOI Insurance Co. Ltd	H.W. Wood Australia Pty Ltd
AIS Insurance Brokers Pty Ltd	HSB Engineering Insurance Ltd
Allianz Australia Insurance Limited	Insurance Australia Limited
American Home Assurance Co	Insurance Manufacturers Of Australia Pty Ltd
Aon Risk Services Australia Ltd	InterPacific Underwriting Agencies Pty Limited
Asia Mideast Insurance and Reinsurance Pty Ltd	JMD Ross Insurance Brokers Pty Limited
ASR Underwriting Agencies Pty Ltd	JUA Underwriting Agency Pty Ltd
Assetinsure Pty Ltd	Liberty International Underwriters
Ausnet Underwriting Agency Pty Ltd	Lumley General Insurance Ltd
Australian International Insurance Limited	Mansions Of Australia Pty Limited
Australian Alliance Insurance Limited	Manufactured Homes Insurance Agency Pty Ltd
Australian Associated Motor Insurers Ltd	Marsh Pty Ltd
Australian European Insurance (Brokers) Pty Ltd	Millennium Underwriting Agencies Pty Ltd
Australian Unity General Insurance Ltd	Miramar Underwriting Agency Pty Ltd
Auto and General Insurance Company Limited	Mitsui Sumitomo Insurance Company Ltd
Axis Underwriting Services Pty Ltd	Mutual Community General Insurance Pty Ltd
BHP Billiton Marine & General Insurances Pty Ltd	Nipponkoa Insurance Company Ltd
Calliden Limited	QBE Insurance (Australia) Limited
Catholic Church Insurances Ltd	QBE Insurance (International) Limited
Catlin Australia Pty Ltd	QBE Mercantile Mutual Ltd
CGU - VACC Insurance Limited	Sompo Japan Insurance Incorporated
CGU Insurance Limited	Sportscover Australia Pty Ltd
Chambers Gallop McMahon Pty Ltd	SRS Underwriting Agency Pty Ltd
Chronos Insurance Brokers Pty Ltd	Suncorp Metway Insurance Ltd
Chubb Insurance Co Of Australia Ltd	Territory Insurance Office
Commonwealth Insurance Ltd	The Hollard Insurance Company Pty Ltd
Cumis Insurance Society Inc	Tokio Marine & Nichido Fire Insurance Co Ltd
Curasalus Insurance Pty Ltd	Universal Underwriting Agencies Pty Ltd
Defence Service Homes Insurance Scheme	Vero Insurance Limited
EIG-Ansvar Limited	Victorian Managed Insurance Authority
Elders Insurance Ltd	Wesfarmers Federation Insurance Ltd
F.M. Insurance Company Ltd	Westpac General Insurance Limited
Farmers Mutual Insurance Limited	Willis Australia Ltd
Freeman McMurrick Pty Ltd	XL Insurance Company Ltd
Gerling Australia Insurance Co. Pty Ltd	Yourinsurancegroup
GIO General Ltd	Zurich Australian Insurance Ltd
Guardian Underwriting Services 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 2007-08:

Aon Risk Services	Mahony & Company Limited
Armbro Insurance Brokers Pty Ltd	Marsh Pty Ltd
Ausnet Underwriting Agency Pty Ltd	Miller & Associates Insurance Broking Pty Ltd
Australian Underwriters	OAMPS Insurance Brokers Pty Ltd
Benfield (Australia) Pty Ltd	Redpath Ideal Greenhouses
BHP Billiton Limited	Ricegrowers Limited t/as Sunrice
BMW Australia Finance Limited	Rosemaur Properties Pty Ltd
Continental Insurance Co	Rural & General Insurance Broking Pty Ltd
Corion Pty Limited	Shell Australia Limited
Dominion Underwriting Agents Pty Limited	Specialised Broking Associates
Drake Australia Pty Ltd	Strathearn Insurance Brokers
East Victoria Plantation Forest Company of Australia	Tartakover
Genesis Insurance Brokers Australia	Trafalgar Insurance Brokers (NZ)
Green Triangle Plantation Forest Company of Australia Pty Ltd	Unilever Australasia
High Street Underwriting	Vero NZ Ltd
Horsell International Pty Ltd	Willis Australia Ltd
Insurance Advisernet Australia Pty Ltd	World Insurance Network
Jardine Lloyd Thompson	

Fire Brigade Registrations and De-registrations

Fire brigade changes during the period 1 July 2007 to 30 June 2008 are detailed below, according to the CFA Act delegation in Section 23(1)(d), Regulation 37, 39, 60 to 64.

Registration of Fire Brigades 2007-08

Fire Brigade	Region	Effective date
Region 14 Headquarters Brigade	14	22 August 2007
Region 12 Headquarters Brigade	12	13 September 2007
Geelong Coast Guard Brigade	7	1 January 2008
Queenscliff Coast Guard Brigade	7	1 January 2008
Werribee Coast Guard Brigade	14	1 January 2008
Safety Beach Coast Guard Brigade	8	1 January 2008
Warrnambool Coast Guard Brigade	5	1 January 2008
Hastings Coast Guard Brigade	8	1 January 2008
Frankston Coast Guard Brigade	8	1 March 2008
Portland Coast Guard Brigade	4	1 March 2008
Port Welshpool Coast Guard Brigade	9	1 March 2008
Port Albert Coast Guard Brigade	10	1 March 2008
Region 8 Headquarters Brigade	8	11 March 2008
Paynesville Coast Guard Brigade	11	1 April 2008
Lakes Entrance Coast Guard Brigade	11	1 April 2008

