

Annual Report 2019-20





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Cover photo: Epping Fire Brigade's Asim Siddiqui

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A year of challenges and changes

When I reflect on the journey over the past 12 months, I am proud of the many achievements of CFA.

There's no doubt it has been a very challenging year. We had the most significant bushfire season in a decade, followed by the restrictions imposed by the COVID-19 pandemic, while preparing for, and implementing, the Fire Services Reform.

CFA has undergone structural transformation as part of the reform, with the creation of a new fire service, Fire Rescue Victoria, (FRV) replacing the Metropolitan Fire Brigade on 1 July 2020. All CFA career firefighters and more than 170 corporate roles transferred to FRV to support its work in major regional centres and other areas of metropolitan Melbourne, where CFA was previously the only responding service.

CFA will be a fully volunteer firefighting agency, supported by a team of dedicated corporate staff, which continues its work in preventing, preparing and responding to fire while performing a broad range of roles within our communities and across the emergency services sector.

Our members serve four million Victorians and our response area, whether primary or in support of FRV, covers 226,347 square kilometres of our state. The commitment of volunteers and staff to their mission, vision and role remains constant and will drive how we operate into the future.

Throughout the reform implementation the Board has remained focused on establishing CFA as a vibrant and successful volunteer firefighting organisation, which maintains our deep and historic roots within our communities but also delivers on our vision of empowering Victorians to be prepared for, and safe from, fire.

The Board is proud that CFA has significantly improved its governance and practice in many areas including financial management, complaints handling, occupational health and safety and child safety. CFA has been well served by a skills-based Board which has always been available to provide authority, vision and guidance. I am very grateful for the support given to me by each and every Board member.

We have also finalised our long-term strategy, which will come into effect in the next financial year and drive our future direction.

The 2019–20 bushfire season was one of the most challenging in CFA's history, with our members supporting colleagues interstate as



Greg Smith at Ocean Grove Fire Brigade's annual dinner

well as embarking on a sustained campaign in Victoria, where much of east of the state and the north-east battled continuous bushfires. Our CEO/CO Steve Warrington is to be commended for the way he led CFA during this time. The demands he faced were real and sustained.

CFA members, whether they were volunteers or staff, performed above and beyond their roles to protect and serve our communities and keep them safe during the most challenging season in a decade. On behalf of the Board, I extend our thanks to all members for the work they do in protecting Victorians.

It was a privilege for the Board members and I to meet the volunteers and community members impacted by the fires around Sarsfield and Buchan in February, and to hear first-hand how the skill and experience of CFA's members prevented greater loss of life and property.

Recognition was also strong from the Victorian, national and international communities, through generous donations to our organisation. CFA received \$25.9 million this financial year, and we have been working hard to disburse this to brigades as quickly as we can in line with the expectations of donors.

At 30 June, almost \$20 million had already been allocated to programs which support volunteers, ranging from practical items



CFA volunteers received a standing ovation at the Australian Open Rally for Relief, which raised funds for the Victoria Bushfire Disaster Appeal. Stuart Mill brigade volunteer Deb Borg was invited to play alongside Rafael Nadal. Courtesy of the Herald Sun/Michael Klein.

for brigades such as thermal imaging cameras, defibrillators, torches and chainsaws to transformative, organisation-wide initiatives such as volunteer skills and leadership development programs and mobile community safety education units.

Throughout this year, our organisation also had to adjust to the restrictions required by the COVID-19 pandemic, which impacted the delivery of activities such as training and brigade meetings.

CFA adopted technologies and practices that enabled the continuation of operations, which was critically important for us as a first responder agency. As proven time and again, our people adapt swiftly and support each other through the most challenging of environments.

This year, CFA welcomed three new Board members in Dawn Hartog, Kent Griffin and Beth Davidson OAM. All three have embraced their roles and contributed to delivering positive outcomes for CFA. We also farewellled and thanked Tim Young, Lynda Hamilton and Hazel Clothier after

three years of significant service to our organisation.

The implementation of fire services reform has been challenging but we now have the opportunity to become the pre-eminent volunteer-based organisation in Australia.

To do this we will strengthen our focus on our volunteers and the safety of the community, ensuring they are at the centre of all our planning and decision-making at all times.

The passion and commitment which our members have for their roles are what makes this great organisation a trusted authority.

I know that CFA will continue to grow and thrive, and I wish all volunteers and staff the very best for the future.

Greg Smith AM
Chair

From the CEO/ Chief Officer

The 2019–20 financial year will be remembered as one of the most significant in CFA's history, with a long and unprecedented fire season, the impact of the coronavirus and the lead-up to the implementation of reform to the state's fire services.

We began deploying incident management resources into Queensland and New South Wales from September. Operational resources soon followed and, by late December, more than 2,200 CFA volunteers and staff members had deployed interstate to assist with the significant firefight there.

Back home, the seasonal outlook indicated worse than normal fire conditions and on 21 November 2019 the first 'Code Red' fire danger rating since 2010 was announced.

That day, dry lightning set off three fires in East Gippsland which burned for months and morphed into one of most extreme fire seasons Victoria has ever seen.

More than 1.5 million hectares were burned by more than 3,500 fires. Five people tragically died and more than 400 residential structures and over 600 non-residential structures were damaged or destroyed by fire.

The use of township protection plans, where local CFA members worked with their communities to pool resources, prioritise the protection of key assets and move residents to safer areas, was critical in minimising property losses and undoubtedly saved lives.

More than 8,200 CFA staff and volunteers rose to the challenge and responded to the fires in Victoria's time of need.

Their professionalism, dedication and hard work were recognised the world over, and we were inundated with \$25.9 million in donations, as well as hundreds of in-kind contributions and well wishes. More detail about how the donated funds are being spent is outlined in this annual report.

Shortly after the final fire was declared contained on 27 February, Victoria and the world was plunged into a global pandemic emergency.

As always, our people adapted and adjusted in order to maintain the health and safety of our staff and volunteers while continuing to deliver the same vital services that protect life and property.

Significant operational changes have been embraced by our members. Brigade teams were restructured to minimise exposure and the establishment of a Pandemic Management



Team ensured swift and effective information was provided to all our members as the situation changed.

We made the difficult decision to postpone and cancel many events, including the 2020 State Championships in Mooropna, and we hope to resume these in the future.

CFA will continue to adapt as we prepare for the next fire season under the ongoing threat of coronavirus.

In the midst of the pandemic, CFA also marked its 75-year anniversary on 2 April. It was a time to reflect on the strengths and achievements of our past while considering what the future of our organisation will hold.

We have made enormous improvements over the past year to improve our governance and financial management, establish risk frameworks, enhance our safety culture and to develop the first long-term CFA Strategy in many years. We also clearly articulated our ongoing role, purpose and vision through the release of the CFA Narrative, ahead of the implementation of fire services reform on 1 July 2020.

CFA is now, proudly, a volunteer fire service. I have always been determined to use the reform as an opportunity for CFA to redefine itself, to refocus our efforts on supporting volunteers and to build a stronger organisation for the future. I know this vision is shared by the CFA Executive and Board who are working every day to ensure CFA continues to live up to its well-deserved reputation as a respected and trusted authority.

I formally ended my tenure as CEO and Chief Officer, following more than four decades with CFA. Words cannot do justice to the honour it has been to work in such a respected and vital organisation. I have been continually humbled by the service that everyday Victorians give to their communities and it has been a privilege to lead such a special group of people.

I wish the organisation every success into the future.

Steve Warrington AFSM
Chief Executive Officer/Chief Officer

Lake Tyers Aboriginal Trust brigade members
Charmaine Sellings (front) and Rhonda Thorpe.
Photo: Jessica Shapiro/The Australian Women's Weekly



The Country Fire Authority

The Country Fire Authority (CFA) is a trusted authority because we have the community reach, the local knowledge and skills to best prepare our communities for fire and respond in force when they need us.

