



Annual Report 2014-15



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Chair's foreword

Dear Minister

The past year has been one of transition for CFA, identifying the opportunities amid the challenges of emergency response in an ever-changing world. Our work has continued unabated through a change of government in Victoria and the maintenance of a strong and productive working relationship with the Minister of Emergency Services in order to meet the complex demands of the sector.

Organisational transformation is necessary if we are to not just sustain but strengthen our services to communities and help build a more resilient Victoria. Our transition is about determining the principles that underpin our strategies, listening to the needs of our people and valuing everyone's contribution.

We have endorsed five values that best reflect CFA, and this is a pivotal step towards improving CFA's culture. These people-focused values of *safety, respect, integrity, together* and *adaptive* are a declaration of what we stand for and will help guide us in how we approach our work and interact with each other.

In addition, five new networked strategies – Service Delivery, People, Volunteerism, Asset and Finance – make up *CFA Strategy 2013-18 – Towards Resilience*, CFA's blueprint for the future. They provide certainty about how we will support our front line and better align us with the emergency management sector.

The joint release of the Volunteerism Strategy with Volunteer Fire Brigades Victoria (VFBV) and the VFBV survey results demonstrate a close working relationship that supports the continuous improvement of CFA's recruitment, retention and recognition practices.

The establishment of Emergency Management Victoria (EMV) on 1 July 2014 heralded the development of numerous cross-sector initiatives. CFA managed the State Incident Management Training Delivery Pilot on behalf of the sector, for example, and also collaborated with EMV to develop a capability and capacity blueprint.

This sector-wide position on capability and capacity is a key example of the joined-up approach now taken within Victorian emergency services, supporting and reflecting the inter-agency all-hazards model.

Our Koori Inclusion Action Plan was officially launched in National Reconciliation Week in May, laying out actions that help ensure CFA's structures, behaviours, culture and values reflect our respect for the Indigenous community, the traditional owners of the land. We recognise their connection to country, their land management practices and expertise, and pay our ongoing respects to their elders past and present.

A new skills-based CFA Board began its service in September 2014 when we welcomed Katherine Forrest, James Holyman and John Schurink. We thank retiring Board members Paul Denham, Reid Mather, Don Robertson and Mike Taylor for their dedication to CFA and acknowledge their significant contributions.

Chief Executive Officer Mick Bourke also left CFA after years of dynamic service as a champion of our people. We thank Mick for taking up the leadership role not long after the devastating fires of 2009 swept through both Victoria and CFA. He exemplified the new lessons-learned approach so vital in the emergency services sector.

The new Board and Executive Leadership Team bring a mix of technical, financial and operational experience to lead CFA in best practice emergency management.

I would like to take this opportunity to express the thanks of the Board to those who have supported us through the year: The Minister for Emergency Services, EMV, our sector partners and, in particular, our volunteers and staff whose tireless efforts are greatly appreciated.



Claire Higgins

CEO's foreword

Dear Minister

As CEO, I continue to be impressed by the passion and commitment of our members who continue to focus on our goals through times of uncertainty. As I look back at 2014-15, I am proud of what we have achieved.

I concur with our Chair, Claire Higgins, when she says transforming our organisation is about determining principles that underpin our strategies, listening to the needs of our members and valuing everyone's contribution.

I believe we are well on the way, with the introduction of our organisational values and Board approval of our five networked strategies. These strategies will guide our approach between now and 2018.

In May, we launched our Volunteerism Strategy. The contribution of our volunteers cannot be underestimated. In many communities, the CFA brigade is the only locally-based emergency service, providing a first response in the event of local emergencies.

However, like many agencies, we face a changing landscape to which we must adapt. Our Volunteerism Strategy, developed in collaboration with Volunteer Fire Brigades Victoria (VFBV) and CFA members, sets out how we will strengthen the future of volunteerism and better encourage and value the contribution of our volunteers.

Better collaboration with other agencies – and the communities we help to protect – is one way we are changing our approach. An example of this is in the development of community emergency management plans. Led by Emergency Management Victoria (EMV) with input from CFA and other emergency agencies including SES and MFB, this approach to planning means communities are better able to lead local emergency risk reduction plans and activities.

At an organisational level, we implemented a number of new programs to enhance the skills and capabilities of our people. This includes a program to support our leaders to better position them to live our values and execute our strategies, and do so in a more integrated and collaborative way.

Improved firefighting equipment has also been a focus. Two new trucks, the next generation medium pumper and heavy tanker, became working prototypes in 2014-15. Feedback from CFA members is being considered before producing the final product. In collaboration with MFB, we also began the process to replace respiratory protection equipment.

This year also saw the completion of improvements to radio communications, as recommended in the 2009 Victorian Bushfires Royal Commission (VBRC) Final Report. This included standardisation of CFA's and Department of Environment, Land, Water and Planning's (DELWP) radio networks. Work to eliminate all 78 radio blackspots was also completed, with construction of the final transmitter site in June.

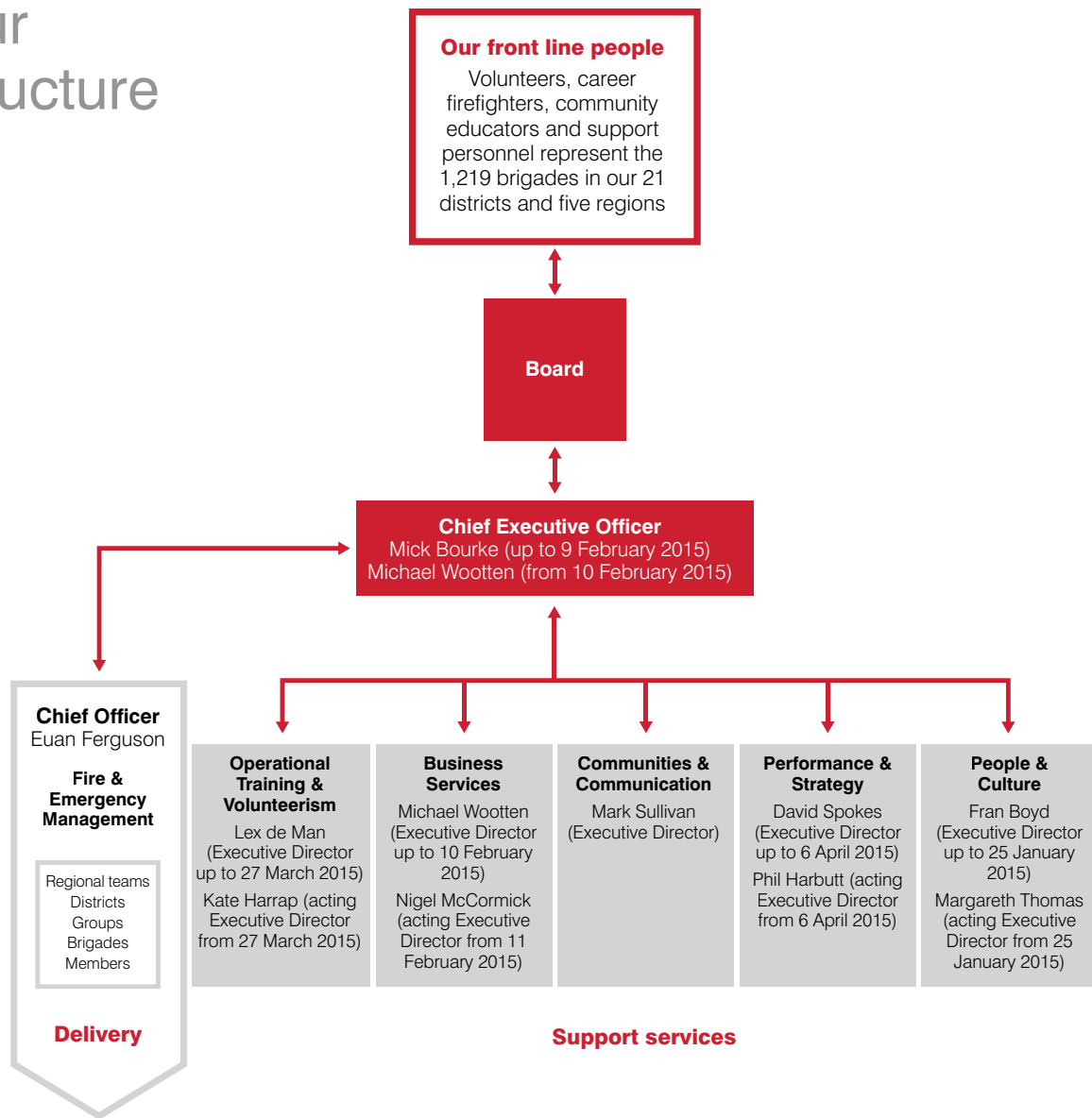
I also need to acknowledge the permanent closure of CFA's Fiskville Training College. Remediation of the site continues while we remain focused on finding a site for a new CFA training facility, as well as a home for the Firefighters' Memorial.

Finally, I would like to thank everyone for their support. No matter what the future brings, I remain confident CFA will continue to rise to the challenge and remain a valued community partner in the evolution of shared emergency risk management in Victoria.



Michael Wootten

Our structure



Our profile

Services in 2014-15	
Total incidents	40,557
Total brigade turnouts	82,880
Total Fire Ready Victoria meetings/workshops	994
Number of Property Advice Visit Service home visits	2,156
Community Fireguard sessions	441
School and youth program sessions	1,164
CFA members	
Volunteers: operational	35,367
support ¹	21,944
Total volunteers²	57,311
Staff: operational	972
support	935
Total staff	1,907

Brigades	
CFA brigades	1,180
Forestry industry brigades	22
Coast guard brigades	17
Total	1,219
Buildings	
Fire stations	1,224
Headquarters and offices	38
Training grounds	8
Mechanical workshops	13
Communications workshop	1
State Logistics Centre	1
Protective equipment centre	1
Residences	22

Vehicles	
Pumper tankers	50
Pumpers	261
Tankers	1,868
Field operations vehicles	14
Rescue vehicles	30
Aerial firefighting vehicles	12
Hazmat vehicles	13

¹ Including Junior members

² 928 volunteers are also CFA staff members

Our regions and districts



Our mission

To protect lives and property

Our vision

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

Our values

Safety, respect, together, integrity, adaptive

Our year in review



1 OUR FRONT LINE

Effective, efficient and sustainable front line service delivery

Have a strategic framework for volunteer workforce management, including recruitment and retention strategies, and begin implementation

CFA's ongoing commitment to volunteerism is outlined in the new Volunteerism Strategy. It is one of five networked strategies that underpin CFA's strategic priorities (Service Delivery, People, Volunteerism, Asset and Finance).

A changing Victorian landscape is shaping volunteerism growth in outer metropolitan Melbourne. In addition, many other factors impact volunteerism at CFA, such as population decline in rural communities, an ageing population, increasing cultural diversity, changed work patterns, social disconnection in some communities and an increasing interest in casual and spontaneous volunteering. These encourage us to be more flexible in adapting to these challenges and opportunities.

To ensure CFA succeeds in this changing environment, the Volunteerism Strategy has three priorities:

- Encourage and value the contribution of volunteers
- Enhance the role of volunteers in service delivery
- Strengthen the future of volunteerism and build connection with communities.

The strategy was developed in close collaboration with Volunteer Fire Brigades Victoria (VFBV) and CFA members and is guided by five principles:

- CFA is committed to community-based, sustainable volunteerism
- CFA recognises, values and respects all members equally

A significant number of CFA initiatives have been rolled out to support volunteers



- CFA will actively engage and involve volunteers in decision-making
- All CFA members have a responsibility to encourage, maintain and strengthen volunteers to deliver services
- Volunteers should be given tools and resources that enable them to carry out their roles effectively.

The strategy complements the work undertaken to address a number of recommendations from the *Jones Report of Inquiry into the Effect of Arrangements made by CFA on its Volunteers*; the Victorian Auditor-General's Office report *Managing Emergency Services Volunteers*; and the *Emergency Management Reform White Paper 2012*.

A significant number of CFA initiatives have been rolled out to support volunteers, including upgrades to Victorian Emergency Management Training Centres (VEMTC) in Wangaratta, Longerenong, Peshurst, Huntly and West Sale. In addition, Stage 2 construction has begun on the new VEMTC training campus in Mildura. When opened, 5,000 volunteers from 76 brigades in the North West Region will have access to vital practical hot fire training close to home.

The second phase of the Volunteer Support Program has seen the launch of the Brigade Sustainability and Wellbeing programs, and an increase in support roles and initiatives to assist members. Pilot Volunteer Leadership and Development programs, brigade management team workshops, Captain and Peer Mentoring programs,

targeted support to increase representation of CFA women and improvements in member communications are just some of the improved support.

The information gathered in the Volunteer Exit Survey, Volunteer Engagement Survey and VFBV Welfare and Efficiency Survey will better enable CFA to address volunteer recruitment, retention and recognition.

To recognise the dedication of CFA members who directly responded to, or provided support during, the 2009 Victorian bushfires, CFA presented National Emergency Medals to 5,150 members.

Develop an approach to assess brigade sustainability through completion and evaluation of the Brigade Sustainability Pilot

Early in 2014, CFA introduced the Brigade Sustainability Pilot to identify the additional support needed to ensure the ongoing viability and sustainable growth of brigades. This pilot continued throughout 2014-15.

Brigade sustainability is assessed by looking at a particular brigade's infrastructure and equipment; people; training; leadership and management; capacity to deliver; finance and administration; and local community.

As part of the pilot, a suite of tools was developed to help CFA better understand and support brigade viability and the growth of volunteerism. Included in this suite are catchment team snapshots; community profiles;

Continue implementation of Project 2016

the brigade self-assessment tool and maps showing the areas of viability of each brigade. The tools highlight priority areas for a particular brigade, such as population changes and daytime capability.

Brigades can give feedback about how they are progressing. This will help CFA understand dynamics at brigade, group, catchment, district, region and state levels.

Under the direction of the Assistant Chief Officers and Operations Managers, 17 districts have trialled the new approach and tools.

Continue implementation of Project 2016

Project 2016's main objective is to meet service delivery needs through increasing the number of permanent career firefighter and officer positions in CFA. Since 2010, 224 career firefighters have been added to CFA's workforce and 179 additional permanent operational positions established. This year, 43 additional career firefighters were recruited. Two career firefighter recruit courses are currently operating and scheduled for completion in July 2015, with 59 recruit firefighters enrolled and participating.

To support the deployment of additional staff, Project 2016 also provides for infrastructure works, including the building or modification of 11 fire stations for use as integrated brigades. In 2014-15, under Project 2016 construction began at South Warrandyte and Portland fire stations, construction continued at Warrnambool Fire Station and modifications to South Morang Fire Station were completed and day staffing began.

Continue implementation of a new rostering system trialled at several integrated stations

The new State Rostering System will make it easier to manage stations. All integrated stations have implemented the new application with the following benefits:

- Reduced paperwork and faster payment processing
- Access to more up-to-date information
- The ability to view and manage rosters from a statewide perspective
- Accurate and consistent interpretation of the industrial agreement.





2 COMMUNITY RESILIENCE

Shared emergency risk management with the community of Victoria

Develop a community resilience framework

A community resilience framework for CFA has been drafted and incorporates a state-level framework with Emergency Management Victoria (EMV). Further work will be done in the 2015-16 financial year.

The framework was informed by research into community perceptions of the concept of 'shared responsibility' and its importance in building resilience. The outcomes of this research have also influenced CFA's approach to community engagement.

Develop teaching sector capability

In a first for CFA, staff visited P-12 and secondary schools on the Department of Education and Training's *Bushfire At-Risk Register* to raise fire safety awareness among students. Teachers overwhelmingly indicated their willingness to teach fire safety but lacked the necessary confidence, resources, and support. In response, CFA developed a teacher resource kit with curriculum-based lesson planning materials supported by professional development. A pilot was rolled out at seven schools in at-risk areas, reaching hundreds of students.

The evaluation of the pilot found that, when supported, teachers were well placed to teach fire safety in the classroom. CFA is considering expanding the pilot to bring school-based fire safety education to thousands of students in high-risk areas.

A partnership with IGA supermarkets has raised funds which are being used to hold four FireLine Leadership courses for volunteers

Develop a CFA partnership policy

CFA has drafted a policy with guiding principles to help build productive high-level partnerships with organisations wanting to engage in mutually-beneficial arrangements that deliver either monetary or non-monetary outcomes for both parties. The draft policy, together with a partnership toolkit, will be distributed for consultation in the next financial year.

One example of a community partnership working well is CFA's sponsorship of the Association of Neighbourhood Houses and Learning Centres (ANHLC) annual conference, and ongoing support to develop its computer education program for adult learners called 'Basic computer skills – incorporating fire safety'. This is an excellent way to combine two important life skills – computer literacy and fire safety awareness – in one program.

CFA also worked with 12 Bendigo Bank branches. The bank has been helping CFA to promote summer fire season preparedness, making available educational material at branches during summer. Discussions are underway for plans in 2015-16.