Amalgamation of Fire Brigades 2007-08

Fire Brigades	Changed to	Operating under Rules and Regulations of:	Effective date
Hopetoun Urban and Rural Fire Brigades – Region 18	Hopetoun Fire Brigade	Urban Fire Brigade	1 July 2007
Trafalgar Urban and Rural Fire Brigades – Region 9	Trafalgar Fire Brigade	Urban Fire Brigade	1 July 2007
Myrtleford Rural and Urban Fire Brigades – Region 24	Myrtleford Fire Brigade	Urban Fire Brigade	10 July 2007
Winchelsea Urban and Rural Fire Brigades – Region 7	Winchelsea Fire Brigade	Urban Fire Brigade	23 July 2007
Woori Yallock Rural and Launching Place Rural Fire Brigades – Region 13	Hillcrest Fire Brigade	Rural Fire Brigade	23 November 2007

De-Registration of Fire Brigades 2007-08

Deregistered Fire Brigade	Region	Effective date
Binginwarri Rural Fire Brigade	10	1 November 2007
Mirboo East Rural Fire Brigade	10	30 April 2008

Publications 2007-08

Research Papers:

- “Fighting with fire: How bushfire suppression can impact on firefighter’s health”, Australian Family Physician, (2007).
- “Fighting fatigue whilst fighting bushfire: an overview of factors contributing to firefighter fatigue during bushfire suppression”, Australian Journal of Emergency Management, (2007).
- “The aerobic energy demands of simulated tanker-based wildfire fighting tasks”, American Collage of Sports Medicine, Indianapolis, Indiana, USA (2008).
- “Bushfire research in the Mallee bush, Ngarkat, S.A.”, Operations Managers Meetings (2008).
- “Work patterns of tanker-based bushfire suppression by Australian volunteer firefighters in south-east Australia”, Human Dimensions of Wildfire Conference, Fort Collins, Colorado, (2007).
- “Characterization of the physical demands of tanker-based bushfire fighting”, AFAC/Bushfire CRC Conference, Hobart (2007).
- “Agency specific research opportunities in safety research”, AFAC/Bushfire CRC Conference, Hobart (2007).
- “Work demands of tanker-based bushfire suppression by Australian volunteer firefighters in Southern Australia”, AFAC/Bushfire CRC Conference, Hobart (2007).
- “Initial fitness levels of CFA recruit firefighters”, AFAC/Bushfire CRC Conference, Hobart (2007).
- “Applied physiology of bushfire suppression in rural Australia”, AFAC Operational Services, (2007).

Disclosure index

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

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FRD 12A	Disclosure of major contracts – Not applicable to CFA	N/A
FRD 15A	Executive officer disclosures – Not applicable to CFA	N/A
FRD 24A	Reporting of office-based environmental impacts – Not applicable to CFA	N/A

Glossary

ABN	Australian Business Number
AFAC	Australasian Fire and Emergency Service Authorities Council
AFSM	Australian Fire Service Medal
BIS	Brigades in Schools
CAD	Computer Aided Dispatch
CALD	Culturally and Linguistically Diverse
CBR	Chemical Biological Radiological
CEO	Chief Executive Officer
CFA	Country Fire Authority
CFA Act	<i>Country Fire Authority Act 1958</i>
CFS	Country Fire Service (South Australia)
CIS	Critical Incident Stress
CRC	Cooperative Research Centre
CSESP	Community Safety Emergency Support Program
DHS	Department of Human Services
DOI	Department of Infrastructure
DPCD	Department of Planning and Community Development
DPI	Department of Primary Industries
DSE	Department of Sustainability and Environment
EAS	Emergency Alerting System
ESTA	Emergency Services Telecommunications Authority
FAICD	Fellow of Australian Institute of Company Directors
FEM	Fire Equipment Maintenance
FIRS	Fire and Incident Reporting System
FOI	Freedom of Information
FOI Act	<i>Freedom of Information Act 1982</i>
FRV	Fire Ready Victoria
GIS	Geographic Information Services
GST	Goods and Services Tax
ICC	Incident Control Centre
ICT	Information and Communication Technologies
IVR	Interactive Voice Response
LFS	Labor Financial Statement
MAICD	Member of Australian Institute of Company Directors
MAV	Municipal Association of Victoria
MEU	Mobile Education Unit
MFB	Metropolitan Fire and Emergency Services Board
MoU	Memorandum of Understanding
OESC	Office of Emergency Services Commissioner
OHS	Occupational Health and Safety
PSM	Public Service Medal
RACV	Royal Automobile Club of Victoria
RECC	Regional Emergency Coordination Centre
RFB	Rural Fire Brigade
SDS	Service Delivery Standards
SLA	Service Level Agreement
SLC	State Logistic Centre
SMS	Short Message Service
TFB	Total Fire Ban
UFB	Urban Fire Brigade
VBIL	Victorian Bushfire Information Line
VFBV	Volunteer Fire Brigades Victoria
VicSES	Victorian State Emergency Service
VIPP	Victorian Industry Participation Policy
VRFB	Victorian Rural Fire Brigades' Association
VUFBA	Victorian Urban Fire Brigades' Association
WMO	Wildfire Management Overlay