<p>CFA Vision</p> 	<p>Victorian communities are prepared for and safe from fire</p> <p>This is our ultimate end state, and our mission and strategy are how we will deliver on this vision. It reflects our broad reach across the state and our focus on empowering communities to understand and address their fire risk.</p>
<p>CFA Mission</p> 	<p>To protect lives and property</p> <p>Our mission has been constant for decades. It drives how our members operate and it underpins all their work in fire prevention and preparedness activities and responding to fire and other emergencies.</p>
<p>Our core strengths</p> 	<p>We are a trusted authority because of our three core strengths:</p> <p>Fire safety – Our people’s experience and expertise across a range of landscapes makes us unique within the emergency sector. We are a centre of excellence for bushfire response, while responding to residential fires across Victoria where CFA is the lead agency. We also skilfully perform a wide range of roles from community engagement and education to hazard reduction and broader emergency response.</p> <p>Community connectedness – Our members come from and serve Victoria’s unique communities. Our brigades strengthen the social fabric of their communities and make a positive contribution beyond emergency response. Through strong local partnerships we empower communities to prepare for fire.</p> <p>Volunteering – We are one of the world’s largest volunteer fire services, ready and willing to mobilise quickly and in great numbers.</p>

Who we are

We respond to a range of hazards, we support our communities to be fire ready and we work as one with our emergency services partners. Our people’s skills, experience and expertise in fire prevention, preparedness and response makes us unique in the emergency services sector. Building on our proud history in one of the world’s most bushfire-prone environments, we know how to adapt to meet the challenges of a changing climate.

The reach of our network of brigades across Victoria is our strength. CFA is recognised and present from outer suburbs to remote townships. Our people know and care for their communities like no other service. Our members are key to the success of CFA because they are deeply connected with their local area and have a unique understanding of their community risk. We aid others in times of great need and create a sense of belonging, connecting people within the community.



We are a dedicated and skilled team, performing roles beyond fire suppression; educating and engaging the community, helping residents develop fire plans and responding to other emergencies. Our valued advice and knowledge in fire behaviour, fire safety, incident management and community preparation add further strength to Victoria's trusted and united emergency services sector. We're focused on increasing our diversity, our flexibility and our inclusiveness and providing a range of opportunities and skill development. CFA will continue to evolve, improve and innovate to provide a world-class fire and emergency service.

CFA's response to the coronavirus

In mid-March CFA formed a Pandemic Management Team to manage our organisation-wide response to the coronavirus (COVID-19) pandemic. With representatives from planning, operations, logistics, intelligence, health and wellbeing, and public information, the team's primary goal was to maintain the health and safety of our people throughout the pandemic so we could continue delivering on our mission.

Following the guidance and direction of the Victorian Government and Chief Health Officer, the team responded to a range of impacts to the business including the need to postpone key events, training, brigade elections and community engagement activities.

Digital learning opportunities were fast-tracked to support ongoing skills maintenance, including new modules on infection control measures and protocols for the management of potential and confirmed exposures.

More than 1,000 staff across the state moved to working remotely, with significant work undertaken by ICT to support this change. New online tools including video conferencing were put in place to ensure our critical work wasn't impacted. These tools also offered brigades an important way to stay connected.

Health and wellbeing was a key focus with resources developed to support our people including a new confidential phone-based support service, webinars and tip sheets.

Regular communication from the CEO/Chief Officer ensured all CFA people were aware of the support available as well as their obligations and responsibilities.

Key outcomes were:

- Business continuity plans were developed for critical business units and departments
- Operational changes and directives were communicated via a Statement of Intent, Guidance Notes and Operational Bulletins
- A range of resources were developed in areas including health and wellbeing, cleaning and hygiene and information technology
- Regional pandemic teams were established to provide an important line of communication between the field and the PMT
- An intranet site provided a one-stop-shop for all CFA people seeking information about our response
- A dedicated email address was established to allow people to ask questions and get feedback
- A platform was launched to allow members to share ideas and stories about how they were managing coronavirus at the brigade and team level
- A transition plan was developed to support CFA people to return to their work location or station in line with easing of restrictions.



Fire season overview

There was significant fire activity in Victoria during the 2019–20 fire season. With three years of below-average rainfall across much of East Gippsland and Hume Region, above normal bushfire activity was predicted. Forest Fire Danger Indices were very much above average across Victoria and were the highest on record for East Gippsland.

On 21 November a Code Red fire danger rating was declared for the Mallee and Northern Country and there was a statewide Total Fire Ban (TFB). Lightning storms caused more than 50 fires on 22 November. Local CFA crews worked closely with Forest Fire Management Victoria (FFMVic) crews. The majority of fires were contained within a day and no homes or lives were lost.

Three large fires remained out of control and on 24 December various CFA districts supported the existing firefighting efforts by supplying 14 strike teams on an ongoing basis. Each strike team comprised five fire trucks. On 29 December the Talmalmo fire from NSW entered Victoria north-west of Corryong and became known as the Upper Murray Walwa Fire.

On 30 December, the state had extreme fire danger ratings in seven out of nine districts and a statewide TFB. The fires in East Gippsland and the Upper Murray Walwa fire, plus a new fire from the previous day in Cann River, burned extensively during the day and overnight, driven by hot temperatures, high winds and extremely flammable fuels. Many communities and townships were threatened and impacted including Sarsfield, Buchan, Mallacoota and Corryong. The size of the combined fires grew by about 200,000 hectares overnight with many fires merging.

Also on 30 December, a fire started which burned into Budj Bim National Park near Bessiebelle. It threatened World Heritage-listed Aboriginal cultural sites but was contained in 17 days.

Lightning storms continued to hit Victoria over the following days, with more fires in the forested areas of Gippsland and Hume regions. During the following weeks, many communities were isolated and continued to be threatened by fire. A massive multi-agency logistical effort moved personnel and essential supplies in and out of affected areas, as

well as evacuations of communities via boat and helicopter.

A State of Disaster was declared by the Victorian Government on 2 January and 63,000 people heeded advice to leave the area. Significant smoke in the affected areas impacted human health and caused the grounding of many aircraft used to move fire and emergency management crews around the state.

After an exhausting 90-day response, and with 1.5 million hectares burned, the last of these fires was declared contained. Tragically, five lives were lost during this period, consisting of two members of the public, two FFMVic firefighters and one fire contractor. In addition, 405 residential homes and more than 650 non-residential structures were damaged or destroyed.

Although most of the significant fire activity occurred in Gippsland and Hume regions, some challenging and complex fires occurred elsewhere including a fire in Plenty Gorge, South

Morang, which escalated rapidly and threatened houses in Bundoora. A multi-agency effort including CFA, FFMVic and Metropolitan Fire Brigade (MFB) worked together in conjunction with concentrated air attack to bring the fire under control. This fire was contained after 31 hours, but crews patrolled for another 10 days.

Before Victoria's season began, CFA personnel supported our NSW and Queensland neighbours in their equally unprecedented fire seasons. In September and November, Victoria supported Queensland with CFA members deployed to support IMT and air attack operations in various locations. The Queensland deployments ran from 11 to 18 September and 12 to 30 November.

The NSW deployment began in early October and CFA sent an enormous contingent over a 77-day period. Eleven strike teams moved into NSW for the duration of the deployment. This was also the first time peer support officers, both staff and volunteer, were deployed interstate.