CFA began a partnership with Latrobe University and supports the 'Aspire Program' which recognises and promotes community leadership and volunteerism for students.

A long-standing partnership with IGA supermarkets has also raised funds which are being used to hold four FireLine Leadership courses for volunteers starting in August 2015.

Participate in the development of five community emergency management plans

CFA supported EMV in the development of five community emergency management plans and identified a further 12 communities across Victoria requiring plans. This included the ongoing implementation of locally-identified risk reduction initiatives and sharing responsibility for emergency management. These communities are now better able to lead local emergency risk reduction plans and activities.

This planning process, known as community-based emergency management, also includes input from other emergency agencies, including SES and MFB, for a multi-hazard approach to planning.

Develop the Voluntary Grain Harvesting Guide

The *Voluntary Grain Harvesting Guide*, a joint initiative between CFA and the Victorian Farmers Federation, was a trial program about fire risk management during harvest. It provided an objective measure for farmers, contractors and header operators to manage the fire risk from harvesting operations. The Guide uses the baseline of suspending harvesting when the Grassland Fire Danger Index exceeds 35. It also reinforces a range of recommended practices including monitoring conditions, fuel breaks, farm firefighting units and seeking further information and advice. The guideline was successfully trialled in north-west Victoria and is expected to be extended for the 2015-16 fire season.



3 COMMUNITY RISK

Enhanced performance of the built and natural environment

Develop regional community risk and consequence plans

On behalf of EMV, CFA led the development of a Bushfire and Heat Risk and Consequence Plan for each emergency management region. All plans were workshopped, developed and finalised by October 2014.

Increase CFA's contribution to fuel management through a statewide planned burning program

CFA has continued its investment in the Vegetation Management Program, which provides technical, logistical and administrative support for brigades involved in planned burning.

In response to the 2013-14 study of the support needed by brigades to increase their participation in planned burns, CFA launched the three-year Planned Burning Project. The project aims to increase CFA's involvement with DELWP in planned burns on public and private land. CFA's participation in these burns is growing, boosting interoperability and increasing the knowledge and experience of CFA members.

A key initiative of the Planned Burning Project is to offer training to volunteers on days and at times that fit in with their work and personal lives. The project has also increased the number of training camps from one a year to four in 2014-15.

The Planned Burning Project builds on the DELWP Risk Landscape work that analyses bushfire risk and the

The Planned Burning Project offers training to volunteers on days and at times that fit in with their work and personal lives

effectiveness of planned burns. CFA Risk Landscape Coordinators will work with DELWP Risk Landscape teams to develop strategies for brigades, landowners and municipalities.

This year, CFA participated in 195 planned burns, totalling 1,964 hectares and 701 kilometres of roads. CFA also carried out 129 planned burns with DELWP on public land.

Improve residential fire safety

The *Residential Fire Safety Strategic Plan 2014-18* has now been embedded into CFA's practices to ensure there is a consistent approach to residential fire safety, including regulation, engineering, environmental and community engagement, to address residential fire risk.

Under this plan, CFA has begun the Residential Fire Safety Research Program to ensure evidence-based decision-making. The program examines the cost of residential fires to the Victorian community, analyses up-to-date information about risk and causal factors, and reviews residential fire safety interventions. The research program will continue into 2015-16 to establish who in the community is most vulnerable to residential fires and the key influencing factors.

In winter 2014, in partnership with MFB, CFA delivered its most successful home fire safety awareness campaign called 'Safe Mistake Zone'. The campaign reached 3.2 million people on Facebook and visitors to the campaign website rose by 900 per cent compared with the previous year's campaign. Seventy-nine per cent of those people said they had taken action at home to improve fire safety. This campaign ran again in winter 2015.





4 DELIVERY OF SERVICES

Improved and flexible delivery of services

Consolidation of CFA's regional structure to five regions

CFA officially transitioned from eight to five regions in October 2014, with each region headed by an Assistant Chief Officer in place of a non-operational regional director.

Regional consolidation is focusing on integrating the previous eight CFA regions into five; setting up support services in regions and districts; implementing a new business planning and operating model; and supporting any future changes made to regional and district structures.

Fire & Emergency Management has developed a new structure to enable the front line to focus on delivering services to the community and supporting brigades to do their job.

Establish District 27

District 27 was launched on 1 April 2015 and an Operations Manager is leading 23 brigades that have transitioned from Districts 9 and 10 to form District 27. The district is based on the Latrobe City footprint. The launch is a major milestone in reducing critical infrastructure risks, through the provision of specialised resources and training, response plans, and engagement and integration with infrastructure operators.

The Service Delivery Strategy will drive CFA to better support local people to solve local problems, with a focus on public safety

Develop and implement a CFA business model

CFA continues to develop a business model to more effectively implement strategies that improve public safety in Victoria. The model is a refinement of CFA's critical business processes, including strategic planning, program and service design, capability management and performance improvement.

As the model is being developed, CFA will assess how well it operates and make adjustments when necessary so that it meets the organisation's expectations. Concept development in this area has involved CFA members and external stakeholders, and has been tested by auditors.

The final model went through internal governance and approval processes during 2014-15, and implementation planning and transition will occur during 2015-16.

Document CFA's Service Delivery Strategy and future capability needs

The Service Delivery Strategy 2015-2020 will drive CFA to better support local people to solve local problems, with a focus on public safety.

The Strategy focuses on the services CFA delivers externally with the Victorian community, and informs future service planning and capability requirements across the whole organisation. Support services that enable front line service delivery are addressed in the supporting four strategies, Volunteerism, People, Asset and Finance. Together these make up the five networked strategies.

The Strategy has four key objectives that underpin CFA's service delivery into the future:

- Empowering and sustaining the front line. Our front line leaders are supported to solve local problems. Communities are supported by a viable volunteer and staff workforce.
- Transforming service delivery to meet local needs. A suite of service delivery options are available for local implementation.
- Working with communities. Communities participate in emergency management activities, before, during and after an emergency.
- Strengthening relationships through collaboration. CFA is a leader in building collaboration and standardisation across the emergency management environment.

The development of the Service Delivery Strategy began in March 2013 and involved extensive consultation within

CFA and with EMV and other emergency services and stakeholders. The Board approved the strategy in June 2015 with implementation to begin in July 2015.

Identify and develop performance measures against CFA long-term outcomes

CFA has confirmed its commitment to public safety in Victoria by focusing on four long-term outcomes:

- Reducing the incidence and impact of fire emergencies on the Victorian community
- Reducing the impact of non-fire emergencies
- Being a highly-trusted and respected fire and emergency service
- Increasing community resilience to fire and other emergencies.

CFA has developed a set of outcome measures aligned to the five networked strategies to monitor progress. The measures will be stated in the 2015-16 Annual Plan.

To ensure the integrity of the data analysed and reported, CFA has collaborated with Monash University Injury Research Institute. The data will help CFA identify which public safety outcomes it should focus on and how it will improve the data measured. This work will continue through 2015-16.

Complete a revised long-term Asset Strategy

One of CFA's networked strategies, the Asset Strategy, brings together four portfolios: land and buildings; information and communication technology; fleet; and personal protective equipment and clothing. It provides an improved framework for asset allocation and matching local risks and service demands.

The strategic objectives of asset management, interoperability, public value and front line capability will guide CFA as it works to better plan and manage its assets. Along with other emergency service partners, this will enhance CFA's response capability and deliver greater public value by ensuring brigades have the assets and infrastructure needed for front line service delivery.



5 OUR PEOPLE

Our people are safe, respected, capable, engaged and share a common purpose

Build the capability of our current and future leaders, equipping them to drive organisational priorities

Organisational outcomes are influenced by leadership and culture. CFA established the Leadership Framework in 2013 and implemented a range of leadership development initiatives beginning with the Executive Leadership Team.

In September 2014, the Senior Leadership Team identified two leadership focus areas: values-based leadership and accountable decision-makers. CFA's Enabling Leadership Program has been developed to strengthen the Senior Leadership Group in these two areas. The program was launched in April 2015 and will support CFA leaders to set direction and empower them to execute strategy in an integrated and collaborative way. The program is an opportunity for leaders to work on their:

- critical role in leading culture change and demonstrating CFA values
- awareness of the significant impact that leadership styles have both within the organisation as well as with volunteers and key stakeholders
- understanding of effective leadership behaviours including operating 'above the line' and working towards a common end point
- effectiveness in leading and operating as teams with a focus on mutual accountability and collaboration
- decision-making in a complex and ambiguous environment
- levels of trust and engagement in the leadership group, with CFA members, the community and key stakeholders.



At the volunteer level, CFA has a flexible and accessible approach to providing support and preparation for the broader management role of captains and other future leaders. A series of interactive workshops helps new and existing brigade management team members to develop their skills so they can more effectively fulfil their leadership and management responsibilities.

As part of its commitment to leadership development and collaboration within the sector, CFA is working with EMV to enhance leadership development across the sector.

This year CFA reviewed its organisational values. Broad consultation with all CFA members began in October 2014, with the aim of identifying about five values (see below) that could unify and guide CFA in the way members treat each other and interact with their communities.

Work continues to tell the story of how these values come to life at brigade, group, district, region and headquarters levels.

Continue implementation of our health, safety and environment initiatives

Implementation of the Health, Safety and Environment (HSE) Strategy is continuing as CFA reviews how to manage these key risks. The Board's HSE committee is maintaining a strong oversight on the strategy's implementation.

At the strategic level, safety has been recognised as one of CFA's five values. This reflects the belief that, while CFA has key obligations, safety is also a shared responsibility for everyone in CFA.

An HSE Risk Register has been established and CFA has maintained its focus on the top risks of driving, health and fatigue.

Driving

CFA members are required to drive in a range of high-risk situations. A Driver Education Program has been developed and is being implemented. This year CFA has:

- incorporated driver training requirements into Brigade Operational Skills Profile
- developed skills maintenance programs
- trained 505 members in on-road driving
- trained 393 members in off-road driving.

In March 2015, the Executive Leadership Team endorsed the following set of values:

SAFETY

- We actively pursue zero harm
- We want everyone to get home safe and well
- We have a harmonious workplace
- We encourage discussions on safety matters



RESPECT

- We acknowledge each other's ideas, opinions and contributions
- We welcome diversity
- We show empathy and understanding
- We respect the time of our people



TOGETHER

- We unite to deliver on our mission
- We work in and promote inclusive teams
- We work collaboratively with the community and the sector
- We communicate openly



INTEGRITY

- We do what we say we will do
- We are honest, open and act fairly
- We make transparent and timely decisions
- We are accountable and will hold one another to account



ADAPTIVE

- We are open to the challenge of change
- We are proactive and make it happen
- We challenge the status quo and recognise innovators
- We learn from each other and our community

A series of interactive workshops helps new and existing brigade management team members to develop their skills

Health

CFA continues to implement innovative health monitoring and support programs for its members. Sprain and strain injuries are the most frequent types of injury, which reflects the physically demanding duties performed by CFA members.

Although less frequent, cardiovascular problems have an enormous impact on members and their families because the consequences of these events can be very significant.

CFA is striving to reduce risks in these areas through proactive programs such as Healthy for Life and Healthwatch, research into the physical demands of firefighting and ergonomic design improvements. This year we provided more than 2,000 free health checks to members.

The psychological health of CFA members has also been a focus during the past year. CFA has allocated significant resources to identify and manage psychological safety hazards and take steps to eliminate or minimise risks, and manage unavoidable exposures in an appropriate and timely way. Initiatives include:

- partnerships with beyondblue and other specialist organisations to enhance programs and services
- the online HeadsUp tool to educate brigade leaders and members to manage their mental health proactively and support each other
- the publication of *Managing mental health: tips from brigades* – a booklet designed to support brigades in managing mental health before, during and after a potentially traumatic event
- the launch of the Wellbeing Pilot (as part of the Volunteer Sustainability Program) to provide brigade leaders with expert support in the appropriate management of mental health and interpersonal relationship issues in brigades
- the rollout of education packages for leaders about managing mental health, managing relationships and having difficult conversations productively and proactively.

Fatigue

Following the completion of fatigue risk assessments, risk controls have been identified and are being trialled by a working party in West Region. In addition, fatigue management guidelines have been developed and were used during the 2014-15 fire season, including interstate deployments to South Australia and Western Australia.

Support the development of, and implement, a State Emergency Service Training Framework (led by EMV)

CFA continues to support the implementation of the State Emergency Service Training Framework. In particular, CFA has managed the State Incident Management Training Delivery Pilot on behalf of the sector. This provided the consistent delivery of nationally-accredited incident management training courses and leadership development programs to CFA members. This multi-agency training initiative further enhances the state's capacity to manage emergencies.

CFA also led a joint tender process involving MFB and Victoria State Emergency Service (VICSES) to establish a single first-aid training provider across the agencies. This process was finalised in May 2015.

With the closure of Fiskville Training College in March 2015, all CFA career firefighter recruits were moved to VEMTC – Craigieburn. In the longer term, CFA supports the development of a joint CFA/MFB career firefighter recruit course at Craigieburn. This joint initiative will strengthen interoperability and take advantage of the areas of expertise of both fire services.

Identify volunteer and employee workforce capacity and capability

The identification of volunteer and employee workforce capacity and capability is a significant and ongoing body of work. CFA continues to establish its own overall service delivery and support workforce capability requirements. In addition, CFA has also collaborated with EMV to develop an inter-agency approach to defining, managing and reporting on organisational capability requirements.

The MFB/CFA secondment program has been designed to enhance interoperability and understanding between agencies and is underpinned by a joint agency policy. An exchange of six agency personnel (on a one-for-one basis) began in early June with six MFB personnel working in CFA fire stations at Mildura, Warrnambool, Sunbury and Boronia.

OTHER IMPORTANT ACHIEVEMENTS

The Interim Emergency Management Strategic Action Plan 2014-15

CFA's contribution to the *Interim Emergency Strategic Action Plan 2014-15* focused on four key project areas.

Risk and consequence planning

Risk and consequence plans were developed in all CFA regions before the 2014-15 Fire Danger Period. Each plan and its development will be evaluated so that CFA can improve the planning process and outcomes for the community.

Replacement of obsolete respiratory equipment for CFA and MFB

Current breathing apparatus, comprising oxygen cylinders and breathing units, will be replaced. A contract has been awarded to Draeger Safety Pacific for the production of the new cylinders and CFA will tender for the breathing unit in the next financial year.

Skills and capability development

The development with EMV of a capability and capacity blueprint resulted in a sector-wide position on capability and capacity. As CFA finalised its Volunteerism Strategy, it supported EMV to establish a sector-wide position on volunteers and led the development of sector-wide projects to test the capability and capacity blueprint for incident management and urban search and rescue teams.

Development of a common doctrine around managing and responding to emergencies

The Fundamentals of Emergency Management (Class 1 emergencies), which was released in March 2015, sets out the principles of how agencies operate when dealing with Class 1 emergencies. The document was produced during a period of change within the Victorian emergency management sector, including the introduction of the *Emergency Management Act 2013* and the establishment of EMV on 1 July 2014. CFA contributed significantly to this publication.

Development of two new trucks

Two important new CFA trucks, which began as initial designs in 2012 and 2013, became working prototypes during 2014-15.

The prototype of the next generation medium pumper visited every CFA district across the state between January and March so that CFA members could give feedback.

When developing the specifications for the new medium pumper, the project team considered a number of areas such as the overall size, the design of the rear pump instrument panel, the position of the side delivery outlets, pump arrangement, stowage equipment and type of hose reels. The team also consulted with a working group of district mechanical officers to assess maintenance issues.

The prototype has a Scania P280 CrewCab chassis and a Godiva Prima rear-mounted fire pump. SEM Fire and Rescue was responsible for the build-up of the bodywork and supply of stowage equipment.

CFA's prototype heavy tanker began a statewide roadshow in early March 2015 which finished at the end of May. After the Iveco cab chassis was delivered in mid-2014, the body build-up began. Bell Environmental in Sunshine was responsible for the body and the supply of all the stowage equipment.

The United Firefighters Union and VFBV were consulted during the build-up of the vehicle and after the roadshow feedback had been assessed. All stakeholder feedback will be considered for the final vehicle specification before moving on to production.

Implementation of key report recommendations

Significant work was carried out by CFA this year to address the recommendations of four reports.

2009 Victorian Bushfires Royal Commission (VBRC) Final Report

As part of the standardisation of CFA's and DELWP's radio networks, all CFA districts completed their transition to the Regional Radio Dispatch Service (RRDS) in August 2014. Most radios used by DELWP are now compatible with RRDS. Conversion of radios used by firefighting aircraft and helicopters was completed in February 2015. When DELWP converts its remaining radios in time for the

2015-16 fire season, all CFA and DELWP radios will be fully interoperable on all CFA dispatch talk groups.