2019–20 major incidents

Table 1: Summary of major bushfires 2019–20

Date	Incident location	Description
11/09/2019	Queensland deployment	7 days duration
06/10/2019	NSW deployment	77 days duration
12/11/2019	Queensland deployment	18 days duration
21/11/2019	Strathallan – Burgoine Road	3 days duration
22/11/2019	Snowy Complex	Cann River – Banana Tk fire and W Tree – Yalmy fire. 97 days duration. 662,500 hectares.
22/11/2019	Tambo Complex	Ensay – Ferry Creek fire, Marthavale – Barmouth Spur fire and Gelantipy - Never Never Creek fire. 89 days duration. 324,739 hectares.
20/12/2019	Lexton – Ben Major	10 days duration. 2,792 hectares.
20/12/2019	Taplan – Settlement	22 days duration.
25/12/2019	Crawford River – Boulevard	2,958 hectares.
29/12/2019	Upper Murray Walwa	200,442 hectares.
30/12/2019	Budj Bim	10 days duration. 6,369 hectares.
30/12/2019	Plenty Gorge	11 days duration.
31/12/2019	Cobungra – Dinner Plain Tk	10,758 hectares.
31/12/2019	Abbeyard – Yarrabula South	151,221 hectares.
31/12/2019	Hotham Heights – Blue Bag Range	35,700 hectares.
31/12/2019	Shannonvale – McNamara Hut	44,308 hectares.
01/01/2020	Buenba – Pheasant Creek Tk	90,003 hectares.

Building relationships



My experience of Mallacoota on New Year's Eve 2019 will be etched in my memory forever, and the people I met there will be lifelong friends. I've since become great friends with the local police sergeant, the ranger in charge of the area, many of the people in the strike teams, and members of the local brigade. These friendships have continued, mainly because of the way we were able to have frank discussions while planning and executing what needed to be done. Our mutual trust was the key to a successful working relationship. I'm looking forward to heading back to Mallacoota and catching up with my new friends.



Frightening firefight at Mallacoota

When an out-of-control bushfire swept through Mallacoota on Tuesday 31 December 2019, Divisional Commander Stewart Kreltszheim was in charge of the response. Stewart describes his experience.

"It's Tuesday afternoon, New Year's Eve, and I'm inside a crowded community hall which days earlier was full of vulnerable, elderly and young people. Even when I yell using a megaphone I can't be heard above the rapturous applause and cheering as a wave of relief sweeps over every individual. The firefront has passed. Everyone is safe. Although the extent of the impact of the fire is still unknown, the threat on their lives has passed and the consequences can be dealt with in the coming hours and days.

My experience at Mallacoota was the most frightening firefight I have been involved in. However, the efforts of emergency services members who drew on all their skills, stayed disciplined and followed their training, combined with the cooperation of the community, were sensational. Off-duty medical personnel came forward, individuals presented where their expertise could be used and everyone chipped in.

With 16 tankers in three strike teams from District 2, District 13 and District 14, two local tankers and two FFMV slip-ons, plus support from a great Victoria Police

'The smoke and haze quickly blocked out the sun and plunged the region into darkness'

and Ambulance Victoria contingent, Mallacoota faced its greatest challenge.

It survived to welcome in 2020.

I arrived in Orbost on Sunday 29 December and was briefed on my role at Mallacoota by Commander Rick Owen who had been working tirelessly to hold the fort. It all started following a lightning strike north-west of Mallacoota. The resulting fire ran rapidly to the coast. My conversation with Rick raised the potential of a wind change and its impact on Mallacoota.

On Monday morning I travelled to Mallacoota, avoiding being cut off, as leaving community members and tourists were directed towards the NSW border and the township of Eden. By Monday afternoon there was no option to leave, as we could see the 16-kilometre high smoke plume from the local streets.

We attended a community meeting on the footy oval and advised people of the severity of the risk, what to



expect, what we didn't know and what we wanted them to do to help.

With power disrupted and poor telecommunications on some networks we identified when we could issue warnings, though the window of opportunity was closing and potentially unreliable.

We decided to use our tanker sirens only when we knew the fire was upon us, and we briefed community members on what action to take. Those who missed the briefing took action when they heard the sirens.

We posted lookouts around the townships and we planned three circles of defence – outer area, the main township, and the neighbourhood safer place. We were advised that a large number of people had flocked to the coast further to the north which was likely to be cut off, so a couple of tankers and one of our strike team leaders were positioned there.

As the sun rose on Tuesday morning I commented that at least we'd be able to fight the fire in daylight – a statement that proved futile. I'd seen the plume modelling but I didn't expect the smoke to be so thick. The smoke and haze quickly blocked out the sun and plunged the region into darkness. Our lookouts, who were local FFMVic members in the smaller and quicker FFMVic slip-ons, reported that the fire was approaching from the west and south-west.

When we understood the severity of the firefront we immediately retreated to the perimeter of the township, our first fallback line, to protect residential houses.

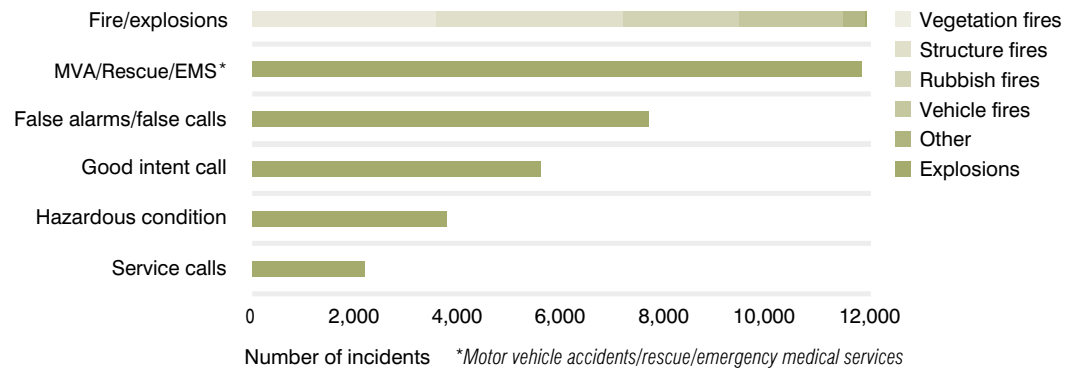
Our crews performed diligently despite being hamstrung by fallen power lines and some exploding gas bottles. Throughout the firefight I received great situational reports from the strike team leaders. I was based at Mallacoota Fire Station (the local command facility) where the important lines of communication needed to stay open to our strike teams and incident control centre at Orbost.

This was where I had the frightening experience of defending the station from fire. With personnel on hoses putting out spot fires in the insulation of the station, shouting to deliver messaging to the communications team inside the building and hear detail back, it was an intense emotional experience. Mallacoota was interface firefighting in its purest form.

We knew we had no aircraft support available and no chance of additional support, so our strategy was developed with the knowledge of what resources we had available. I am extremely proud of the efforts of our people in Mallacoota. They held the lines and stuck to their tasks. Thanks to their endeavour they saved lives and prevented a lot of the township infrastructure from being destroyed."

2019–20 total incidents

Figure 1: 2019–20 incident response by type



Total Fire Ban days

CFA's Chief Executive Officer and Chief Officer Steve Warrington has the critical role of declaring Total Fire Bans in districts across the state. Total Fire Bans are declared on days that are considered to be extreme fire risk to the community, and therefore CFA enforces restrictions on what people can and can't do on these days to keep our communities safe.

Table 2: Days of Total Fire Ban 2019–20

Date	Total Fire Ban district(s)
24/10/2019	Mallee
01/11/2019	Mallee
11/11/2019	Mallee
20/11/2019	Mallee
21/11/2019	The whole State of Victoria (Code Red Mallee and Northern Country)
25/11/2019	Mallee and Northern Country
09/12/2019	Mallee, Wimmera and Northern Country
18/12/2019	Wimmera
19/12/2019	Northern Country and North East
20/12/2019	The whole State of Victoria
29/12/2019	Mallee
30/12/2019	The whole State of Victoria
03/01/2020	Wimmera, South West, North East and East Gippsland
04/01/2020	Mallee, Northern Country, North Central, North East, East Gippsland and West and South Gippsland
10/01/2020	Mallee, Northern Country, North Central, North East, East Gippsland and West and South Gippsland
22/01/2020	Mallee, Wimmera, South West, Northern Country, North Central and Central
31/01/2020	Mallee, Wimmera, South West, Northern Country, North Central and Central
19/03/2020	Mallee, Wimmera and Northern Country

Table 3: Number of Total Fire Ban days declared 2015-2020

Declaration	2015-16	2016-17	2017-18	2018-19	2019-20
Whole of state	2	1	1	5	3
Partial	20	7	15	12	15
Total	22	8	16	17	18



Photo: Tony Cattermole

Extreme conditions in north-east

Burrowye Fire Brigade Third Lieutenant George Kucka described the brute force of the fire that surrounded his Guys Forest property in late December 2019 as “like looking into the jaws of a dragon”.

George (pictured) was the strike team leader for the Corryong Group and was responsible for protecting properties between Walwa and Mount Alfred.

“There was no way the fire could be contained,” George said, “but we didn’t lose a single house that we protected.”

The fire crossed the Mount Alfred plateau, and headed east to Mount Burrowa National Park and onto Cudgewa and Corryong. George returned home to protect his own property.

As he watched the fire flank approach one side of his property, the opposite flank suddenly burst into flames. George and his family had never experienced anything like this, and they will never forget the speed and sound of the fire.

“It was an inferno. We had 60-kilometre winds blowing embers everywhere, spot fires all around us and it burned within metres of the house,” George said.

“We were left with not a blade of grass on the ground, our stock that were about to calve needing feed, and our power and communications in the region gone.”

Fortunately, trees and open space in front of his main property slowed the approaching fire, which gave George and his family, plus support from one tanker

crew, time to defend it. But George lost two buildings and about a quarter of his cattle.

Despite all this, George considers himself to be among the lucky ones.

“There are people who lost more than us. At the end of the day everyone survived and we managed to save the house,” George said.

‘On one property our crew saved two houses and a shed full of tractors’

Gary Wattie from Baranduda Fire Brigade was on a different strike team. “I was on strike team 2480 to Walwa, right through Mount Alfred, Nariel Valley and Corryong driving our tanker for a hellish period of time,” Gary said. “It was the craziest firefront I’ve ever seen – I could see continuous fire line from as far left out of the rear passenger window to as far right as I could see.

“There were some amazing saves and catastrophic losses of livestock. On one property our crew saved two houses, a machinery shed full of tractors, a plastic-wrapped hay shed, a pile of plastic wrapped hay, two bulls and a number of cows trapped by the fencing.”

“People think they can stay and defend,” Aaron said, “but a garden hose and footy shorts aren’t going to help you with fires like these.”



Jodie stands tall

More than 2,200 CFA members sacrificed their time to support Queensland and New South Wales emergency services between September and December 2019 during the devastating bushfires. Diamond Creek volunteer Jodie Harris was happy to lend a hand on three occasions.

The 19-year-old was balancing two jobs and studying online when she decided to drop it all for a total of 15 days to help NSW communities. During her first deployment in early November, Jodie flew to Armidale at Glen Innes Base Camp where she helped to consolidate containment lines and carry out back burning at the Kangawalla fire under the supervision of NSW Rural Fire Service members.

"It was a huge eye-opening experience," Jodie said. "It was my first interstate long-haul strike team and I was fortunate to be deployed with Diamond Creek brigade Captain Peter Clarkson and Plenty brigade member Ash Bray who made me feel comfortable about taking on this new experience.

She said she always tries to take on new experiences with CFA and so leapt at the opportunity to help interstate. "I was doing a lot of different activities that I hadn't done before back home, so it was incredibly rewarding to travel to a new place and help others in their time of need.

"I met a range of people with different levels of experience who gave me guidance and the confidence to be an active participant in the firefighting efforts."

Jodie joined Diamond Creek brigade as a Junior member and has been an operational firefighter for the past three years.

In her second deployment Jodie went to Coffs Harbour before travelling to Grafton in late November. She stayed in a tent at Grafton Showgrounds while she was involved in back burning and blacking out efforts at the Myall Creek fire. In early December she made her third trip north to the Braidwood area where she spent three days battling tough weather conditions while carrying out a large amount of back-burning and control line work.

'It was incredibly rewarding to travel to a new place and help others in their time of need'

Back at her brigade Jodie spends some of her time helping Diamond Creek's Junior members become tomorrow's firefighters. "I would encourage anyone who's thought of doing any volunteering in the community to consider giving it a go because there are many new learning experiences that develop you as a person," she said.

"You become part of a team of like-minded people who work together like a family. My time with CFA has helped me to gain important life experience and a unique range of job-related skills. Not only have I developed independence and communication skills, but my role in CFA has allowed me to work effectively as part of a team to achieve common goals."



Peers on deployment

During the challenging 2019–20 fire season our firefighters sustained an incredible work rate both in Victoria and interstate. But as committed as our firefighters are, they can't do it alone. One of the many groups of people supporting their frontline efforts are our peers.

When on deployment to a major fire, peers offer a wide-ranging service. They are trained to give wellbeing support, but they will also carry out numerous invaluable duties including phoning strike team members to allow for follow-ups to occur and referrals to other peers, supporting everyone in an incident control centre, and

'Everyone needs someone to talk to without being judged for how they feel'

visiting local brigades to ask them what support they need.

Pam Young, a peer from District 12, gave the following insights from her time deployed to the Tallangatta staging area in north-east Victoria. "Being in the same place for the whole deployment was valuable," Pam said. "It meant people could see a familiar face rather than a new one each day.

"Walking up to the main street, I not only gave a smile and hello to locals but also to those in the Parks Victoria and the Department of Environment, Land, Water and Planning offices and the town's relief centre at the hall.

"I was there when needed by CFA, FFMVic, State

Emergency Service, St John Ambulance (who carried out first aid at the staging area) and the catering team who put in long hours. I also often consulted the staging area manager to source something that was needed and to find out contact details – knowing who to go to is invaluable.

"I was able to acknowledge the work being done by everyone. Whatever their role, what people were doing was crucial and important. Everyone needs someone to talk to without being judged for how they feel. As a peer, when this happens I'm doing my job."

Hilldene brigade member and peer Lesley Read (pictured above with District 24 peers Greg Dale and Penny Perfrement) was deployed to the Hawksbury region of NSW.

"Our days started at the staging area and then we travelled around and chatted to as many of the crews as possible, keeping an eye on everyone," Lesley said. "As the trucks arrived back at the staging area at the end of the day we talked to each crew to check that everything was OK and to find out if there was anything they needed.

"We had a couple of hospital trips, chased up some special needs such as gloves, sunscreen, hydration sticks, and sorted out some funny situations like ripped pants and the need for sugar-free lollies. We tried to keep things light where we could and hopefully everyone felt they could come to us.

"I was lucky to have a great team. We worked as one. All three of us had similar ways of handling situations as they came up; nothing was too hard or too small."

Generous donations from the community

It's often said that adversity brings out the best in people and the public's response to the 2019–20 fire season certainly supports that. From the beginning of July 2019 to the end of June 2020, CFA received \$25.9 million in donations from 60,000 deposits.

CFA Chief Officer and CEO Steve Warrington said CFA members were very grateful for the outpouring of support over summer.

"CFA was incredibly humbled by the influx of donations from all over Australia and the world during the extreme 2019–20 season," he said.

"From Kylie Jenner, Chris Hemsworth, Kylie Minogue and significant corporate donors, to everyday people giving what they could, every donated dollar was an acknowledgement of the vital and often dangerous work our members do to protect their communities.

"Our largest donation was \$1.84 million generated by private citizen and former Portland resident Jodie Silva on a Facebook fundraiser – a hugely generous initiative.

"We cannot thank our donors enough; it means so much to our members."

CFA Executive, the CFA Board and the Trustees of the CFA & Brigades Donations Fund collaborated on a plan to spend the funds in line with donor intent and to ensure all our volunteer brigades would be positively impacted.

By 30 June 2020 CFA had allocated about 80 per cent of donated funds. Allocations were spread through three channels (with a fourth to be confirmed after 30 June):

- Direct donations to specific brigades or groups
- A District Pick List Program to support brigades with practical items at a local level
- Organisation-wide transformative initiatives.

Donations designated to specific brigades or groups have been paid directly to those brigades, and they are already using them to educate and support communities and boost their capabilities.