The Regional Mobile Radio Command Communications Program will deliver a digital, statewide, multi-hazard, interoperable command channel radio system that will meet the needs of incident management teams. It will allow the carriage of incident channel traffic across the network. The base station and power upgrade works were completed in June 2015. The next step is to work with brigades and DELWP to transition to operational use of the regional mobile radio command capability.

Part of the radio communications strategy was to eliminate all 78 radio blackspots identified by the VBRC. The final site was constructed in June 2015 to complete this work.

CFA has implemented a number of initiatives as part of the Volunteer Support Program including leadership development programs, the Brigade Sustainability Pilot, Wellbeing Pilot, District Volunteerism Pilot and Statewide Volunteerism Pilot. These pilots are currently being evaluated.

To facilitate the training of volunteers who live several hours' drive from the nearest training ground, CFA ordered seven more hot fire mobile props to be delivered in June 2015. A total of 10 mobile props are now being used around the state enabling volunteers to undertake hot fire training in locations and at times that are more convenient.

Understanding the Past to Inform the Future: Report of the Independent Fiskville Investigation

In March 2015 CFA's Fiskville Training College closed permanently. It was a unanimous Board decision based on concerns for the health and safety of CFA staff and volunteers. Testing across the site detected perfluorinated chemicals (PFOS) at the fire training area and an aircraft hangar, but not in drinking water or showers. Remediation work continues at the site.

The Victorian Parliament's Environment, Natural Resources and Regional Development Committee also began its inquiry into Fiskville. It heard five days of evidence and released an interim report that made three recommendations. The common theme was a desire for greater transparency about environmental and health-related issues.

As an organisation committed to the safety and wellbeing of its members, CFA supports these recommendations.

Any insight from the Inquiry's report that helps protect CFA members will be included in the wide range of initiatives already underway.

CFA has already followed up on more than 100 recommendations from three reports into Fiskville.

Inquiry into the Effect of Arrangements made by CFA on its Volunteers (Jones Report)

The Jones *Report of Inquiry into the Effect of Arrangements made by CFA on its Volunteers* was tabled in 2011.

Six themes emerged from the report:

- Culture and leadership to empower and support volunteerism
- Recruitment, retention, recognition and utilisation of volunteers
- Strengthening the volunteer-based and integrated service delivery model
- Improved support for brigades and communities
- Training development
- Training delivery and assessment.

CFA has made significant progress to implement the report's recommendations. Many of the initiatives reported in this annual report address these six themes.

Victorian Auditor-General's Office report *Managing Emergency Services Volunteers*

CFA's response to the recommendations in VAGO's report *Managing Emergency Services Volunteers* is well advanced. The following work is now complete or close to completion:

- CFA's Volunteerism Strategy has been approved by the CFA Board and published. Planning the implementation of the Strategy is now underway.
- Five CFA regions were created on 1 July 2014 as part of organisational restructuring. Assistant Chief Officers have been appointed to manage these regions.
- The Brigade Operations Skills Profile (BOSP) tool has been enhanced to provide higher-quality data about the availability of CFA members.
- The management of risk in relation to CFA's volunteer workforce has been incorporated into, and will be managed from, CFA's Enterprise Risk Profile.
- CFA is exploring ways it can collaborate with SES.
- An exit survey process was launched to gather information about why volunteers leave CFA.

Our incident response

Major incidents

In the past 12 months, CFA and its partner agencies have provided resources to support colleagues within Australia and overseas. In early August 2014, CFA provided incident management personnel to support an Australian deployment to British Columbia, Canada. CFA also sent resources interstate with incident management team members and health support teams assisting in Western Australia in February 2015, ground crews supporting South Australia in January 2015 and incident management team members and mechanical support officers sent to New South Wales in April 2015 to support storm response.

Below-average winter rainfall resulted in an early start to the bushfire season in some parts of the state. Lightning and associated storms created challenges for crews in north-east Victoria in mid-December, with a number of large bushfires being fought and monitored until the New Year. A heatwave and strong winds kept crews busy in early January throughout south-eastern Australia. CFA received support from NSW during this period.

Of particular note during the bushfire season was the expansion of the predetermined dispatch (PDD) program to 15 locations across the state. Aircraft were dispatched via PDD on 246 occasions, which assisted brigades greatly in achieving swift suppression of fires. The aviation

program was also supported by the use of two large air tankers. During summer, these air tankers undertook 33 missions in Victoria. In addition, they supported South Australia, Western Australia and Tasmania for a total of 87 missions. Both air tankers met the key objective of rapidly building long lengths of high-quality, high coverage level retardant lines in a range of terrain and situations.

Table 1 shows when each district had a Total Fire Ban during the 2014-15 fire season, and Table 2 compares the number of Total Fire Ban days over the past five years.

Figure 1 gives the total number of incidents for the past five years, and Figure 2 gives a breakdown of incidents by type for 2014-15.

Table 3 is a list of major incidents attended by CFA during 2014-15.

Table 1: Days of Total Fire Ban 2014-15

Date	Total Fire Ban District
4 November 2014	Mallee
8 November 2014	Mallee
20 November 2014	Mallee and Northern Country
30 November 2014	Mallee and Wimmera
16 December 2014	Mallee, Wimmera, Northern Country, North Central and North East
29 December 2014	North East
2 January 2015	Mallee, Wimmera, South West, Northern Country, North Central, Central, North East and West and South Gippsland
3 January 2015	Whole State of Victoria
8 February 2015	Northern Country and North East
15 February 2015	Mallee and Wimmera
28 February 2015	Mallee and Wimmera
19 March 2015	Mallee

Table 2: Number of Total Fire Ban days declared 2010 to 2015

Declaration	2010–11	2011–12	2012-13	2013-14	2014-15
Whole of state	0	0	2	6	1
Partial	2	9	15	11	11
Total	2	9	17	17	12

Figure 1: Total emergency incidents reported

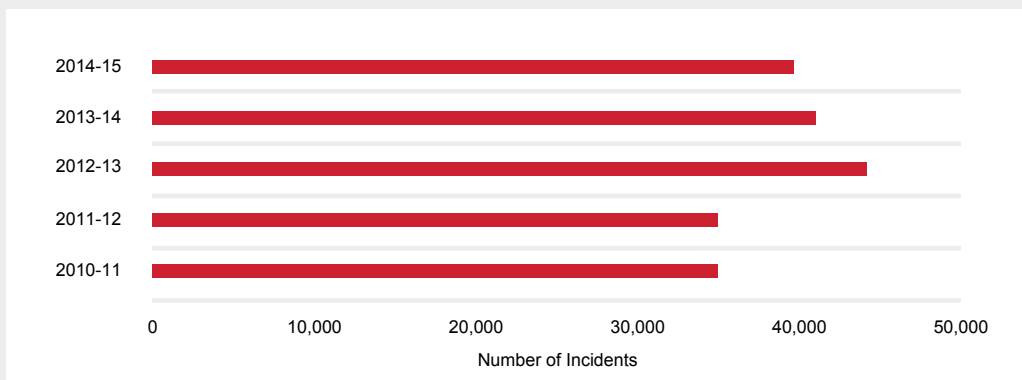
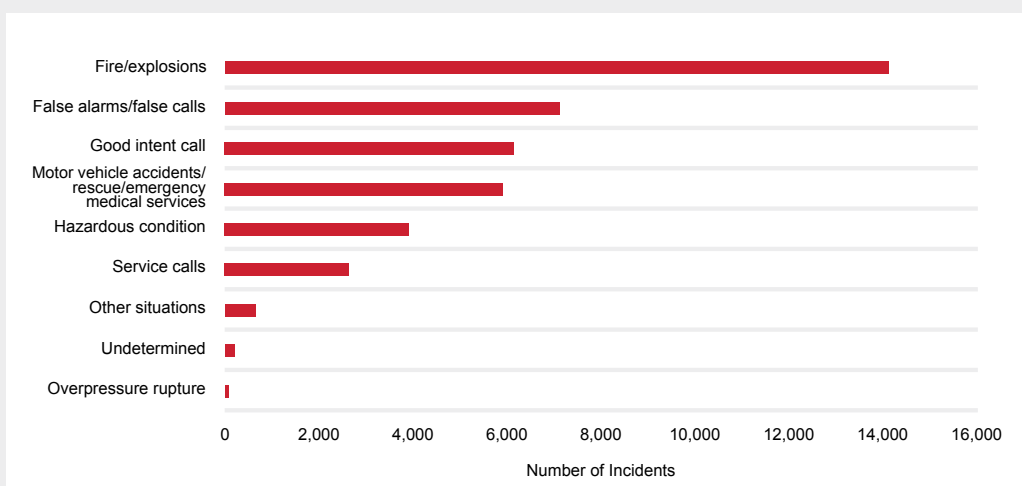


Figure 2: 2014-15 incident response by type



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

Table 3: Major incidents 2014-15

Date	Incident Type	Location	Incident size/description
8 August	North Shore	Structure fire	Industrial shed fire
23 August	Seymour	Structure fire	Factory destroyed. One fatality
25 October	Woori Yallock	Structure fire	Local pub destroyed. \$3.5 million damage
15 December	West Wodonga	Grass and scrub fire	800 hectares. First use of large air tankers
16 December	Stanhope	Structure fire	Dairy processing factory. \$5 million damage
16 December	Lake Rowan	Grass and scrub fire	5,743 hectares
16 December	Longwood East	Grass and scrub fire	5,085 hectares. Lightning strike
16 December	Pastoria	Grass and scrub fire	800 hectares
16 December	Stewarton	Grass and scrub fire	2,000 hectares
18 December	Mia Mia	Grass and scrub fire	300 hectares
2 January	Moyston	Grass and scrub fire	4,900 hectares
3 January	Hastings	Grass and scrub fire	133 hectares
3 January	Edenhope	Grass and scrub fire	1,740 hectares
3 January	Brimpaen	Grass and scrub fire	4,500 hectares
7 January	Kyneton	Grass and scrub fire	250 hectares
7 January	Little Desert	Grass and scrub fire	6,000 hectares
26 February	Darnum	Hazardous material incident	Release of chlorine gas due to chemical spill

Our performance

CFA contributes to Government's performance measures for the emergency management sector as detailed in the Victorian Government's Budget Papers (refer the Emergency Management Capability Output). This forms part of the Department of Justice's 'Supporting the State's Fire and Emergency Services' output group. The Budget Papers report statewide performance.

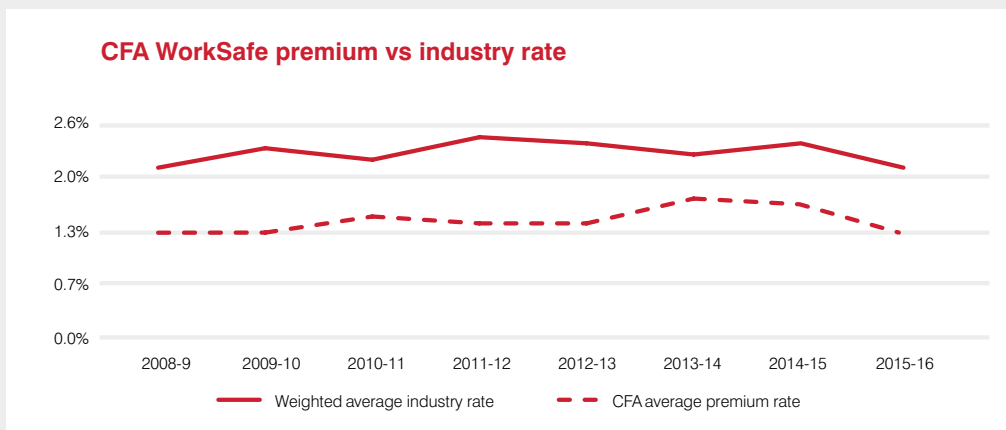
Table 4 shows CFA's actual performance together with measures reported in Budget Paper No. 3. CFA adheres to the national requirements for counting rules, which is normal for fire and emergency service organisations.

Table 4: Emergency management capability

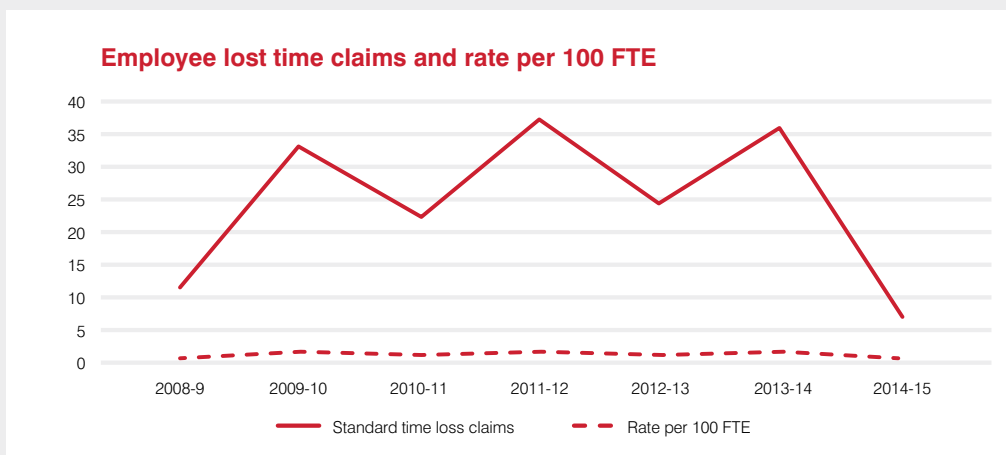
Major Outputs/Deliverables	Unit of Measure	2014-15 Target	2014-15 Actual
Performance measures			
Quantity			
1. Permanent operational staff	number	916	972
2. Permanent support staff	number	910	935
3. Volunteers – operational	number	39,400-40,950	35,367
4. Volunteers – support	number	18,000-19,000	21,944
Quality			
5. Road crash rescue accredited brigades/units	number	23	23
6. Level 3 Incident Controller trained staff and volunteers	number	41	59
7. Structural fire confined to room of origin			
A23 type incident 110-119 where K20 Extent of Flame Damage is (1,2,3*100)	per cent	70	68
A23 type incident 110-129 where K20 Extent of Flame Damage is (1,2,3*100)	per cent	70	77
Timelines			
8. Emergency response times meeting benchmarks – structural fires	per cent	90	87
9. Emergency response times meeting benchmarks – road accident rescue	per cent	90	96

Occupational health and safety

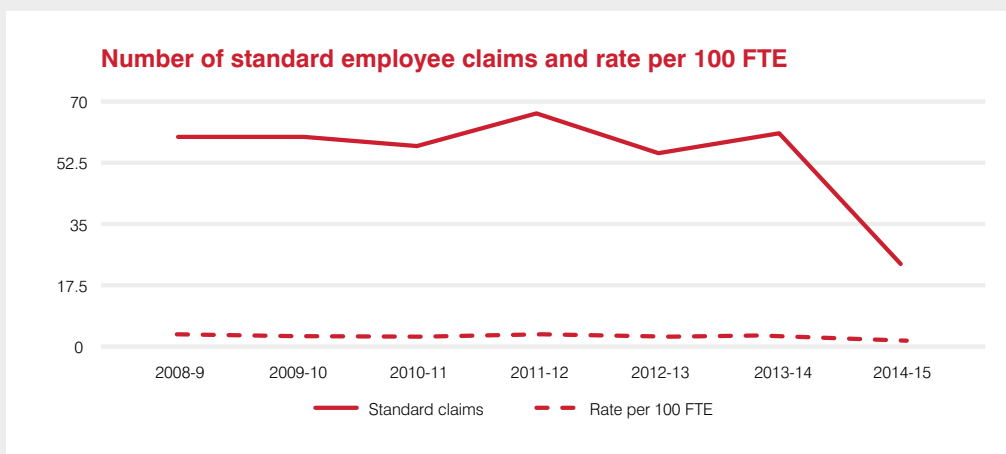
CFA's premium rate has maintained a positive trend compared with the broader industry's performance rate



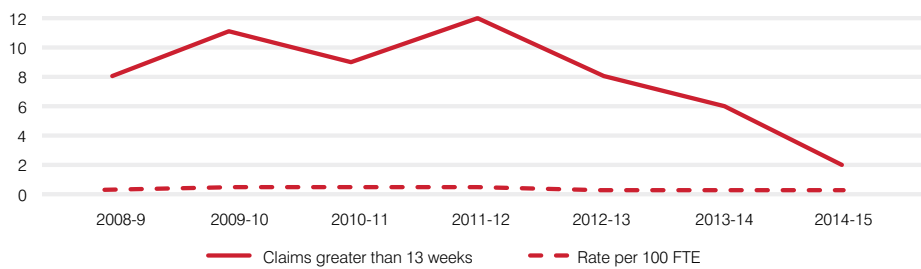
The lost time claims trend has maintained a positive trend



The trend for standard claims per 100 full-time equivalents is maintaining a consistent trend

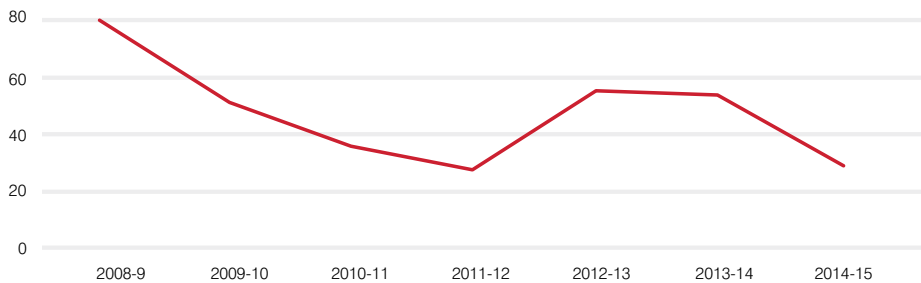


Employee claims with time loss of 13 weeks or greater and rate per 100 FTE



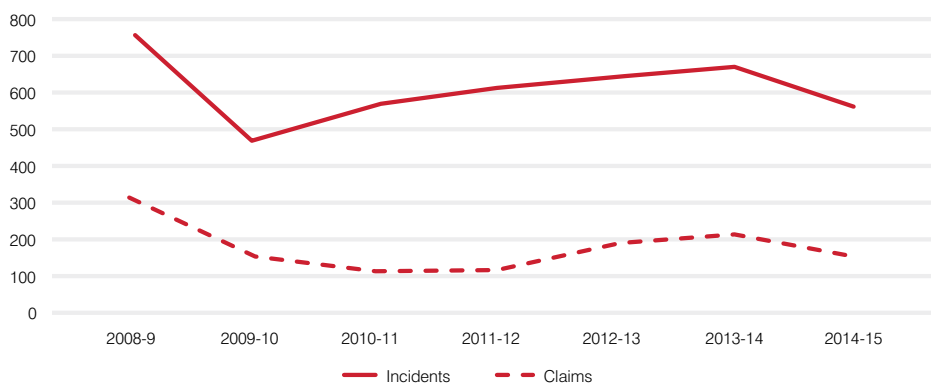
The time lost claims in excess of 13 weeks is now trending in a positive manner bearing in mind potential lag factors

Volunteer lost time claims



The fluctuations mirror the emergency response activity levels

Volunteer claims and incident trends



The volunteer claim and incident trends continue to mirror the severity of emergency activities and particularly fire seasons

Corporate governance

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

CFA Board

CFA's Board is constituted under the *Country Fire Authority Act 1958* (Vic) (The Act).

The Board is accountable to the Minister for Emergency Services.

Changes to membership of the CFA Board occurred in September 2014 after amendment to the Act. The new Board brings a mix of technical, financial and operational experience to lead CFA in best practice emergency management now and into the future. Its members also provide expertise and representation of CFA's volunteers. Four of the Board members were appointed from a panel nominated by Volunteer Fire Brigades Victoria (VFBV) and the remaining five (including the Chair and Deputy Chair), were recommended by the-then Minister for Police and Emergency Services Kim Wells and endorsed by the Governor-in-Council.

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

Board role

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

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

The Board's primary role involves:

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

Board membership

Board members during 2014-15 were:

- Claire Higgins (Chair); re-appointed 1 September 2014, formerly Deputy and Acting Chair
- John Peberdy (Deputy Chair); re-appointed 1 September 2014
- Ross Coyle; re-appointed 1 September 2014
- Paul Denham; until 30 August 2014
- Katherine Forrest; appointed 1 September 2014
- Michael Freshwater; appointed 13 August 2013
- Peter Harmsworth AO; re-appointed 26 June 2013
- James Holyman; appointed 1 September 2014
- Reid Mather; until 30 August 2014

- Don Robertson; until 30 August 2014
- John Schurink; appointed 1 September 2014
- Mike Taylor; until 31 August 2014
- Michael Tudball AFSM; re-appointed 1 September 2014

Board Committees

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

Finance, Risk and Audit Committee

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

CFA's internal audit function is undertaken by Ernst & Young whose representatives report to the Finance, Risk and Audit Committee at each of its meetings. Ernst & Young took over from previous internal auditors PricewaterhouseCoopers in July 2014.

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

Members of the Finance, Risk and Audit Committee during 2014-15 were:

- Michael Tudball (Chair)
- Michael Freshwater
- Claire Higgins
- John Schurink (from September 2014)
- Mike Taylor (until September 2014)
- Mark Anderson (Independent Member).

Table 5: Board members' attendance at meetings

	Board Meetings	Finance, Risk and Audit	People, Remuneration and Culture	Service Delivery	Health, Safety and Environment
Number of meetings to 30 June 2015	13	5	3	4	6
Claire Higgins	13	3	3	3	5
John Peberdy ¹	13	-	3		3
Ross Coyle	12	-	-	4	-
Paul Denham ²	2	-	1	-	-
Katherine Forrest ³	11	-	2	-	6
Michael Freshwater	12	3	1	1	-
Peter Harmsworth	10	-	3	-	6
James Holyman ³	10	-	2	-	4
Reid Mather ²	2	-	-	-	-
Don Robertson ²	1	-	-	-	-
John Schurink ³	11	3	-	3	-
Mike Taylor ²	2	-	-	-	-
Michael Tudball	12	5	-	4	-

1 John Peberdy appointed to the Health, Safety and Environment Committee in January 2015.

2 Paul Denham, Reid Mather, Don Robertson and Mike Taylor resigned from the Board at the end of August 2014.

3 Katherine Forrest, James Holyman and John Schurink were appointed to the Board on 1 September 2014.

People, Remuneration and Culture Committee

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

The Committee oversees the implementation of the CFA People Strategy including leadership, culture, people sustainability and people capability. In addition, the Committee has oversight of the implementation of the CFA Volunteerism Strategy.

Members of the People, Remuneration and Culture Committee during 2014-15 were:

- John Peberdy (Chair)
- Katherine Forrest (from September 2014)
- Peter Harmsworth AO
- Claire Higgins
- James Holyman (from September 2014)
- Paul Denham (until September 2014)
- Michael Freshwater (until September 2014).

Service Delivery Committee

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

The Committee also provides a strategic overview of community engagement and education initiatives.

Members of the Service Delivery Committee during 2014-15 were:

- Ross Coyle (Chair)
- Michael Freshwater (from September 2014)
- Claire Higgins
- Don Robertson (until September 2014)
- John Schurink (from September 2014)
- Mike Taylor (until September 2014)
- Michael Tudball.

Health, Safety and Environment Committee

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

Members of the Health, Safety and Environment Committee during 2014-15 were:

- Peter Harmsworth AO (Chair)
- Katherine Forrest (from September 2014)
- Claire Higgins
- James Holyman (from September 2014)
- John Peberdy (from January 2015)
- Rob Sheers (Independent Member).

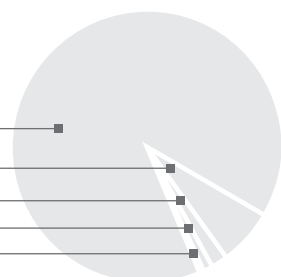
Financial summary

Discussion and analysis – comprehensive operating statement

Income

Total Income: \$501.9m

Grants \$451.2m	
Sale of goods and services \$33.1m	
Other income \$10.4m	
Interest \$5.2m	
Contributions \$2.0m	



Income

Total income for the 2014-15 year was \$501.9m, which is an increase of \$0.8m from the previous year's total of \$501.1m. Reasons for the increase in total income are:

- an increase in sales of goods and services of \$17.6m mainly due to charges for the attendance of brigades at the Hazelwood Mine fire
- a decrease in grants of \$15.1m mainly due to fire season costs
- an increase in other income of \$1.4m
- a decrease in interest income of \$1.2m due to lower cash balances and lower interest rates.

The Comprehensive Operating Statement and note 2(e) disclose the movement in brigade cash and deposits over the financial period.

Government and statutory funding

CFA received grants and contributions amounting to \$453.2m (2013-14 \$470.2m). CFA received residual 2014-15 contributions of \$2.0m from insurance companies under Section 80A of the Act (2013-14 \$3.8m). The reduction in grants from the State Government is mainly due to reduced fire season costs in 2014-15.

Sales of goods and services

CFA booked income of \$33.1m during the year from the provision of goods and services to external bodies (2013-14 \$15.6m). This includes:

- the provision of external training services
- fire protection fees
- dangerous goods inspections

- fire and equipment maintenance services
- charges for attendance of brigades at the Hazelwood Mine fire.

Other income and interest

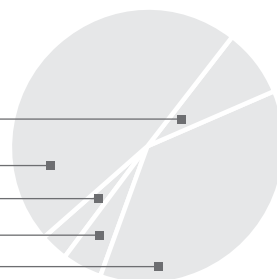
Other income during the year totalled \$10.4m (2013-14 \$9.0m). The increase is partly due to \$1.7m received for the recovery of costs in relation to the conclusion of litigation.

Interest income for the year was \$5.2m (2013-14 \$6.4m). The decrease was a result of lower cash and investment balances available for deposit compared to 2013-14 and lower interest rates.

Expenses and economic flows

Total Expenses and Economic Flow: \$500.4m

Depreciation and amortisation \$39.8m	
Employee expenses \$236.1m	
Other economic flows \$15.6m	
Grants \$23.4m	
Other expenses \$185.5m	



Expenses and economic flows

Total expenses and economic flows for the 2014-15 year were \$500.4m compared to \$502.5m for 2013-14. This overall decrease can be attributed to:

- the impairment of property, plant and equipment due to the closure of Fiskville training College (\$11.2m)
- an increase in loss on disposal of property, plant and equipment (\$2.3m)
- an increase in depreciation and amortisation (\$2.3m)
- an increase in grants paid (\$11.2m)
- a decrease in other operating expenses of (\$28.8m).

Employee expenses

During 2014-15 employee expenses was \$236.1m (2013-14 \$236.1m). In order to meet service delivery requirements in this financial year, additional career firefighters were recruited and deployed. These increased costs have been offset by reduced employee costs due to a number of projects concluding at the end of June 2014.

Depreciation and amortisation

The written down value of CFA's assets at cost or valuation, including land, buildings, leasehold improvements, vehicles, plant and machinery totalled \$1,116.8m (2013-14 \$1,082.2m). Depreciation expense was \$39.8m during 2014-15 (2013-14 \$37.5m) and increased due to the net investment in property, plant and equipment.

Other expenses

CFA spent \$185.5m on general operating costs and other expenses during 2014-15 (2013-14 \$214.3m). This was a decrease of \$28.8m over the previous year which was largely due to:

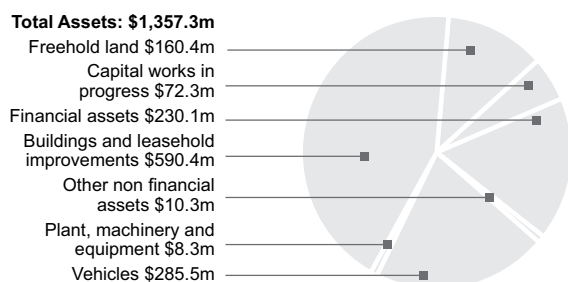
- a decrease in 2014-15 financial year in major incident expenditure of \$15.1m and aircraft hire of \$5.3m
- a decrease in contract payments to external services (\$11.3m)
- an increase in the volunteer compensation and insurance expense (\$4.3m) following an actuarial estimate of liability.

Grants

CFA spent \$23.4m on grants during 2014-15 (2013-14 \$12.2m). This was an increase of \$11.2m due to payments to the Department of Justice and Regulation in relation to the operations of Emergency Management Victoria and associated projects.

Discussion and analysis – balance sheet

Assets



Total assets

Total assets at 30 June 2015 were \$1,357.3m compared to \$1,334.5m at 30 June 2014. The major elements of the year-on-year increase (\$22.8m) were:

- an increase in non-financial assets of (\$33.5m) including:
 - an increase in buildings and leasehold improvements (\$34.9m)
 - an increase in land (\$2.8m)
 - an increase in plant & equipment (\$1.0m)
 - an increase in emergency response and transport vehicles (\$8.3m)
 - a decrease in capital works in progress (\$12.4m)
 - a decrease in other non-financial assets and inventory reduced (\$1.1m).
- a decrease in financial assets of \$10.7m.

Financial assets

Financial assets at 30 June 2015 were \$230.1m compared to \$240.8m at 30 June 2014. The decrease comprises:

- a decrease in cash at bank and deposits (\$7.0m)
- a decrease in investments and other financial assets (\$30.0m)
- an increase in money owed to CFA including trade receivables, other receivables and GST recoverable (\$26.3m).

Financial assets include the receivable for reimbursement of costs associated with the attendance of brigades at the Hazelwood Mine fire.

Committed funds

Cash and deposits, and investments, are held for specific purposes and comprise brigade cash held for local initiatives and carry over amounts for projects such as:

- Regional Radio Dispatch Service
- Volunteer Emergency Services Equipment Program
- capital works – land and buildings
- Project 2016
- Telecommunication Emergency Warning System.

Non-financial assets

Non-financial assets were \$1,127.2m (2013-14 \$1,093.7m) comprising:

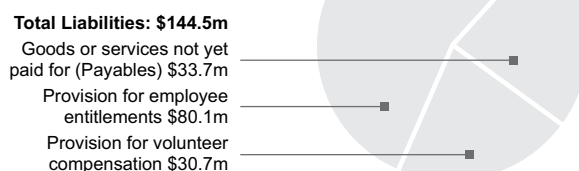
- property, plant and equipment (\$1,116.8m)
- other non-financial assets including inventories and goods held in store (\$9.8m), and prepayments made by CFA (\$0.6m).

Property, plant and equipment increased by \$34.6m reflecting \$97.3m of additions less \$62.7m attributable to depreciation, disposal, impairments and revaluation.

Plant and equipment includes computer hardware, general plant, and communications equipment to a total value of \$8.3m (2013-14 \$7.3m).

At the end of the year, the value of expenditure on capital works such as buildings, emergency response vehicles, and plant and equipment which were not yet completed, was \$72.3m (2013-14 \$84.6m).

Liabilities



Total Liabilities

Total liabilities at 30 June 2015 amounted to \$144.5m compared to \$140.6m at 30 June 2014. The increase of \$3.9m was due to:

- increases the provisions for employee benefits and volunteer compensation (\$7.3m)
- a decrease in amounts accrued in relation to payables (\$3.5m).

Goods or services not yet paid for (payables)

At the end of the year payables were \$33.7m. This was a decrease of \$3.5m over the corresponding figure last year (2013-14 \$37.2m). This variance can be attributed to a reduction in the amount of June invoices payable in July 2015.

Provision for employee entitlements

A total of \$80.1m (2013-14 \$79.3m) is accrued for annual leave and long service leave payments to staff.

Provision for volunteer compensation

Based on previous claims and actuarial calculations, a total of \$30.7m has been estimated to allow for compensation payments for injuries to volunteers up to 30 June 2015. This is an increase of \$6.6m compared to the figure at 30 June 2014 and includes claims handling expenses.

Volunteer brigade activities

The major assets of CFA volunteer brigades - Land, Buildings, Plant & Equipment, and Bank/Cash Equivalents - are recognised as assets by CFA in the Annual Financial Statements. New brigade assets and Bank/Cash Equivalents are included annually in CFA's financial statements.

Bank/Cash Equivalents were brought to account for the first time in the 2006-7 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.

In prior years, the component of cash balance relating to cash controlled by the brigades was estimated by adjusting the actual balance as at 31 March for known income and expenditure transactions to 30 June. The 2014-15 Annual Financial Statements bring to account volunteer brigade actual cash and deposits as at 30 June 2015.

The brigades are funded by CFA and supplemented by community fundraising and donations. Brigade costs borne by CFA are included in the expense analysis of the Annual Financial Statements, either by specific reference (e.g. Volunteer Compensation, Other Volunteer and Brigade Support, Grants to Volunteer Associations) or by inclusion with CFA's other costs of a similar

nature under the appropriate expense heading (e.g. Depreciation, Building Operating and Maintenance, Motor Vehicle, Training and Skills Maintenance, Uniforms and Equipment). As the majority of brigade transactions are thus included in CFA's accounts, the remaining separate revenues and expenses of the brigades are not reflected in CFA's financial statements.

CFA volunteer brigades also receive support under the State Government's Volunteer Emergency Services Equipment Program (VESEP). VESEP assists eligible emergency service organisations by providing contributory funding for vehicles and equipment.

CFA also provides brigades with access to an extended credit facility to support brigade-related small asset acquisition programs.

CFA and Brigades Donations Trust Fund

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.

For the year ended 30 June 2015, the CFA and Brigades Donations Fund Trust has not been consolidated as CFA management has determined that the financial position is immaterial for consolidation purposes. This change has been applied retrospectively to the comparatives in the Annual Financial Statements in accordance with AASB 108.

CFA provided regular and accurate reports of the Trust's operations and financial status to the satisfaction of the trustees. A total of 1,213 brigades/groups were registered with the Trust at 30 June 2015.