Items allocated through the District Pick List Program range from a significant purchase for the whole district, to some smaller items for brigades such as hoses, torches and chainsaws. Some of the most popular items allocated to date are thermal imaging cameras, apparel and defibrillators.

Organisation-wide initiatives

Following endorsement by the CFA Board, Executive and an independent panel, CFA will deliver on three projects under our Transformative Initiatives Program to provide funding for statewide initiatives to help transform the capability of our volunteers. These projects account for \$10.45 million of donated funds to be spent over the next five years and include the following.

Volunteer leadership development



We will build leadership capability through programs such as external leadership and management training, CFA bespoke leadership training, mentoring and coaching programs, scholarships and wellbeing training.

Community engagement vehicles



We will buy a fleet of vehicles fitted with props, digital capability and collateral to support innovative and accessible community education and to provide community briefings during major incidents.

Volunteer digital training



We will improve the capacity of CFA's volunteer trainers and assessors by purchasing hundreds of 4G-enabled tablets for use in training delivery and assessment.

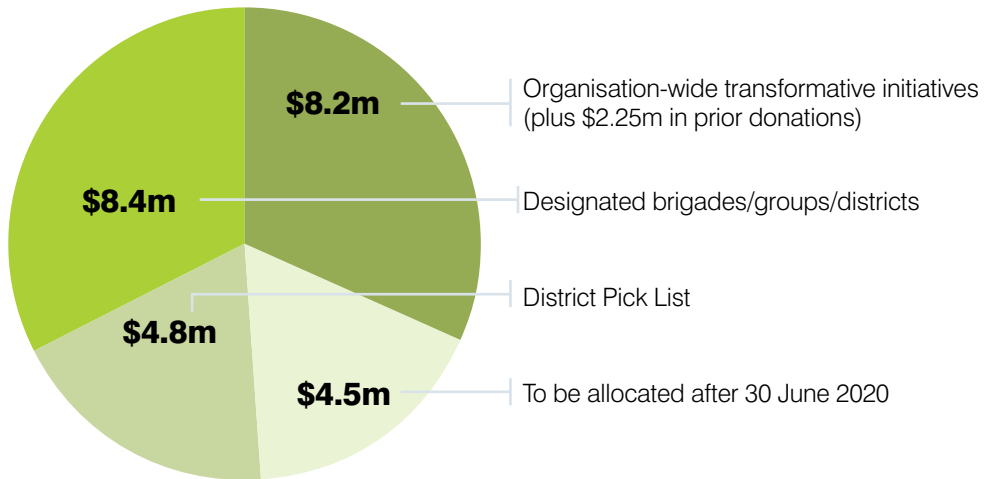


Money donated directly to brigades, groups or districts has boosted their resources and capabilities. Pictured is Rick Cameron from Bruthen brigade with the new portable generator purchased by District 11. It can be moved to any fire station to provide back-up power to essential facilities.



Used to detect heat sources, a thermal imaging camera is one of the most popular items chosen by brigades through the District Pick List Program.

How we will distribute \$25.9 million in donations received this year



Major donors and community fundraisers who gave CFA \$100,000 or more (1 July 2019–30 June 2020)

ANZ

Ben Luckock and family, his colleagues and global business associates at Trafigura, supported by the Trafigura Foundation

Brighter Days Foundation Inc (Brighter Days Festival, Bright)

Chris Hemsworth

Coca-Cola Australia

Crown Resorts

CSL Limited

Decjuba

Gandel Philanthropy

Grange Investments

Greek Orthodox Archdiocese of Australia

Hengyi Pacific

Jodie Silva's Facebook fundraiser

Kirkland Lake Gold

Kylie Jenner

Many Little

Metal Manufactures Pty Limited

Metallica's philanthropic foundation All Within My Hands

Newcrest Mining Limited

Spell & the Gypsy Collective

TEG Dainty and TEG Live (FIRE FIGHT AUSTRALIA –Concert for National Bushfire Relief)

The Chainsmokers (DJ and production duo)

The Minogue Family

Volkswagen Group Australia

Westpac

This list excludes donors who asked to remain anonymous



Our profile

Table 4: Employee profile breakdown by age and gender

JUNE 2020			
	Number (Headcount)	Ongoing FTE	Fixed term and casual FTE
Gender			
Male	1992 ¹	1754	97
Female	842 ²	549	126
Age			
Under 25	66	27	19
25–34	597	520	48
35–44	837	736	52
45–54	672	560	51
55–64	529	396	43
65 and over	133	64	9
1. Includes 1343 career firefighters 2. Includes 68 career firefighters			

Table 5: Employee profile breakdown by PTA status

JUNE 2020			
	Number (Headcount)	Ongoing FTE	Fixed term and casual FTE
PTA Level			
PTA 1	26	3	2
PTA 2	220	81	38
PTA 3	325	157	35
PTA 4	287	230	39
PTA 5	152	122	25
PTA 6	112	87	22
PTA 7	53	43	7
Total	1175	723	168



A commitment to service

Jacinta Savory defies the traditional notion that younger Australians don't volunteer. Aged 22, she is a committed volunteer firefighter with Werribee Fire Brigade.

So how does she find being a younger woman volunteering with CFA?

"It's actually not uncommon to jump on a truck and find most of the crew are in their mid-twenties," Jacinta said. "That said our older firefighters are an inspiration and I get on really well with them. There's no 'us and them' mentality at all, whether men or women, young or old. When we jump on the truck we're all in it together."

Jacinta has been a member of Werribee brigade for four years. She joined because her older brother became a brigade member, and she thought it would be a good place to hang out with friends and like-minded people.

"It's interesting. When I first joined Werribee brigade there were six females; today there are around 15. It's great to see women taking a larger role operationally. CFA is not gender-specific at all," Jacinta said.

When asked about the biggest challenges she faced, Jacinta talked about the first house fire she attended.

"I think that was the moment that could've been overwhelming. But I felt so supported by my fellow members, and we're all trained so I trust everyone around me."

Her early experience in firefighting has also led to a career in emergency services – Jacinta is a member of Victoria Police. So why the emergency services?

"I love working with people, helping people, making a difference. But I get something out of it too - wanting to help people inspired me to have a career in emergency services."

To broaden her skills and to work more closely with first responders such as paramedics, Jacinta is completing rescue training with CFA.

But one of her favourite activities at CFA is the annual Werribee Fire Brigade 'Santa Run'.

"It's a bit cheesy I know, but it really is my favourite time of year. It's a time of celebration for the brigade, to look back at what we have achieved throughout the year, and to see the kids in the community. I love it."

Table 6: Executive Officer breakdown by gender and classification

JUNE 2020			
	Male	Female	Total
Executive Officer 3	4	1	5
Executive Officer 2	9	9	13
Executive Officer 1	6	7	13
Total	19	12	31

Table 7: Volunteer profile breakdown by role and gender

JUNE 2020		
	Operational	Support
Gender		
Male	26408	14782 ¹
Female	4569	7552 ²

1. Not including 921 Juniors 2 Not including 563 Juniors

Table 8: Services in 2019–20

Type of service	Number
Total incidents	46347
Total brigade turnouts	93431
Property Advice Visit Service home visits	4980
Fire Ready Victoria meetings/workshops	673
Community Fireguard sessions	150
School and youth program sessions	407

Table 9: CFA workforce

Type	Number
Volunteers	
Operational	30977
Support ¹	23818
Total volunteers	54795
Staff²	
Operational	1411
Support	1423
Total staff	2834

1. Including Junior members 2. Headcount

Table 10: Brigades

Brigades	Number
Class 1	539
Class 2	304
Class 3	133
Class 4	116
Class 5	67
Other	21
Forestry Industry brigades	21
Coast Guard brigades	18
Total	1219

Table 11: Buildings

Buildings	Number
Fire stations ¹	1228
Career and integrated stations ²	38
Regional, district and HQ offices	39
Mechanical workshops	13
Training grounds	7
Other	17
1. Includes satellite sites 2. This figure is included in total fire stations	

Table 12: Vehicles

Vehicles	Number
Emergency response	
Tankers	1867
Pumpers	281
Pumper tankers	42
Mobile command vehicles	394
Rescue vehicles	36
Aerial firefighting vehicles	9
HAZMAT vehicles	9
Big fills	33
Specialist response	84
Operational transport	312
Support	
General transport	330
Specialist support	65

Where CFA operated during 2019–20

We protect large parts of Victoria including the state's fastest growing urban areas like Point Cook and Werribee. CFA career firefighters and volunteers are also responsible for protecting residents in Geelong, Ballarat, Bendigo and Mornington, and tourist destinations like Mount Hotham, the Great Ocean Road and Yarra Valley.