The Trust received donations of \$4.8m during the 2014-15 financial year compared with \$4.7m during 2013-14.

The 30 June 2015 Trust bank balance was \$1.6m (\$0.5m cash at bank and \$1.1m short-term deposit) compared with \$1.5m on 30 June 2014.

Financial statements

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

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

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2015 and the financial position of the Country Fire Authority at 30 June 2015.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

In accordance with a resolution of the Board of the Country Fire Authority, we authorise the attached financial statements for issue on 21 September 2015.



21 September 2015
J R Peberdy
Acting Chair



21 September 2015
M Wootten
Interim Chief Executive Officer



21 September 2015
N McCormick CA
Chief Finance Officer

Comprehensive operating statement
for the financial year ended 30 June 2015

	Notes	2015 \$'000	2014 \$'000
Income from transactions			
Contributions	2(a)	2,000	3,855
Grants	2(b)	451,214	466,298
Interest	2(c)	5,155	6,391
Sales of goods and services	2(d)	33,146	15,562
Other income	2(e)	10,414	9,011
Total income from transactions		501,929	501,117
Expenses from transactions			
Employee expenses	3(a)	236,098	236,098
Depreciation and amortisation	3(b)	39,799	37,538
Grants and other transfers	3(c)	23,447	12,244
Other operating expenses	3(d)	185,504	214,297
Total expenses from transactions		484,848	500,177
Net result from transactions (net operating balance)		17,081	940
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	4(a)	(15,744)	(2,181)
Other gains/(losses) from other economic flows	4(b)	171	(96)
Total other economic flows included in net result		(15,573)	(2,277)
Net result		1,508	(1,337)
Other economic flows – other comprehensive income items that will not be classified to the net result			
Changes in non-financial assets revaluation reserve		(450)	0
Comprehensive result		1,058	(1,337)

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

Balance sheet

as at 30 June 2015

	Notes	2015 \$'000	2014 \$'000
Assets			
Financial assets			
Cash and deposits	16(a)	113,771	120,837
Receivables	5	36,294	9,953
Investments and other financial assets	6	80,000	110,000
Total financial assets		230,065	240,790
Non-financial assets			
Inventories	7	9,753	9,876
Property, plant and equipment	8	1,116,840	1,082,249
Other non-financial assets	9	614	1,609
Total non-financial assets		1,127,207	1,093,735
Total assets		1,357,272	1,334,525
Liabilities			
Payables	10	33,734	37,192
Provisions	11	110,772	103,446
Total liabilities		144,506	140,638
Net assets		1,212,766	1,193,886
Equity			
Accumulated surplus		446,509	445,001
Physical asset revaluation surplus	17	431,482	431,932
Contributed capital		334,775	316,953
Net Worth		1,212,766	1,193,886
Commitments for expenditure	13		
Contingent assets and contingent liabilities	14		

The balance sheet should be read in conjunction with the notes to the financial statements.

Statement of changes in equity

for the financial year ended 30 June 2015

	\$'000	\$'000	\$'000	\$'000
Physical asset				
	revaluation surplus	Accumulated surplus	Contributed capital	Total
Balance at 1 July 2013	431,932	446,338	291,294	1,169,564
Net result for the year	0	(1,337)	0	(1,337)
Capital appropriations	0	0	25,659	25,659
Balance at 30 June 2014	431,932	445,001	316,953	1,193,886
Net result for the year	0	1,508	0	1,508
Capital appropriations	0	0	17,822	17,822
Impairment of revalued asset	(450)	0	0	(450)
Balance at 30 June 2015	431,482	446,509	334,775	1,212,766

The statement of changes in equity should be read in conjunction with the notes to the financial statements.

Cash flow statement

for the financial year ended 30 June 2015

	Notes	2015 \$'000	2014 \$'000
Cash flows from operating activities			
Receipts			
Grant Receipts from Government		445,814	481,374
Receipts from other entities		19,584	23,139
Goods and Services Tax recovered from the ATO ⁽ⁱ⁾		28,443	31,287
Interest received		5,178	6,372
Other receipts		8,935	10,026
Total receipts		507,954	552,198
Payments			
Payments of grants and other transfers		(23,447)	(12,244)
Payments to suppliers and employees		(449,804)	(464,993)
Total Payments		(473,251)	(477,237)
Net cash flows from operating activities	16(b)	34,703	74,960
Cash flows from investing activities			
Proceeds from investments		630,000	685,000
Payments for investments		(600,000)	(675,000)
Purchases of non-financial assets		(97,290)	(116,888)
Proceeds from sale of non-financial assets		7,699	6,035
Net cash flows used in investing activities		(59,591)	(100,853)
Cash flows from financing activities			
Owner contributions by State Government		17,822	25,659
Net cash flows from financing activities		17,822	25,659
Net increase/(decrease) in cash and cash equivalents		(7,066)	(233)
Cash and cash equivalents at the beginning of the financial year		120,837	121,070
Cash and cash equivalents at the end of the financial year	16(a)	113,771	120,837

The cash flow statement should be read in conjunction with the notes to the financial statements.

Notes:

(i) Goods and Services Tax is presented on a net basis.

Notes to the financial statements

for the year ended 30 June 2015

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Note 1. Summary of significant accounting policies

These annual financial statements represent the audited general purpose financial statements for the Country Fire Authority (CFA) for the year ended 30 June 2015. The purpose of the report is to provide users with information about CFA's stewardship of resources entrusted to it.

(A) Statement of compliance

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* (FMA) and *Financial Reporting Directions* (FRD) applicable Australian Accounting Standards (AAS)

which include Interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of the AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

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

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

To gain a better understanding of the terminology used in this report, a glossary of terms and style conventions can be found in Note 24.

These annual financial statements were authorised for issue by the Board of CFA on 21 September 2015.

(B) Basis of accounting, preparation and measurement

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

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

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

The judgements and assumptions made by management that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, plant and equipment;
- assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 1(M)); and
- actuarial assumptions for volunteer compensation provisions based on assessment of outstanding claims (refer to Note 1(M)).

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is

revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

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

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

Consistent with AASB13 *Fair Value Measurement*, CFA determines the policies and procedures for both recurring fair value measurements such as property, plant and equipment, in accordance with the requirements of AASB13 and the relevant FRDs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, CFA has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, CFA determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year. The Valuer-General Victoria (VGV) is CFA's independent valuation agency.

CFA, in conjunction with VGV, monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

(C) Reporting entity

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

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

(D) Basis of preparation of separate financial statements

CFA has determined that it has control over the CFA and Brigades Donations Fund Trust.

The CFA and Brigades Donations Fund Trust has not been consolidated as CFA management has determined that the financial position is immaterial for consolidation purposes.

The activities and financial position of the CFA and Brigades Donations Fund Trust is disclosed in Note 19 Trust account balances.

(E) Scope and presentation of financial statements

Comprehensive operating statement

The comprehensive operating statement comprises three components, being 'net result from transactions' (or termed as 'net operating balance'), 'other economic flows included in net result', as well as 'other economic flows - other comprehensive income'. The sum of the former two represents the net result for the year.

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

'Other economic flows' are changes arising from market remeasurements. They include:

- gains and losses from disposals of non-financial assets;
- revaluations and impairments of non-financial physical and intangible assets; and
- fair value changes of financial instruments.

This classification is consistent with the whole of government reporting format and is allowed under AASB 101 *Presentation of Financial Statements*.

Refer to Note 24 Glossary of terms for the definitions of 'net result from transactions', 'other economic flows included in net result' and 'other economic flows - other comprehensive income'.

Balance sheet

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

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

Statement of changes in equity

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

Cash flow statement

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

Rounding

Amounts in the financial statements have been rounded to the nearest \$1,000, unless otherwise stated. Figures in the financial statements may not equate due to rounding. Please refer to the end of Note 24 Glossary of terms and style conventions for explanations of minor discrepancies resulting from rounding.

(F) Changes in accounting policies

Subsequent to the 2013-14 reporting year, the following new and revised Standards have been adopted for the first time in the current year.

AASB 10 Consolidated Financial Statements

AASB 10 provides a new approach to determine whether an entity has control over an entity, and therefore must present consolidated financial statements. The new approach requires the satisfaction of all three criteria for control to exist over an entity for financial reporting purposes:

- The investor has power over the investee;
- The investor has exposure, or rights to variable returns from its involvement with the investee; and
- The investor has the ability to use its power over the investee to affect the amount of investor's returns.

Based on the new criteria prescribed in AASB 10, CFA has reviewed the existing arrangements to determine if there are any entities that are required to be consolidated into the group. The CFA and Brigades Donations Fund Trust has been identified as an entity that does meet the control criteria.

For the year ended 30 June 2015, the CFA and Brigades Donations Fund Trust has not been consolidated as CFA

management has determined that the financial position is immaterial for consolidation purposes. This change has been applied retrospectively to the comparatives in accordance with AASB 108 *Accounting Policies, Change in Accounting Estimates and Errors*.

In prior reporting periods, the CFA and Brigades Donations Fund Trust was consolidated by CFA when preparing the annual financial report.

The table below displays the adjustments to restate the figures for the comparative period.

	2014 \$'000	\$'000	2014 \$'000
	As stated in prior year	Adjustment	Restated amount
Cash and deposits	121,342	-505	120,837
Receivables	8,421	1,532	9,953
Investments	111,000	-1,000	110,000
Payables	38,655	-1,463	37,192
Accumulated surplus	443,511	1,490	445,001

No adjustment was required to restate the balance sheet amounts for the current period.

The deconsolidation of CFA and Brigades Donations Fund Trust has resulted in a net decrease to other income/donations of \$11,826 for 30 June 2015 (2014:\$5,565).

Details of the CFA and Brigades Donations Fund Trust balances are shown in Note 19 Trust account balances.

Brigade cash balances

Volunteer brigade actual cash and deposits are included in the balance sheet.

In prior years, balance controlled by the brigades was estimated by adjusting the actual balance as at 31 March for known income and expenditure transactions to 30 June.

CFA management has determined that reporting an actual cash balance as at 30 June is more in accordance with general accepted practice. Note 1(T) describes the policy adopted in regards to this. The impact from the change in policy has resulted in an increase of the reported cash amount by \$25,000 as at 30 June 2015. CFA management has determined that it is not practical to restate the comparative brigade cash amounts to reflect the actual cash balance as at the prior accounting period.

(G) Income from transactions

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

Grants

Grants from the Department of Justice and Regulation are recognised as income in the reporting year in which the grant is receivable or received.

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

Interest

Interest income includes interest received on bank term deposits, is recognised using the effective interest method which allocates the interest over the relevant period.

Sales of goods and services

Income from the supply of services is recognised by reference to the stage of completion of the services being performed. The income is recognised when:

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

Under the stage of completion method, income is recognised by reference to labour hours supplied or to labour hours supplied as a percentage of total services to be performed.

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

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

(H) Expenses from transactions

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

Employee expenses

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

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

Superannuation

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

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

Depreciation

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

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

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

Asset class	Useful life
Land	Indefinite
Buildings at fair value	50 - 67 years
Leasehold improvements	4 - 50 years
Plant, equipment and vehicles	3 - 25 years

Interest expense

Interest expenses are recognised as expenses in the period in which they are incurred. Refer Note 24 Glossary of terms and style conventions for an explanation of interest expense items.

Grants and other transfers

Grants and other transfers to third parties (other than contribution to owners) are recognised as an expense in the reporting year in which they are paid or payable. They include transactions such as: grants, subsidies, personal benefit payments made in cash to individuals; other transfer payments made to State owned agencies and local government. Refer to Note 24 for an explanation of grants and other transfers.

Other operating expenses

Supplies and services

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

Bad and doubtful debts

Refer to Note 1(K) *Impairment of financial assets*.

Fair value of assets provided free of charge or for nominal consideration

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

(I) Other economic flows included in the net result

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

Net gain/(loss) on non-financial assets

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

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

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

Net gain/(loss) on disposal of non-financial assets

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

Impairment of non-financial assets

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

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

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

Net gain/(loss) on financial instruments

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

Revaluations of financial instruments at fair value

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

Other gains/(losses) from other economic flows:

Other gains/(losses) from other economic flows include the gains or losses from:

- the revaluation of the present value of the long service leave liability due to changes in the bond interest rates; and
- reclassified amounts relating to available for sale financial instruments from the reserves to net result due to a disposal or derecognition of the financial instrument. This does not include reclassification between equity accounts due to machinery of government changes or 'other transfers' of assets.

(J) Financial instruments

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

Loans and receivables

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

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

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

Financial liabilities at amortised cost

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

(K) Financial assets

Cash and deposits

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

Refer to Volunteer brigade policies in Note 1(T) *Volunteer brigade cash and deposits*.

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

Receivables

Receivables consist of:

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

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

Receivables are subject to impairment testing as described below. A provision for doubtful receivables is recognised when there is objective evidence that the debts may not be

collected, and bad debts are written off when identified.

For the measurement principle of receivables, refer to Note 1(J) *Financial instruments*.

Investments and other financial assets

Investments may be classified in the following categories:

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

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

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

Impairment of financial assets

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

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

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

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

(L) Non-financial assets

Inventories

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

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

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

Bases used in assessing loss of service potential for inventories held for distribution include current replacement cost and technical or functional obsolescence. Technical obsolescence occurs when an item still functions for some or all of the tasks it was originally acquired to do, but no longer matches existing technologies.

Functional obsolescence occurs when an item no longer functions the way it did when it was first acquired.

Property, plant and equipment

All non-financial physical assets, are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a machinery of government change are transferred at their carrying amount. More details about the valuation techniques and inputs used in determining the fair value of non-financial physical assets are discussed in Note 8 *Property, plant and equipment*.

Non-financial physical assets, such as heritage assets, are measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset. Theoretical opportunities that may be available in relation to the asset are not taken into account until it is virtually certain that the restrictions will no longer apply. Therefore, unless otherwise disclosed, the current use of these non-financial physical assets will be their highest and best use.

The fair value of heritage assets and other non-financial physical assets that CFA intends to preserve because of their unique historical, cultural or environmental attributes, is measured at the replacement cost of the asset less, where applicable, accumulated depreciation (calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset) and any accumulated impairment. These policies and any legislative limitations and restrictions imposed on their use and / or disposal may impact their fair value.

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

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

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

Leasehold Improvements

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

Revaluations of non-financial physical assets

Non-financial physical assets are measured at fair value on a cyclical basis, in accordance with the Financial Reporting Directions (FRDs) issued by the Minister for Finance. A full revaluation normally occurs every five years, based on the asset's government purpose classification, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are used to conduct these scheduled revaluations and any interim revaluations are determined in accordance with the requirements of the FRDs. Revaluation increases or decreases arise from differences between an asset's carrying value and fair value.

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

Net revaluation decrease is recognised in 'other economic flows included in net result' to the extent that a credit balance exists in the asset revaluation surplus in respect of the same class of property, plant and equipment. Otherwise, the net revaluation decreases are recognised immediately as other economic flows in the net result. The net revaluation decrease recognised in 'other economic flows included in net result' reduces the amount accumulated in equity under the asset revaluation surplus.

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

Other non-financial assets

Prepayments

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

(M) Liabilities

Payables

Payables consist of:

- contractual payables, such as accounts payable. Accounts payable represent liabilities for goods and services provided to CFA prior to the end of the financial year that are unpaid, and arise when CFA becomes obliged to make future payments in respect of the purchase of those goods and services; and
- statutory payables such as goods and services tax and fringe benefits tax payables.

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

Provisions

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

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

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

Employee benefits

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

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary

benefits and annual leave, are all recognised in the provision for employee benefits, as 'current liabilities', because CFA does not have an unconditional right to defer settlements of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for wages and salaries and annual leave are measured at:

- undiscounted value - if CFA expects to wholly settle within 12 months; or
- present value - if CFA does not expect to wholly settle within 12 months.

Long service leave

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

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

The components of this current LSL liability are measured at:

- nominal value - if CFA expects to wholly settle within 12 months; or
- present value - if CFA does not expect to wholly settle within 12 months.

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

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

Termination benefits

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

Employee benefits on-costs

Employee benefits on-costs such as payroll tax, and

workers compensation 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 2015.

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

(N) Leases

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

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

Operating leases

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

(O) Equity

Contributions by owners

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

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

(P) Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note (refer to Note 13) at their nominal value and inclusive of the goods and services tax (GST) payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

(Q) Contingent assets and contingent liabilities

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

(R) Accounting for the goods and services tax (GST)

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

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

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

Commitments for expenditure and contingent assets and liabilities are also stated inclusive of GST (refer to Note 1(P) and Note 1(Q)).

(S) Events after reporting date

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

relate to conditions which arose after the reporting date and which may have a material impact on the results of subsequent years.

(T) Volunteer brigade policies

Volunteer brigade cash and deposits

Volunteer brigade cash and deposits are included in the balance sheet and based on actual bank balances reported by the brigades as at 30 June 2015.

Volunteer brigade land and buildings

CFA acknowledges the significant contributions made by volunteer brigades to the capital value of their fire stations. CFA has 1,219 volunteer brigades and many of these have made substantial improvements to their fire stations and property over a number of decades. The value of these improvements is taken into account when the five yearly Valuer General's valuation occurs and the aggregate amount is then included in future financial statements.

Where practical the value of major community funded projects is taken up at fair value when the improvement is carried out.

Volunteer brigade vehicles

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

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

(U) Early adoption of Australian Accounting Standards issued that are not yet effective

The AASB has issued an amending standard to AASB 13 *Fair Value Measurement* that will provide limited scope exemption on the fair value disclosures by Not-For-Profit public sector entities.

The amending standard will exempt Not-For-Profit public sector entities from making certain specified disclosures about the fair value measurement of assets within the scope of AASB 116 *Property, Plant and Equipment* that are primarily held for their current service potential rather than to generate future net cash inflows.

DTF has received ministerial approval for the early adoption of the standard for 2014-15 reporting year in accordance with FRD 7A Early adoption of authoritative accounting pronouncements to allow VPS entities to benefit from the disclosure relief provided by the standard.

The CFA has adopted this standard for the purpose of preparing its annual financial statements.

(V) Australian Accounting Standards issued that are not yet effective

The table below outlines the accounting standards that have been issued but not effective for 2014-15, which may result in potential impacts on public sector reporting for future reporting periods.

Topic	Key requirements	Effective date
AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	<p>The requirements for classifying and measuring financial liabilities were added to AASB 9. The existing requirements for the classification of financial liabilities and the ability to use the fair value option have been retained.</p> <p>The remaining change is presented in profit or loss. However, where the fair value option is used for financial liabilities the change in fair value is accounted for as follows:</p> <ul style="list-style-type: none"> ▪ The change attributable to changes in credit risk are presented in other comprehensive income (OCI). ▪ The remaining change is presented in profit or loss. If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss. 	1 January 2015
AASB 15 Revenue from Contracts with Customers	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	1 January 2017
AASB 9 Financial Instruments	The key changes introduced by AASB 9 include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 January 2018
AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & AASB 138]	<p>Amends AASB 116 and AASB 138 to:</p> <ul style="list-style-type: none"> ▪ establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset; ▪ clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset; and ▪ clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances. 	1 January 2016
AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	Amends the measurement of trade receivables and the recognition of dividends.	1 January 2017, except amendments to AASB 9 (December 2009) and AASB 9 (December 2010) apply 1 January 2018
AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)		1 January 2018
AASB 2014-8 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010) [AASB 9 (2009 & 2010)]	Amends AASB 9 such that for annual reporting periods beginning on or after 1 January 2015, an entity may apply AASB 9 (December 2009) or AASB 9 (December 2010).	1 January 2015
AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle [AASB 1, AASB 2, AASB 3, AASB 5, AASB 7, AASB 11, AASB 110, AASB 119, AASB 121, AASB 133, AASB 134, AASB 137 & AASB 140]	<p>Amends the methods of disposal in AASB 5 Non-current assets held for sale and discontinued operations.</p> <p>Amends AASB 7 Financial Instruments by including further guidance on servicing contracts.</p>	1 January 2016

Note 2. Income from transactions

	2015	2014
	\$'000	\$'000
(a) Contributions		
Owners and insurance intermediaries	2,000	3,855
Total contributions	2,000	3,855
(b) Grants		
Current grants	445,814	424,056
Supplementary funding	5,400	41,657
Valuing volunteers funding	0	585
Total grants	451,214	466,298
(c) Interest		
Interest from financial assets		
Interest on bank deposits	230	344
Interest on term deposits	4,925	6,047
Total interest revenue	5,155	6,391
(d) Sales of goods and services		
Sale of goods	2,514	3,790
Rendering of services	7,003	7,172
Regulatory Fees	23,629	4,600
Total revenue from sale of goods and services	33,146	15,562
(e) Other income		
Fair value increases in brigade assets		
Cash and donations	4,098	5,205
Buildings at fair value	440	50
Vehicles, plant and equipment	707	1,502
	5,245	6,757
Rental Income	160	387
Other (Aggregate of immaterial items)	5,009	1,867
Total other income	10,414	9,011
Total income from transactions	501,929	501,117

Note 3. Expenses from transactions

	2015	2014
	\$'000	\$'000
(a) Employee expenses		
Salaries	194,163	194,701
Superannuation (Note 12)	17,408	16,203
Other on-costs (payroll tax, fringe benefits tax, workcover premium)	15,333	14,533
Employee support	9,194	10,661
Total employee expenses	236,098	236,098
(b) Depreciation and amortisation		
Depreciation of property, plant and equipment		
Buildings	10,542	9,706
Leasehold improvements	505	394
Vehicles	26,751	25,533
Other plant and equipment	2,001	1,905
Total depreciation and amortisation	39,799	37,538
(c) Grants and other transfers		
Grants to volunteer associations	1,120	1,322
Grants to local governments	266	324
Grants to Department of Justice & Regulation	22,061	10,598
Total grants and other payments	23,447	12,244
(d) Other operating expenses		
Supplies and services:		
Uniforms and equipment	8,637	10,988
Printing and stationery	2,782	3,932
Contract payments to external services:- ESTA and others	32,389	43,661
Volunteer compensation and insurance	12,389	8,121
Ex-gratia Payments (Note 18)	5	0
Net volunteer and brigade running costs	6,710	6,806
External training and skills maintenance	3,702	2,846
Aircraft hire	8,305	13,607
Hire fees - plant, equipment & vehicles	4,212	6,937
Consultants fees	246	140
Audit fees (Note 22)	351	443
Publicity/advertising	789	1,462
Buildings operating and maintenance	12,753	11,155
Motor vehicle operating and maintenance	12,269	14,476
Computer equipment and systems	5,946	6,138

	2015	2014
	\$'000	\$'000
Radio replacement	404	822
Communications and alarms	27,388	18,205
Other operating and maintenance	7,231	12,268
Total supplies and services	146,508	162,007
Fair value of assets and services provided free of charge or for nominal consideration		
Land at fair value	3	384
Total fair value of assets and services provided free of charge or for nominal consideration	3	384
Operating lease rental expenses		
Minimum lease payments	6,865	7,221
Total operating lease rental expenses	6,865	7,221
Subtotal	153,376	169,612
Bad and doubtful debts from transactions	54	29
Cost of goods sold / distributed	4,952	5,776
Legal fees	2,351	2,758
General expenses	6,518	8,593
Contributions to other emergency organisations	2,569	716
Contractors	14,943	24,189
Catering - operational	741	2,624
Total other operating expenses	185,504	214,297

Note 4. Other economic flows included in net result

(a) Net gain/(loss) on non-financial assets		
Impairment of property plant and equipment	(11,223)	0
Net gain/(loss) on disposal of property plant and equipment	(4,521)	(2,181)
Total net gain/(loss) on non-financial assets	(15,744)	(2,181)
(b) Other gains/(losses) from other economic flows		
Doubtful Debts provision gain/(loss) on revaluation	2	18
Net gain/(loss) arising from revaluation of long service leave liability ⁽ⁱ⁾	169	(114)
Total other gains/(losses) from other economic flows	171	(96)

Notes:

(i) Revaluation gain/(loss) on LSL liability is due to changes in the discount bond rates.

Note 5. Receivables

	2015	2014
	\$'000	\$'000
Current receivables		
Contractual		
Trade receivables	21,882	2,644
Other receivables	11,111	2,463
Provision for doubtful contractual receivables	(78)	(80)
	<u>32,915</u>	<u>5,027</u>
Statutory		
GST input tax credit recoverable	3,149	4,698
Other receivables	230	228
Total receivables	<u>36,294</u>	<u>9,953</u>
(a) Movement in the provision for doubtful contractual receivables		
Balance at beginning of the year	(80)	(98)
Receivables written off during the year as uncollectible	11	11
Receivables recovered during the year	13	37
(Increase)/decrease in provision recognised in the comprehensive operating statement	(22)	(30)
Balance at end of the year	<u>(78)</u>	<u>(80)</u>
(b) Ageing analysis of contractual receivables		
Please refer to Note 15 for the ageing analysis of contractual receivables.		
(c) Nature and extent of risk arising from contractual receivables		
Please refer to Note 15 for the nature and extent of credit risk arising from contractual receivables.		

Note 6. Investments and other financial assets

Current investments		
Term deposits:		
Australian dollar term deposits greater than three months	80,000	110,000
Total current investments	<u>80,000</u>	<u>110,000</u>

Note 7. Inventories

Current Inventories		
Supplies and consumables:		
At cost	9,753	9,876
Total Inventories	<u>9,753</u>	<u>9,876</u>

Note 8. Property, plant and equipment

2015

2014

\$'000

\$'000

Table 8.1: Gross carrying amount and accumulated depreciation

Freehold Land		
At fair value	26,396	23,188
At independent valuation 2011	134,011	134,461
	<u>160,407</u>	<u>157,649</u>
Buildings		
At fair value	168,370	129,463
Less: Accumulated depreciation	(9,066)	(2,430)
At independent valuation 2011	452,508	452,508
Less: Accumulated depreciation	(28,860)	(26,391)
Net carrying amount	<u>582,952</u>	<u>553,150</u>
Leasehold improvements - at fair value		
Less: Accumulated depreciation	(11,751)	(11,246)
Net carrying amount	<u>7,460</u>	<u>2,315</u>
Vehicles - at fair value		
Less: Accumulated depreciation	(225,255)	(206,703)
Net carrying amount	<u>285,481</u>	<u>277,188</u>
Other plant and equipment - at fair value		
Less: Accumulated depreciation	(63,724)	(63,287)
Net carrying amount	<u>8,274</u>	<u>7,300</u>
Property, plant and equipment in the course of construction - at cost		
	72,266	84,647
Net carrying amount of property, plant and equipment	<u>1,116,840</u>	<u>1,082,249</u>

Note 8. Property, plant and equipment (continued)

Table 8.2: Movements in carrying amounts at fair value and cost

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

	Freehold land at fair value	Buildings at fair value	Leasehold improvements at fair value	Vehicles at fair value	Other Plant & Equipment at fair value	Work in progress at cost	Total
Carrying amount	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 30 June 2013	154,463	509,331	2,658	259,472	7,624	77,951	1,011,499
Fair value of assets provided for nil consideration	0	(384)	0	0	0	0	(384)
Additions	0	0	0	0	0	116,888	116,888
Disposals	(570)	(3,324)	0	(4,321)	0	0	(8,215)
Transfers to fixed assets	3,756	57,183	51	46,175	1,475	(108,640)	0
Brigade assets recognised (Note 2(e))	0	50	0	1,395	107	(1,552)	0
Depreciation expense (Note 3(b))	0	(9,706)	(394)	(25,533)	(1,905)	0	(37,538)
Balance at 30 June 2014	157,649	553,150	2,315	277,188	7,300	84,647	1,082,249
Fair value of assets provided for nil consideration	(3)	0	0	0	0	0	(3)
Additions	0	0	0	0	0	97,290	97,290
Disposals	(940)	(5,879)	0	(4,403)	(3)	0	(11,225)
Impairment of Assets	(600)	(9,266)			(1,357)	0	(11,223)
Transfers to Fixed Assets	4,751	55,049	5,650	38,835	4,239	(108,524)	0
Revaluation of PPE	(450)						(450)
Brigade Assets Recognised (Note 2(e))	0	440	0	612	95	(1,147)	0
Depreciation expense (Note 3(b))	0	(10,541)	(505)	(26,751)	(2,001)	0	(39,799)
Balance at 30 June 2015	160,407	582,952	7,460	285,481	8,274	72,266	1,116,840

Restricted assets

CFA owns one heritage listed building at depreciated replacement cost of \$350k and other fire station sites located within a heritage overlay but are not registered. Heritage assets cannot be modified nor disposed of without formal ministerial approval.

Table 8.3: Fair value measurement hierarchy for assets as at 30 June 2015

Assets measured at fair value	(\$'000)			
	Carrying amount as at 30 June 2015	Fair value measurement at end of reporting period using: ⁽ⁱ⁾		
		Level 1	Level 2	Level 3
Freehold Land - specialised	160,407	0	0	160,407
Buildings Specialised	582,602	0	0	582,602
Heritage asset	350	0	0	350
Total of buildings at fair value	582,952	0	0	582,952
Leasehold Improvements	7,460	0	0	7,460
Vehicles	285,481	0	0	285,481
Other Plant and Equipment	8,274	0	0	8,274
Total land, buildings, plant and equipment	1,044,574	0	0	1,044,574

Notes:

(i) Classified in accordance with the fair value hierarchy, see Note 1(B). There have been no transfers between levels during the period.

Land and buildings

For CFA the highest and best use of its property is considered by the valuers to be for the continued use as specialised purpose assets for the fulfilment of community service obligations (CSO).

The market approach to valuation of specialised land is used although it is adjusted for the CSO to reflect the specialised nature of the land being valued. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.

The CSO adjustment is a reflection of the valuers assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement, and takes into account the use of the asset that is physically possible, legally permissible, and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets.

For CFA's specialised buildings, the depreciated replacement cost method is used, adjusting for the associated depreciations. As depreciation adjustments are considered as significant, unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements.

An independent valuation of CFA's specialised land and specialised buildings was performed by the Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO. Where land is zoned for Public Purposes, a separate allowance has been made in the valuation for CSO. The effective date of the valuation is 30 June 2011.

Vehicles

Vehicles are valued using the depreciated replacement cost method. CFA acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by experienced fleet managers at CFA who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Plant and equipment

Plant and equipment is held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the depreciated replacement cost method.

There were no changes in valuation techniques throughout the period to 30 June 2015. For all assets measured at fair value, the current use is considered the highest and best use.

Table 8.4: Reconciliation of Level 3 fair value

	Freehold Land at fair value	Buildings at fair value	Leasehold Improvements at fair value	Vehicles at fair value	Other Plant & Equipment at fair value	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at 1 July 2014	157,649	553,150	2,315	277,188	7,300	997,602
Purchases	4,751	55,489	5,650	39,447	4,334	109,671
Sales	(942)	(5,879)	0	(4,403)	(3)	(11,227)
Transfers into Level 3	0	0	0	0	0	0
Transfers out of Level 3	0	0	0	0	0	0
Gains or losses recognised in net result						
Depreciation		(10,541)	(506)	(26,751)	(2,000)	(39,799)
Subtotal	161,457	592,218	7,460	285,481	9,631	1,056,248
Gains or losses recognised in other economic flows						
Impairment loss	(600)	(9,266)	0	0	(1,357)	(11,223)
Revaluation	(450)	0	0	0	0	(450)
Subtotal	(1,050)	(9,266)	0	0	(1,357)	(11,673)
Closing Balance at 30 June 2015	160,407	582,952	7,460	285,481	8,274	1,044,574

Table 8.5: Description of significant unobservable inputs to level 3 valuations

Asset Class	Valuation technique	Unobservable input
Specialised land	Market approach	Community Service Obligation (CSO) and public use adjustment
Specialised buildings	Depreciated replacement cost	Useful life of specialised buildings
Leasehold improvements	Depreciated replacement cost	Useful life of Leasehold Improvements
Vehicles	Depreciated replacement cost	Useful life of vehicles
Other plant and equipment	Depreciated replacement cost	Useful life of plant and equipment

Note 9. Other non-financial assets

	2015	2014
	\$'000	\$'000
Current other assets		
Prepayments	614	1,209
Total current other assets	614	1,209
Non-current other assets		
Prepayments	0	400
Total non-current other assets	0	400
Total other assets	614	1,609

Note 10. Payables

Current payables		
Contractual		
Trade payables	5,382	11,451
Amounts payable to government and agencies	596	4,520
Other payables and accruals	27,510	17,953
	33,489	33,924
Statutory		
FBT payable	152	175
GST payable	93	176
Other taxes payable	0	2,918
	245	3,269
Total Payables	33,734	37,192