CFA's 1219 brigades are grouped into 21 districts and five regions, and cover country Victoria as well as parts of the Melbourne metropolitan area.

South West Region

Led by Assistant Chief Officer Rohan Luke, the South West Region covers districts 4, 5, 6 and 7 and stretches from the west side of Port Phillip Bay to the western edge of Victoria. It includes Geelong, Colac, Hamilton, Warrnambool, Portland and Casterton plus the Otways and the Great Ocean Road. The region's high summer bushfire risk is complicated by its large influx of tourists and limited road access.

West Region

Led by Assistant Chief Officer Peter O'Keefe, the West Region covers districts 15, 16, 17 and stretches from the western edge of metropolitan Melbourne to the western border with South Australia. It includes key regional centres like Ballarat, Ararat and Horsham as well as the Grampians and the Little Desert, where hot and dry conditions fan its bushfire risk. It's the least populated CFA region and faces unique challenges related to rural decline.

North West Region

Led by Assistant Chief Officer Gavin Thompson, the North West Region covers districts 2, 14, 18, 20 and stretches from the edge of Port Phillip Bay in Melbourne's western suburbs to the NSW and South Australian borders. It includes metropolitan Melbourne's northern and western suburbs, the key regional centres of Bendigo, Kerang, Swan Hill and Mildura, as well as the high-bushfire-risk areas of Big Desert and the Macedon Ranges. Its risks range from campaign bushfires to Melbourne house fires.

North East Region

Led by Assistant Chief Officer Ross Sullivan, the North East Region includes districts 12, 13, 22, 23, 24 and stretches from the north-eastern Melbourne suburb of Lilydale to the northern border. It includes the key regional centres of Seymour, Shepparton, Wangaratta and Wodonga, and the house fire risks associated with the north-eastern suburbs of Melbourne. It also covers the unique challenges of the Alpine Region, which include a low permanent population, high tourism, old and high-capacity commercial buildings, and even avalanches.

South East Region

Led by Assistant Chief Officer Trevor Owen, the South East Region covers districts 8, 9, 10, 11, 27 and stretches from the Mornington Peninsula to the eastern corner of Victoria including the south-eastern suburbs of Melbourne, and the key regional centres of Warragul, Traralgon, Morwell, Moe, Sale and Bairnsdale. It also covers the high-bushfire-risk area of Gippsland plus four open-cut brown coal mines in the Latrobe Valley, which pose unique fire and hazardous materials (HAZMAT) risks.

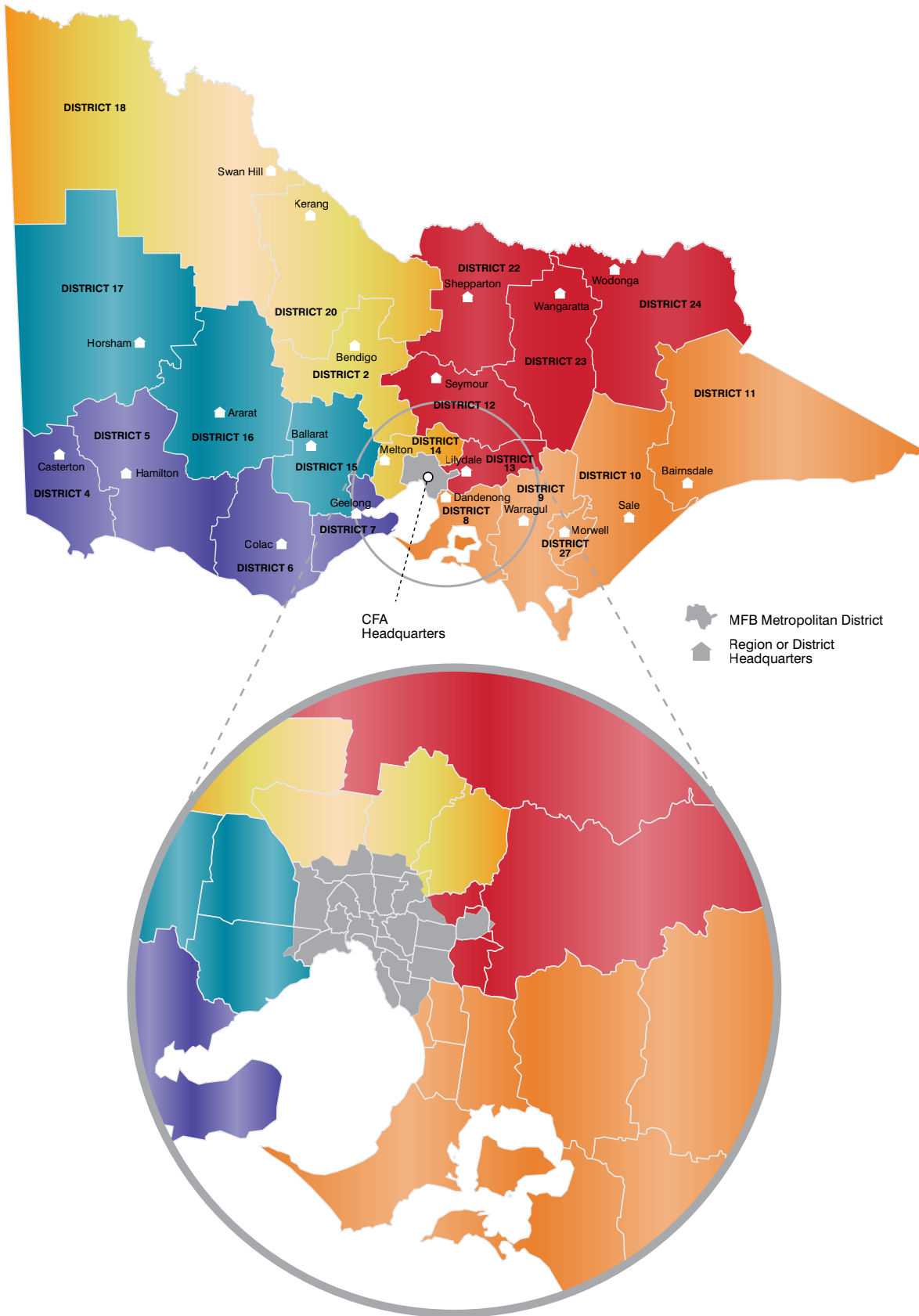


Figure 2: The districts and regions CFA covers in Victoria (inset) Melbourne metropolitan regions covered by CFA



Planning for success

Johnsonville Fire Brigade in East Gippsland retains lifelong members thanks to a strong succession plan that includes regular rotation of leadership roles and using past leaders as mentors.

Members of Johnsonville brigade have created a succession plan to make sure the brigade remains sustainable. The main concepts of the plan are:

- past leaders help mentor new brigade management team (BMT) members
- past captains are encouraged to take on different BMT roles after they step down so they can mentor future captains
- the BMT encourages members who show potential leadership qualities to nominate themselves for a BMT role
- brigade members need to understand that the brigade captain role is a management position so members stepping up should be suitable for this position
- the brigade continually updates its training methods to engage members.

‘Everyone has their own style. I learned from them all’

“Having a positive, welcoming environment is an essential part of keeping a brigade effective,” Johnsonville brigade Captain Chris Seymour said. “Everyone is on a level playing field and the entire brigade membership is encouraged to step up and the leadership roles are spread equally across the BMT.