(a) Maturity analysis of contractual payables

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

(b) Nature and extent of risk arising from payables

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

Note 11. Provisions

	2015	2014
	\$'000	\$'000
Current provisions		
Employee benefits ⁽ⁱ⁾ (Note 11(a)) - annual leave		
Unconditional and expected to be settled within 12 months ⁽ⁱⁱ⁾	21,728	20,964
Unconditional and expected to be settled after 12 months ⁽ⁱⁱⁱ⁾	3,969	4,552
Employee benefits ⁽ⁱ⁾ (Note 11(a)) - long service leave		
Unconditional and expected to be settled within 12 months ⁽ⁱⁱ⁾	2,373	1,666
Unconditional and expected to be settled after 12 months ⁽ⁱⁱⁱ⁾	34,153	34,561
	62,223	61,745
Provisions related to employee benefit on-costs (Note 11(a))		
Unconditional and expected to be settled within 12 months ⁽ⁱⁱ⁾	5,528	5,145
Unconditional and expected to be settled after 12 months ⁽ⁱⁱⁱ⁾	7,047	7,346
	12,575	12,491
Volunteer compensation (Note 1(M))	5,898	4,743
Total current provisions	80,696	78,978
Non-current provisions		
Employee benefits ⁽ⁱ⁾ (Note 11(a))	4,472	4,296
Provisions related to employee benefit on-costs (Note 11(a))	772	745
Volunteer compensation (Note 1(M))	24,832	19,427
Total non-current provisions	30,076	24,468
Total provisions		
Employee benefits (Note 1(M)), (Note 11(a))	80,042	79,276
Volunteer compensation (Note 1(M))	30,730	24,170
	110,772	103,446
(a) Employee benefits and related on-costs		
Current employee benefits		
Annual leave entitlements	25,697	25,517
Unconditional long service leave entitlements	36,526	36,228
Non-current employee benefits		
Conditional long service leave entitlements	4,472	4,296
Total employee benefits	66,695	66,040
Current on-costs	12,575	12,491
Non-current on-costs	772	745
Total on-costs	13,347	13,236
Total employee benefits and related on-costs	80,042	79,276

Notes:

(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 2015	On-costs 2015	Volunteer compensation 2015	Total 2015
	(\$'000)			
Opening balance	66,040	13,236	24,170	103,446
Additional provisions recognised	30,249	6,290	12,389	48,928
Reductions arising from payments	(29,729)	(6,213)	(5,829)	(41,771)
Effect of changes in the discount rate	135	34	0	169
Closing balance	66,695	13,347	30,730	110,772
Current	62,223	12,575	5,898	80,696
Non-current	4,472	772	24,832	30,076
	66,695	13,347	30,730	110,772

(c) Volunteer compensation provision assumptions

The volunteer compensation provision is based on the following key assumptions as at 30 June 2015

	30 June 2015	30 June 2014
Claim inflation	2.5% p.a.	3.5% p.a.
Discount rate	2.5% p.a.	3.5% p.a.
Risk margin	30.0% p.a.	30.0% p.a.
Claims handling expenses	10.0% p.a.	10.0% p.a.
Weighted average term of settlement	4.6 years	4.8 years

Note 12. Superannuation

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

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

However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of CFA. There were no superannuation contributions outstanding at 30 June 2015 and 30 June 2014. The name and details of each of the major employee superannuation funds and contributions made by CFA are as follows:

	2015 \$'000	2014 \$'000
Fund		
Defined benefits schemes		
Emergency Services Superannuation Scheme (ESSS)	11,433	10,355
Other	30	63
Accumulation Schemes		
Emergency Services Superannuation Plan (ESS Plan)	5,808	5,535
Others	137	250
Total (Note 3(a))	17,408	16,203

Note 13. Commitments for expenditure

	2015	2014
	\$'000	\$'000
(a) Commitments	<i>Nominal value</i>	<i>Nominal value</i>
Capital expenditure commitments		
Plant, equipment and vehicles	16,877	43,283
Total capital expenditure commitments	16,877	43,283
Non-cancellable operating lease commitments:		
Land and buildings including regional and administration offices, mechanical workshops, training grounds and computer equipment.	54,635	36,257
Total operating lease commitments	54,635	36,257
Other expenditure commitments		
Emergency Services Telecommunications Authority (ESTA) agreement commitments:	319,209	343,033
Emergency Management Victoria (EMV) agreement commitments:	60,779	43,120
Other service payments	52,726	64,477
Total other expenditure commitments	432,714	450,630
Total commitments for expenditure (inclusive of GST)	504,226	530,170
(b) Other service provider contract commitments		
Respiratory Equipment CFA, Metropolitan Fire Brigade and other state agencies have entered into a Deed of Supply for new cylinders. Contract commitments for new respiratory equipment for 2015-16 \$2.210m		
(c) Commitments payable		
Capital expenditure commitments payable		
Payable:		
Not longer than one year	16,877	43,283
Total capital expenditure commitments	16,877	43,283
Non-cancellable operating lease payables:		
Not longer than one year	9,846	6,270
Longer than one year and not longer than five years	25,423	16,464
Longer than five years	19,367	13,523
Total lease commitments	54,635	36,257
Other expenditure commitments		
Not longer than one year	63,811	62,143
Longer than one year and not longer than five years	199,458	204,910
Longer than five years	169,445	183,577
Total other expenditure commitments	432,714	450,630
Total commitments for expenditure (inclusive of GST)	504,226	530,170
Less GST recoverable from the Australian Taxation Office	(45,839)	(48,197)
Total commitments for expenditure (exclusive of GST)	458,387	481,973

Note 14. Contingent assets and contingent liabilities

Contingent Assets

CFA has no contingent assets for 2014-15 financial year (2013-14:nil).

Contingent Liabilities

CFA has the following unquantifiable contingent liabilities.

(i) At 30 June 2015, CFA is included as a party in a number of legal proceedings. Due to the diversity of issues associated with these legal matters and their discretionary nature, quantification of the financial effect cannot be reliably estimated and it is therefore impractical to do so.

(ii) Fiskville independent investigation and closure of training college.

An independent investigation was undertaken into the historical use of chemicals for live firefighting training at Fiskville Training College between 1971 and 1999. The report of the independent investigation has been released and CFA has accepted all of the facts, recommendations and conclusions and is committed to implementing all recommendations. In August 2012, the CFA established a program office to manage the implementation of the report's recommendations and an additional 11 management initiatives to which the CFA Board committed in its response to the report.

On 26 March 2015, the Government announced the permanent closure of Fiskville Training College. The permanent closure of Fiskville requires CFA to assess the direction and approach to remediation and rehabilitation of the Fiskville site. CFA will also need to take into consideration the findings and recommendations of the Victorian Parliamentary Inquiry into the CFA Training College at Fiskville which is due to present its final report by no later than 1 December 2015.

At this stage it is impractical to quantify the financial effects as a result of the closure of Fiskville and its effect on the implementation of recommendations received from the independent investigation.

Note 15. Financial Instruments

(a) Financial risk management objectives and policies

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

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

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

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

	2015	2014
	\$'000	\$'000
Contractual financial assets (loans and receivables)		
Cash and deposits	113,771	120,837
Receivables: ⁽ⁱ⁾		
Sale of goods and services	21,804	2,564
Other receivables	11,111	2,379
Investments		
Term deposits	80,000	110,000
Total contractual financial assets	226,686	235,780
Contractual financial liabilities (at amortised cost)		
Payables: ⁽ⁱ⁾		
Supplies and services	5,382	11,451
Amounts payable to government and agencies	596	4,520
Other payables	27,510	17,953
Total contractual financial liabilities	33,489	33,924

Notes:

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

(b) Credit risk

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

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

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

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

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

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

Financial assets that are either past due or impaired

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

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

Table 15.2: Ageing analysis of contractual financial assets

(\$'000)

2015	Carrying Amount	Not past due and not impaired	Past due but not impaired				Impaired financial assets
			Less than 1 month	1-3 months	3 months-1 year	1-5 years	
Cash and deposits	113,771	113,771	0	0	0	0	0
Receivables ⁰							
Sale of goods and services	21,804		1,739	505	19,560		
Other receivables	11,111	11,111	0	0	0	0	0
Investments							
Term Deposits	80,000	80,000	0	0	0	0	0
Total	226,686	204,882	1,739	505	19,560	0	0
2014							
Cash and deposits	120,837	120,837	0	0	0	0	0
Receivables ⁰							
Sale of goods and services	2,564	1,388	464	275	311	126	0
Other receivables	2,379	2,379	0	0	0	0	0
Investments							
Term Deposits	110,000	110,000	0	0	0	0	0
Total	235,780	234,604	464	275	311	126	0

Notes:

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

(c) Liquidity risk

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

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

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

Table 15.3: Maturity analysis of contractual financial liabilities

(\$'000)

2015	Carrying Amount	Nominal amount	Maturity dates ⁽ⁱ⁾			
			Less than 1 month	1-3 months	3 months - 1 year	1-5 years
Payables:⁽ⁱⁱ⁾						
Amounts payable to other government agencies	596	596	596	0	0	0
Trade and other payables	32,892	32,892	32,892	0	0	0
	33,489	33,489	33,489	0	0	0
2014						
Payables:⁽ⁱⁱ⁾						
Amounts payable to other government agencies	4,520	4,520	4,520	0	0	0
Trade and other payables	29,404	29,404	29,404	0	0	0
	33,924	33,924	33,924	0	0	0

Notes:

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

(ii) The carrying amounts disclosed exclude statutory amounts.

(d) Market risk

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

(i) Foreign currency risk

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

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

(ii) Interest rate risk

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

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

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates are set out in Table 15.4.

Table 15.4: Interest rate exposure of financial instruments

(\$'000)

2015	Weighted average effective interest rate %	Carrying Amount	Interest rate exposure		
			Fixed interest rate	Variable interest rate	Non-interest bearing
Financial assets					
Cash and cash equivalents	2.32	113,771	40,000	73,700	71
Receivables ⁰					
Sale of goods and services		21,804	0	0	21,804
Other receivables		11,111	0	0	11,111
Term Deposits	2.60	80,000	80,000	0	0
		226,686	120,000	73,700	32,987
Financial liabilities					
Payables:					
Amounts payable to other government agencies	0	596	0	0	596
Trade and other payables	0	32,892	0	0	32,892
		33,489	0	0	33,489
2014					
Financial assets					
Cash and cash equivalents	2.54	120,837	50,000	70,791	46
Receivables ⁰					
Sale of goods and services		2,564	0	0	2,564
Other receivables		2,379	0	0	2,379
Term Deposits	2.70	110,000	110,000	0	0
		235,780	160,000	70,791	4,989
Financial liabilities					
Payables:					
Amounts payable to other government agencies	0	4,520	0	0	4,520
Trade and other payables	0	29,404	0	0	29,404
		33,924	0	0	33,924

Notes:

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

Sensitivity disclosure analysis and assumptions

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

– a movement of 100 basis points up and down (2014: 100 basis points up and down) in market interest rates.

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

Table 15.5: Interest rate risk sensitivity

		Interest rate			
		-100 basis points		+ 100 basis points	
2015	Carrying Amount	Net result	Accumulated Surplus	Net result	Accumulated Surplus
Contractual financial assets					
	73,700	(737)	0	737	0
Total impact		(737)	0	737	0
		-100 basis points		+ 100 basis points	
2014					
Contractual financial assets					
	70,791	(708)	0	708	0
Total impact		(708)	0	708	0

(e) Fair value

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

Level 1 - the fair value of financial instruments with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;

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

Level 3 - the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

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

The following table shows that the fair values of most of the contractual financial assets and liabilities are the same as the carrying amounts.

Table 15.6: Categorisation of financial instruments

(\$'000)	Carrying amount 2015	Fair value 2015	Carrying amount 2014	Fair value 2014
Contractual financial assets (loans and receivables)				
Cash and deposits	113,771	113,771	120,837	120,837
Receivables: ⁽ⁱ⁾				
Sale of goods and services	21,804	21,804	2,564	2,564
Other receivables	11,111	11,111	2,379	2,379
Investments				
Term Deposits	80,000	80,000	110,000	110,000
Total contractual financial assets	226,686	226,686	235,780	235,780
Contractual financial liabilities (at amortised cost)				
Payables: ⁽ⁱ⁾				
Supplies and services	5,382	5,382	11,451	11,451
Amounts payable to government and agencies	596	596	4,520	4,520
Other payables	27,510	27,510	17,953	17,953
Total contractual financial liabilities	33,489	33,489	33,924	33,924

Note:

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

Note 16. Cash flow information

(a) Reconciliation of cash and deposits

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

	2015 \$'000	2014 \$'000
Cash at bank and on hand	73,771	70,837
Short term deposits	40,000	50,000
	113,771	120,837

Cash and deposits represent liquid funds primarily held for the following purposes:

- expenditure on projects and activities where funding has been received in prior years - see the Report of Operations for further information; and
- balances held by brigades, which in general will be deployed for the benefit of the relevant brigade or group of brigades.

The basis for the calculation of brigades' cash and cash equivalents is described in Note 1(T).

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

Net result for the period	1,508	(1,337)
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Non-cash movements:

Depreciation and amortisation of non-current assets	39,799	37,538
(Gain) / loss on sale of non-current assets	4,521	2,181
Impairment of property plant and equipment	11,223	0
Assets provided free of charge or for nominal consideration	3	384
Allowance for doubtful debts	(2)	(18)

Movements in assets and liabilities:

Increase/decrease in receivables	(26,342)	13,972
Increase/decrease in inventories	124	578
Increase/decrease in payables	(3,457)	17,442
Increase/decrease in provisions	7,326	4,220
Total adjustments	33,195	76,297

Net cash inflow from operating activities	34,703	74,960
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Note 17. Reserves

2015
\$'000 2014
\$'000

Physical asset revaluation surplus

Asset Revaluation Surplus - Land	110,481	110,931
Asset Revaluation Surplus - Buildings	321,001	321,001
	431,482	431,932

Movements

Asset revaluation surplus

Balance at beginning of financial year	431,932	431,932
Impairment of revalued asset	(450)	0
Revaluation increment (decrement) of freehold land	0	0
Revaluation increment (decrement) of buildings	0	0
Movement for the year	(450)	0

Balance at end of financial year

431,482 431,932

Nature and purpose of reserve

Physical asset revaluation surplus

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

Note 18. Ex gratia expenses

Payment to a volunteer fire fighter due to an injury	5	0
Total Ex gratia Expenses⁽ⁱ⁾	5	0

Notes:

- (i) The total for ex gratia expenses is also presented in 'other operating expenses' of Note 3 Expenses from transactions.

Note 19. Trust account balances

The following is a list of trust account balances relating to trust accounts controlled by CFA. The transactions and balances of the CFA and Brigades Donations Fund are not consolidated on the basis of materiality.

Public Trust

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

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

CFA and Brigades Donations Fund

The CFA and Brigades Donations Fund is a public fund for the purpose of the *Income Tax Assessment Act 1997 (as amended)*. The general objectives of the Trust are to raise and receive money and donations of goods and services from the public for distribution to the brigades in order to enable them to meet the costs of purchasing and maintaining firefighting equipment and facilities, providing training and resources and to otherwise meet those administrative expenses of the brigades which are associated with their firefighting functions.

	\$'000		2015	
	Opening balance as at 1 July 2014	Total Receipts	Total Payments	Closing balance as at 30 June 2015
Cash and cash equivalents and Investments				
Controlled Trusts				
Public Trust	3,247	130	68	3,309
CFA and Brigades Donations Fund	1,504	4,855	4,765	1,594
Total Controlled Trusts	4,751	4,985	4,833	4,903
	\$'000		2014	
	Opening balance as at 1 July 2013	Total Receipts	Total Payments	Closing balance as at 30 June 2014
Cash and cash equivalents and Investments				
Controlled Trusts				
Public Trust	1,739	1,531	23	3,247
CFA and Brigades Donations Fund	1,455	4,704	4,655	1,504
Total Controlled Trusts	3,194	6,235	4,678	4,751

Note 20. Responsible persons

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

Names

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

Responsible Minister

Minister for Emergency Services:

- The Hon Jane Garrett, MP –
4 December 2014 to 30 June 2015
- The Honourable Kim Wells, MLA –
1 July 2014 to 3 December 2014

Acting Minister for Emergency Services:

- The Hon Wade Noonan, MP –
3 April 2015 to 13 April 2015
26 June 2015 to 30 June 2015

Authority Members (CFA Board Members)

- C L Higgins (Chair) –
1 July 2014 to 30 June 2015
- J R Peberdy (Deputy Chair) –
1 July 2014 to 30 June 2015
- R G Coyle – 1 July 2014 to 30 June 2015
- P R Denham – 1 July 2014 to 30 August 2014
- M J Freshwater – 1 July 2014 to 30 June 2015
- P B Harmsworth – 1 July 2014 to 30 June 2015
- RC Mather – 1 July 2014 to 30 August 2014
- J D Robertson – 1 July 2014 to 30 August 2014
- M J Taylor – 1 July 2014 to 30 August 2014
- M G Tudball – 1 July 2014 to 30 June 2015
- K Forrest – 1 September 2014 to 30 June 2015
- J. Holyman – 1 September 2014 to 30 June 2015
- J. Schurink – 1 September 2014 to 30 June 2015

Accountable Officer

- M Wootten (Interim Chief Executive Officer) –
10 February 2015 to 30 June 2015
- M Bourke (Chief Executive Officer) –
1 July 2014 to 10 February 2015
- M Wootten (Acting Chief Executive Officer) –
13 September 2014 to 5 October 2014
22 August 2014 to 25 August 2014

Remuneration (other than the Responsible Minister)

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

	2015	2014
Income Band	No.	No.
\$0 - \$9,999	6	1
\$10,000 - \$19,999	5	8
\$20,000 - \$29,999	1	1
\$50,000 - \$59,999	1	1
\$130,000 - \$139,999	1	0
\$370,000 - \$379,999	0	1
\$520,000 - \$529,999	1	0
Total Numbers	15	12
Total Amount \$'000	837	612

C L Higgins is a board member of Victoria State Emergency Services Authority. J R Peberdy is Chairman of Victorian Managed Insurance Authority. M J Taylor is a board member of the Public Transport Development Authority. M Wootten is a trustee of the CFA & Brigades Donations Trust Fund. E Ferguson is a board member of the National Aerial Firefighting Centre .

CFA had transactions with these entities which were at arms-length from CFA Board members and at normal commercial terms.

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

Note 21. Remuneration of executives and payments to other personnel (including contractors with significant management responsibilities)

(a) Remuneration of executives

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

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

	Total remuneration		Base remuneration	
	2015 No.	2014 No.	2015 No.	2014 No.
Income Band				
\$1 - \$100,000	2	2	5	2
\$100,000 - \$109,999	1	0	1	0
\$120,000 - \$129,999	1	0	0	1
\$130,000 - \$139,999	0	0	2	0
\$140,000 - \$149,999	0	1	2	0
\$150,000 - \$159,999	0	1	1	2
\$160,000 - \$169,999	1	1	10	2
\$170,000 - \$179,999	5	3	3	4
\$180,000 - \$189,999	2	3	3	2
\$190,000 - \$199,999	9	2	1	5
\$200,000 - \$209,999	1	5	4	1
\$210,000 - \$219,999	6	2	2	5
\$220,000 - \$229,999	2	4	0	2
\$230,000 - \$239,999	0	2	0	1
\$240,000 - \$249,999	0	1	0	1
\$250,000 - \$259,999	1	1	0	1
\$260,000 - \$269,999	1	1	0	0
\$270,000 - \$279,999	2	0	0	1
\$280,000 - \$289,999	0	1	0	0
\$310,000 - \$319,999	0	0	1	1
\$330,000 - \$339,999	1	1	0	0
Total Number of executives	35	31	35	31
In the 2014-15 year five Executives with a base and two Executives with a total remuneration, were below the \$100,000 reporting threshold.				
In the 2013-14 year two Executives with a base and two Executives with a total remuneration, were below the \$100,000 reporting threshold.				
There was a total of 35 individuals employed as Executives during 2014-15				
There was a total of 31 individuals employed as Executives during 2013-14				
The total annualised employee equivalent and total remuneration for these Executives (above and below \$100,000) were as follows:				
Total annualised employee equivalent (AEE) ⁽ⁱ⁾	27.9	29.7	27.9	29.7
Total Amount \$'000	6,910	6,263	5,554	5,982

Notes:

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

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

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

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

Expense Band	2015	2014
	No.	No.
\$180,000 - \$189,999	1	0
\$300,000 - \$309,999	0	1
Total Expenses \$'000 (exclusive of GST)	189	306

Note 22. Remuneration of auditors

	2015 \$'000	2014 \$'000
Audit of the financial statements by the Victorian Auditor-General's Office	108	106
Audit fees - Internal audit services	243	337
	351	443

Note 23. Subsequent events

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

Note 24. Glossary of terms and style conventions

Comprehensive result

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

Commitments

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

Depreciation

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

Employee benefits expenses

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

Financial asset

A financial asset is any asset that is: (a) cash; (b) an equity instrument of another entity; (c) a contractual right to either receive cash or another financial asset from another entity; or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

Financial instrument

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

Financial Liability

A financial liability is any liability that is a contractual obligation: (i) to deliver cash or another financial asset to another entity; or (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity.

Financial statements

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

Grants and other transfers

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

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

Interest expense

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

Interest income

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

Net acquisition of non-financial assets (from transactions)

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

Net result

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

Net result from transactions/net operating balance

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

Net worth

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

Non-financial assets

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

Other economic flows included in net result

Other economic flows included in net result are changes in the volume or value of an asset or liability that do not result from transactions. It includes: gains and losses from disposals, revaluations and impairments of non-financial physical and intangible assets; and fair value changes of financial instruments

Other economic flows – other comprehensive income

Other economic flows – other comprehensive income comprises items (including reclassification adjustments) that are not recognised in net result as required or permitted by other Australian Accounting Standards. The components of other economic flows other comprehensive income include: changes in physical asset revaluation surplus.

Receivables

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

Sales of goods and services

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

Supplies and services

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

Transactions

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

Style conventions

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

The notation used in the tables is as follows:

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

The financial statements and notes are presented based on the illustration for a government department in the 2014-15 Model Report .

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Auditor-General's report

VAGO

Victorian Auditor-General's Office

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INDEPENDENT AUDITOR'S REPORT

To the Board Members, Country Fire Authority

The Financial Report

The accompanying financial report for the year ended 30 June 2015 of the Country Fire Authority which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the chair's, accountable officer's and chief finance and accounting officer's declaration has been audited.

The Board Members' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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



Victorian Auditor-General's Office

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Independent Auditor's Report (continued)

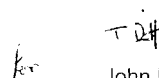
Independence

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

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Country Fire Authority as at 30 June 2015 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE
22 September 2015


John Doyle
Auditor-General

Risk management attestation

CFA Risk Attestation 2014/2015



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

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

A handwritten signature in black ink, appearing to read 'John Peberdy', written in a cursive style.

John Peberdy
Acting Chairperson
Country Fire Authority
21 September 2015

A handwritten signature in black ink, appearing to read 'Michael Wootten', written in a cursive style.

Michael Wootten
Chief Executive Officer
Country Fire Authority
21 September 2015

cfa.vic.gov.au

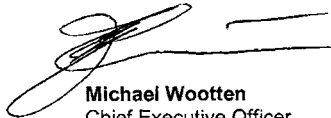
Insurance attestation



CFA Insurance Attestation 2014/2015

Attestation of CFA's Insurance Management System – Compliance with Ministerial Direction 4.5.5

I, Michael Wootten, Chief Executive Officer certify that the Country Fire Authority (CFA) has complied with Ministerial Direction 4.5.5 – Insurance



Michael Wootten
Chief Executive Officer
Country Fire Authority
06 July 2015

Additional information

Powers, duties and responsibilities

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

Section	Summary of Power, Duty or Responsibility
4	Declaration of the Fire Danger Period
6D	Compliance with operational standards of Emergency Management Commissioner
6DA	Report on compliance with operational standards developed by the Emergency Management Commissioner
6DB	Strategic Action Plan
6E	Compliance with incident management operating procedures
6H	Authority to have regard to Volunteer Charter
6I	Authority's responsibility to encourage, maintain and strengthen capacity of volunteers
9B	Deputy Chairperson
14	Control of the prevention and suppression of fires in country areas
16C	Delegation of powers of Chief Executive Officer
20	General duty of the Authority
20AA	General powers of the Authority
20AAA	Duty to assist in major emergency
20A	Attendances unconnected with a fire
21B	Power to acquire land
23	General powers of Authority with respect to brigades, apparatus
27	Chief Officer to have control of all brigades
28	Powers and duties of Chief Officer
29	General powers and duties of Chief Officer
30 and 33(2)	Powers of officers at fires
30A	Authorisation of certain persons
36	Authority may require certain municipalities to provide hydrants in streets etc
36A	Determination of sole responsibility for fire prevention in certain areas
37A	Direction not to light a fire
38	Lighting fires in accordance with permit
40 (5A)	Provisions about Total Fire Bans
41	Fire prevention notices
41B	Objection to notices
41E	Fire prevention infringement notices

Section	Summary of Power, Duty or Responsibility
41F	Issue of notices by Chief Officer
42	Brigades may carry out fire prevention work
44A	Power to Chief Officer to close roads
48	Power of Police, Chief Officer, etc. to direct extinguishment of fire
50AA	Alarm monitoring service to provide prescribed information
50B	Duty to warn the community
50J(3)	Annual assessment of designated neighbourhood safer places
50L	Authority to keep up to date list of all designated neighbourhood safer places
50P	Chief Officer may advise on defendability of buildings
52	Appointment of regional fire prevention committees
54	Appointment of municipal fire prevention committees
74G	Vacancies
87A	Recovery of charges for services
87AA	Authority may charge for services under other Acts and regulations
92	Immunity provision
93	Damage to be covered by fire insurance
93A	Interstate fire brigades and international fire brigades
96	Power to Authority to use water for fires and drills without charge
96A	Municipal fire prevention officers and assistants
97	Authority is a protection agency
97A	Authority may provide rescue and extrication services
97B	Authority may provide road accident and rescue service
97C	Authority may provide protection services
97D	Extension and application of Act
98	Place where fire occurs
102	Collections for brigades, etc. to be authorised by Authority
106A	Damage or interference with fire indicator panel or other apparatus
107	Obstruction of officers and damage to apparatus
107B	False report of fire

Legislation and delegated legislation provide a clear framework to our operations. Relevant legislation includes, but is not limited to:

Victorian Acts

- Accident Compensation Act 1985
- Audit Act 1994
- Borrowing and Investment Powers Act 1987
- Charter of Human Rights & Responsibilities Act 2006
- Country Fire Authority Act 1958
- Dangerous Goods Act 1985
- Disability Act 2006
- Electricity Safety Act 1998
- Emergency Management Act 1986
- Emergency Management Act 2013
- Environment Protection Act 1970
- Equal Opportunity Act 2010
- Financial Management Act 1994
- Fire Services Commissioner Act 2010
- Freedom of Information Act 1982
- Independent Broad-based Anti-Corruption Commission Act 2011
- Information Privacy Act 2000
- Occupational Health and Safety Act 2004
- Ombudsman Act 1973
- Planning and Environment Act 1987
- Protected Disclosure Act 2012
- Public Administration Act 2004
- Public Records Act 1973
- Rail Safety Act 2006
- Residential Tenancies Act 1997
- Subdivision Act 1988
- Traditional Owner Settlement Act 2010
- Telecommunications Act 1997

Commonwealth Acts

- Competition and Consumer Act 2010
- Disability Discrimination Act 1992
- Fair Work Act 2009
- Racial Discrimination Act 1975
- Sex Discrimination Act 1984
- Telecommunications Act 1997

Disclosure index

Victorian Industry Participation Policy (VIPP)

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

A total of 10 contracts commenced during 2014-15 to which the VIPP requirements apply. Nine contracts were let in regional Victoria exceeding \$1 million in value (five urban stations, two integrated stations, one Emergency Management facility and one DMO workshop and protective equipment facility). One contract was let in the

metropolitan area exceeding \$3 million – the contract for the new South Warrandyte Fire Station.

The local content (including all labour and materials) for the five urban stations was in the order of 98 per cent, and the local content for the two regional integrated stations and the two specialist facilities contracts was around 95 per cent. The local content for the metropolitan integrated station contract was also around 95 per cent.

Compliance with statutory disclosure requirements

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

Reference	Requirement	Page reference
Charter and purpose		
FRD 22F	Manner of establishment and the relevant Ministers	26
FRD 22F	Purpose, functions, powers and duties	76
FRD 22F	Nature and range of services provided	4/5
Management and structure		
FRD 22F	Organisational structure	4
Financial and other information		
FRD 8C, SD4.2(k)	Performance against output performance measures	–
FRD 10	Disclosure index	81
FRD 12A	Disclosure of major contracts	58
FRD 15B	Executive officer disclosures	69
FRD 22F, SD 4.2(k)	Operational and budgetary objectives and performance against objectives	23
FRD 22F	Employment and conduct principles	15
FRD 22F	Occupational health and safety policy	24
FRD 22F	Summary of the financial results for the year	28
FRD 22F	Significant changes in financial position during the year	28
FRD 22F	Major changes or factors affecting performance	28
FRD 22F	Subsequent events	70
FRD 22F	Application and operation of Freedom of Information Act 1982	83
FRD 22F	Compliance with building and maintenance provisions of Building Act 1993	83
FRD 22F	Statement on National Competition Policy	83
FRD 22F	Application and operation of the Protected Disclosure Act 2012	83
FRD 22F	Details of consultancies over \$10,000	85
FRD 22F	Details of consultancies under \$10,000	85

Reference	Requirement	Page reference
FRD 22F	Statement of availability of other information	83
FRD 24C	Reporting of office-based environmental impacts	83
FRD 25B	Victorian Industry Participation Policy disclosures	81
FRD 29A	Workforce Data disclosures	23
SD 4.5.5	Risk management compliance attestation	76
SD 4.5.5.1	Ministerial Standing Direction 4.5.5.1 compliance attestation	77
SD 4.2(g)	Specific information requirements	–
SD 4.2(j)	Sign-off requirements	31
Financial statements required under Part 7 of the FMA		
SD4.2(a)	Statement of changes in equity	34
SD4.2(b)	Operating statement	32
SD4.2(b)	Balance sheet	33
SD4.2(b)	Cash flow statement	35
Other requirements under Standing Direction 4.2		
SD4.2(c)	Compliance with Australian accounting standards and other authoritative Pronouncements	36
SD4.2(c)	Compliance with Ministerial Directions	31
SD4.2(d)	Rounding of amounts	38
SD4.2(c)	Accountable officer's declaration	31
SD4.2(f)	Compliance with Model Financial Report	72
Other disclosures as required by FRDs in notes to the financial statements		
FRD 21B	Disclosures of Responsible Persons, Executive Officers and other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report	68
FRD 102	Inventories	50
FRD 103F	Non-financial Physical Assets	51
FRD 104	Foreign Currency	–
FRD 106	Impairment of Assets	41
FRD 107A	Investment Properties	–
FRD 109	Intangible Assets	–
FRD 110	Cash Flow Statements	35
FRD 112D	Defined Benefit Superannuation Obligations	57
FRD 113A	Investments in Subsidiaries, Joint Ventures and Associates	–
FRD 114A	Financial Instruments – General Government Entities and Public Non Financial Corporations	59
FRD 119A	Transfers through Contributed Capital	34

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 Emergency Services, the Parliament of Victoria, and the public on application to the accountable officer (Chief Executive Officer).

Protected Disclosure Act 2012

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

- CFA has procedures in accordance with Part 9 of the *Protected Disclosure Act 2012*
- CFA's procedures are accessible from <http://www.cfa.vic.gov.au/protected-disclosure-act>
- copies of CFA's procedures are available for public access during normal business hours from districts, regions and headquarters
- the number of disclosures notified to the Independent Broad-based Anti-corruption Commission (IBAC) by CFA under section 21(2) during 2014-15 was one.

Privacy and Data Protection Act 2014

The *Privacy and Data Protection Act 2014* regulates how CFA protects the privacy of individuals, including but not limited to CFA members.

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

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

Freedom of Information Act 1982

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

Making a request

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

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

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

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

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

Fees and charges

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

Charges may also apply (in addition to the application fee) for search time and photocopying as set out in the Freedom of Information (Access Charges) Regulations 2014.

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

Freedom of information contact information

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

The Building Act 1993

CFA complies with the *Building Act 1993*, with respect to alterations and maintenance to the buildings owned by CFA. It is not aware of any material non-compliance with the current building standards.

National Competition Policy

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

Environment and Sustainability

During the 2014-15 financial year, CFA continued to monitor its environmental and sustainable practices relating to energy use, waste production, water consumption, transportation and greenhouse gas emissions.

Compliance with DataVic Access Policy

Consistent with the DataVic Access Policy issued by the Victorian Government in 2012, all data tables included in this annual report will be available at www.data.vic.gov.au in machine-readable format.

CFA consultancies 2014-15

Details of individual external consultancies

				(\$'000)		
Consultant	Purpose of consultancy	Start date	End date	Total approved project fee (excl. GST)	Expenditure 2014-15 YTD (excl. GST)	Future expenditure (excl. GST)
KPMG	Review of Fuel Tax credits	April 2014	Dec 2014	10.0	3.0	0.0
KPMG	Review of CFA's purchasing card arrangement	Jun 2014	Oct 2014	90.8	90.8	0.0
Obvious Choice Pty Ltd	To develop an eLearning road map for CFA	Nov 2014	Feb 2015	57.0	57.0	0.0
Indec Consulting	Review of operation of VESEP	Sep 2014	Nov 2014	50.0	40.6	0.0
Indec Consulting	Develop statewide infrastructure prioritisation model	Feb 2015	Mar 2015	40.0	36.4	0.0
International Operations Group (IOG) Pty Ltd	Review CFA HQ building 8 security	Feb 2015	Mar 2015	13.0	13.0	0.0
Ernst & Young	Advice on application of AASB10	Feb 2015	Jun 2015	18.5	18.5	0.0
K2 Technology Pty Ltd	Asset Management assessment to determine the maturity of CFA's Asset Management Systems	Jul 2015	Jul 2015	16.3	0.0	16.3
Total				295.6	259.3	16.3

Details of external consultancies less than \$10,000

As of 30 June 2015, there is one new engaged consultant where the total fees payable to the consultant were less than \$10,000, with a total expenditure of \$5,400.00 (excl. GST).