The brigade tries to stick to a six-year management rotation. It encourages captains to step down to a lieutenant position to support and mentor others into new management roles, creating a handover for the BMT. The brigade also encourages the first lieutenant to step up to captain and the second lieutenant to step up to first lieutenant.

“There should be no ego involved with switching jobs and doing what’s best for the team for work-life balance,” Chris added.

The brigade’s seasoned leaders were and still are Chris’s mentors.

“Everyone has their own style. Some were good, some were not so good, but I learned from them all.”

Former Captain Rod Bayliss and current Captain Chris Seymour

CFA performance measures

Performance reporting

CFA is formally monitored by the Department of Justice and Community Safety, and held to account by quarterly reports on government-set KPIs. Table 13 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 services organisations.

Table 13: Emergency management capability (BP3)

Major outputs/deliverables	Unit of measure	2019–20 Target	2019–20 Actual
Performance measures			
Quantity			
1. Permanent operational staff	number	1421	1411
2. Permanent support staff ¹	number	1083	1053
3. Volunteers – operational	number	39400-40950	30977
4. Volunteers – support	number	20500-22000	23818
Quality			
5. Road crash rescue accredited brigades/units	number	23	23
6. Level 3 Incident Controller trained staff and volunteers	number	67	56
7. Structural fire confined to room of origin (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	89
9. Emergency response times meeting benchmarks – road accident rescue	per cent	90	83

1. FTE excluding contract and casual staff



Annual Brigade Review pilot progresses

The Annual Brigade Review (ABR) project is now one year into its pilot phase and the results so far have been encouraging.

To comply with Section 29(b) of the CFA Act, a formal brigade inspection and reporting process was introduced in 2004. The ABR broadens the scope of this process to more fully identify brigade health and capabilities.

'The ABR is going to show areas needing improvement and that's not a weakness'

Of the 240 brigades nominated to participate in the pilot, more than 150 have held their sessions. More than 70 staff members have been involved with the ABR and about 1,500 volunteers.

"This is an outstanding achievement considering the very early start to the bushfire season, particularly in South East Region," Assistant Chief Officer Trevor Owen said. "Our staff and brigades have demonstrated their willingness to have a go at something new."

The pilot is now being evaluated and the project team has received more than 760 feedback forms from volunteers around the state. More than 40 staff and volunteers have also participated in phone interviews, with more to come.

The data collected will be fully analysed by the project team and an external specialist, however at first glance it's overwhelmingly positive.

One of the key highlights for many volunteers was that those who are not a member of a brigade management team had the opportunity to participate in the discussions.

"Beechworth Fire Brigade was one of the first brigades to take part in the ABR," First Lieutenant Tracy McVea said. "It was very worthwhile. We touched on topics we hadn't before and the entire brigade found it very inclusive."

"Previously the inspection process just involved the brigade management team, but everyone was involved in the ABR. The session was highly interactive and members left feeling really positive."

Rutherglen Fire Brigade Captain David Hawkey said all brigade members thought the process was valuable and constructive.

"We found the process really worthwhile as all our members were engaged and got a fair representation of how they were feeling," David said.

"It's important to understand that the ABR is going to show areas needing improvement and that's not a weakness," David added. "It just makes everyone conscious of what areas we need to work on within the brigade."



The Good Friday Appeal's virtual tin rattle

CFA has been a passionate supporter of the Good Friday Appeal since 1951 with staff and volunteers rattling tins, hosting fundraising events and volunteering their time to raise money for the Royal Children's Hospital.

One of the things that has defined the appeal over the years was the thousands of CFA volunteers on fire trucks and at traffic lights, in shopping centres, football clubs, camping grounds and at hundreds of events across Victoria shaking those Good Friday Appeal tins as people opened their hearts and their wallets to support the Royal Children's Hospital.

This year because of COVID-19 restrictions (physical distancing guidelines and all non-essential activity cancelled) the 2020 Good Friday Appeal was very different.

"2020 had so far proved to be a really tough year for everyone with the bushfires and then the COVID-19 virus. But through this adversity CFA has continued to shine," said Anne Randall, the former Director Good Friday Appeal.

"The community was already indebted to the wonderful CFA volunteers through their courageous care of the community during the devastating bushfires. We at the Good Friday Appeal were humbled with the response we received from many who still wanted to support the appeal. But then this shocking virus took hold.

"When all seemed just too hard, CFA stepped up again and committed to helping the appeal. So, rather than the traditional door knocking or roadside collections, a

'When all seemed just too hard, CFA stepped up again and committed to helping the appeal'

virtual tin was created and warmly and enthusiastically embraced by CFA."

More than 200 CFA brigades signed up to the Virtual Tin Rattle and rattled their Good Friday Appeal tins via their social media channels to get the support of their local communities.

Members of the community showed their unmatched generosity with 4427 donations to the virtual tin rattle, raising \$198,879 in support the Royal Children's Hospital.

Over the years CFA members have raised more than \$34 million for the Good Friday Appeal.

"We are so grateful for the support of the CFA. You are truly the arms and legs of the Good Friday Appeal," Anne Randall said. "Without you, we would not be able to raise the funds needed for the Royal Children's Hospital. We thank you for your generosity and continued support. To us, you are true heroes."

The money raised for the Good Friday Appeal is used to buy medical equipment and fund research projects and enable the hospital to continue to provide world-class care for children.

Progress to meet objectives and outcomes

We put the community at the centre of everything we do



The Community Engagement Activity Reporting Tool (ART) is helping us to build a complete picture of service delivery across the state, providing valuable data for regular reporting, program evaluation and in response to requests from the Victorian and federal governments. Developed in-house and rolled out on 1 July 2019, CFA members used the ART web application during 2019–20 to record more than 2,500 community engagement activities, capturing details such as target audience, type of activity and location.

CFA supported both the Victorian Building Authority and Cladding Safety Victoria with the fire risk assessment of 120 buildings that had external cladding, as part of a multi-agency assessment panel. CFA provided technical and specialist fire safety advice during the multi-agency assessments. CFA also supported the development of advice to the building owners about how fire risk can be mitigated. The outcomes of the fire risk assessments were presented to the relevant district operations for their consideration and use within fire pre-plan activities.

CFA updated its vision, value proposition and narrative to reflect its future role as a volunteer firefighting service from 1 July 2020. The narrative was based on widespread engagement throughout 2019/20 and highlights the broad range of roles which are undertaken by volunteers in prevention, preparedness and response. It reinforces our reputation as a trusted authority in fire safety, community-connectedness and volunteerism and underlines the value that we bring to the communities we serve and the broader emergency services sector. It will be reflected in our messaging across internal and external channels and through our public engagement.

We deliver programs and services that make a positive difference



The Joint Agency Fuel Management Program is in its second year and CFA's Vegetation Management staff across the five regions have effectively contributed to it. This has resulted in improved planning and liaison with municipalities and Forest Fire Management Victoria. Regional staff worked with brigades to support their participation in planned burning. By implementing the Planned Burn Task Force we now have an effective system to draw on a wider pool of volunteers, and support their learning and development in planned burning. This year CFA published new practice notes to improve biodiversity and cultural heritage management, promote consistency across the state and help new staff understand the program.

The Victorian Fire Risk Register – Structure residential risk assessment criterion was finalised in conjunction with a working group, and the tools needed to support the process are being developed. The residential risk assessment criterion was externally evaluated to ensure the residential fire research had been correctly applied. This evaluation confirmed that the criterion was correct and was substantiated by further research. It also recommended a small number of other inputs for consideration, and work on including these enhancements is underway. Planning and preparation for the pilots were completed, but the pilots were delayed because of COVID-19 physical distancing restrictions.

Wimmera and Mallee areas continued to implement a range of activities that sit under the Rural Decline, Retraction and Ageing Project Plan. Actions fit under two broad areas including adaptive and collaborative community-led service delivery and welcoming and inclusive workplaces. Two pilot communities, Wedderburn and Edenhope, have successfully tested a co-design model for community planning which identifies priority needs by incorporating an evidence base along with valued local knowledge and experience from community members and CFA volunteers. This model will be further tested in 2020-21.



Before CFA members departed for a NSW deployment, Bono and U2 band members thanked CFA members when they met at an airport.

In 2019–20 Maryborough brigade, CFA Volunteer Sustainability and CFA Community Engagement teams partnered to develop the Residential Engagement and Smoke Alarm (RESA) pilot. This exciting collaboration has been working to trial project-based volunteering within CFA, to provide an opportunity for brigade and community members to work together to help make their communities safer. This project focuses on installing smoke alarms and providing tailored home fire safety information directly to people in their homes. Having completed recruitment of project-based volunteers, training and marketing, the project is ready to be delivered. The evaluation from this pilot will inform future decisions about project-based volunteering, smoke alarm installation methods and home fire safety programs.

CFA has contributed to the development of joint agency projects, systems and work programs for bushfire risk mitigation. Within the Safer Together program CFA leads

the Community First program working in partnership with DELWP. Programs such as Community Based Bushfire Management have been operating as planned in 22 communities across Victoria. Feedback from this program has been very positive and helped prepare communities, such as Mallacoota, affected by last season’s bushfires. Other programs coordinated by CFA include stronger partnerships with local government.

In the area of vegetation management, CFA is working closely with DELWP to design and use a single platform for fuel management planning and delivery. This allows stronger collaboration and coordination across public and private land for fuel management including planned burning and mechanical works. CFA also leads a number of joint-agency research projects, such as examining fire behaviour in crops, and measuring the effectiveness of different suppression tactics.

Fire Services Reform

As a result of the Victorian Government’s commitment to reform the fire services within the state, a number of activities were undertaken across all areas of CFA to ensure that the future CFA would be ready for this change and continue to provide uninterrupted service to the community. The legislation establishes CFA as a volunteer-based firefighting organisation, while creating Fire Rescue Victoria (FRV).

Key activities included consultation and engagement in areas of most change to discuss impacts and opportunities. Key items included the transition of employees from CFA to FRV with some taking up new roles to support either agency, and extensive work to establish a new operating environment where both CFA brigades and FRV staff operate in the same facility under a co-location agreement.

These reforms have been a long time coming and we have a clear mandate to build a stronger CFA with a focus on volunteering and serving our communities. CFA has a long and proud history and our determination to prevent loss of life and property for Victorians will not change.

We provide a great place to volunteer and work



A key focus of this financial year has been to strengthen processes and enhance professional development programs to help our members adapt to the changing needs of the organisation and operating environment. This included developing online resources and elearning modules. By expanding our resources we have continued to build capability across a range of priority areas including leadership, change management and inclusion and fairness. Over the past year, 35 workshops were delivered across 12 program areas to more than 400 staff and volunteers. We have also improved our understanding of decision making for our volunteers through enhanced connections between the CFA Board, Volunteer Fire Brigades Victoria (VFBV) and joint committees.

The Safety Compliance Project successfully delivered three pilot Safe Working at Heights (SWH) courses to 30 members from six volunteer brigades over the past year, and the volunteer training package being approved by key stakeholders. Training was disrupted by the COVID-19 restrictions, but will re-commence when these restrictions are eased. SWH training to 389 career firefighters was delivered by MFB. All aerial appliances and heavy pumpers at integrated stations were modified for stowage of SWH equipment, and modifications to vehicles at volunteer brigades will continue as training progresses for the brigades.

This year CFA's Child Safety team focused on safeguarding children through risk identification and elimination. CFA launched a custom-designed Child Safety Risk Framework (CSRF) which helps us to identify and respond to risk of harm. The CSRF also supports the review and evaluation of programs, policies and processes, and has already enabled CFA to understand how to create safer services and safer programs for children and young people. The Child Safety team engaged with CFA members across the state, speaking with more than 3,500 staff and volunteers about child safety issues including leadership, risk, reporting, recruitment, child and youth engagement and, most importantly, safety. We will continue to embed child safety in recruitment, wellbeing, our safety systems and training programs.



Mallacoota Fire Brigade led the Australia Day Parade.

Approximately 9,000 sets of workwear will be provided to CFA volunteers for use when carrying out CFA duties when neither personal protective clothing nor dress uniform are required. Never before has work wear of this type been provided to CFA volunteers, and will be a fresh, new image. Consultation with VFBV has been ongoing throughout the project to design fit-for-purpose and functional work wear. A tender was released for the manufacture and supply of work wear in February 2020. Shortlisted sample garments will be assessed against the specifications prior to a contract being awarded. CFA continues to seek further funding opportunities to expand work wear to more volunteers.

CFA delivered upgrades to the intranet site by adding additional functions and tools. Notable improvements are a new standard look and feel, and the implementation of a new search capability which has significantly improved the ability to find information on the site. We have also sought market responses for the replacement of the tool to manage the content on the site. The impact of the COVID-19 pandemic led to a significant uptake in collaboration tools for remote working, which CFA successfully provided.

During the past 12 months CFA members have completed 17,411 of our digital learning modules. We currently have 61 digital learning modules available on our Learning Management System including: Bushfire Safety for Workers; Child Safe Standards; Electrical Safety Awareness; Protect and Preserve Incident Scene; Introduction to First Aid; Provide First Aid; Provide CPR; Tree Hazard Awareness; Thermal Imaging Camera Awareness; Smoke Alarm Installation; Brown Coal Mine Firefighting; Personal Floatation Device Awareness; and Maintain Safety at CFA Incidents. In direct response to the



We are a progressive emergency service



To improve governance at CFA the Board:

- oversaw the development of a new narrative for CFA – Our Community, Our CFA: 2020 and Beyond – and a new CFA Strategy and Outcomes Framework, to provide high-level direction to the organisation in the context of Fire Services Reform.
- reviewed and revised the structure and terms of reference for all Board Committees. A particular focus was placed on Fire Services Reform, with the establishment of a dedicated Committee to consider these issues.
- placed a strong emphasis on compliance with current and forthcoming legislation and regulations. In particular, the Board oversaw work to ensure that CFA was compliant with Workplace Manslaughter amendments to the Occupational Health and Safety legislation effective from 1 July 2020.
- oversaw a redevelopment of CFA's approach to dealing with enterprise risk to ensure CFA has a more strategic approach to risk identification, mitigation, assurance and reporting.

coronavirus pandemic, specific digital learning modules were developed and made available online including COVID-19 Cleaning; and Emergency Medical Response and Infection Control for Volunteer Brigades.

CFA is in the process of developing more digital learning modules including: General Firefighter; Grassland Curing; Bushfire Survival Planning; Inspect Test and Maintain Response Equipment; Fire Weather for Incident Controllers; Driving Policy and Legislation; Intermediate Bushfire Behaviour; and AIMS Awareness.

In line with other sporting and community activities around Australia, CFA cancelled the 2020 CFA/VFBV State Firefighter Championships that were due to be held 28-29 March in Mooropna. There had been significant planning with VFBV for this major event to bring together for the first time the Rural Senior and Junior competitions with the Urban Seniors over one weekend. We planned new women-only events, a new aggregate trophy for appliance events and a torchlight procession with about 70 urban and rural brigades. We also planned activities for children, a Friday night cinema, an on-site community market, the largest ever interactive corporate display from CFA, and a large space surrounded by food trucks and traders where friends could meet.

Lessons learned from the 2020 planning process will inform the 2021 Championships and work is also progressing to develop an action plan to support district championships which contribute to brigade sustainability.

CFA hosted with MFB the first joint 'Women in Firefighting' information session to provide information relevant to female applicants interested in becoming career firefighters.

The Baseline Capability Profiling Application (BCPA) is a capability management decision-support tool. It has been designed to help CFA brigades, groups, catchments, districts, regions and CFA HQ make informed decisions about all aspects of capability planning and management including: identification of baseline capability requirements at each volunteer fire brigade; insight into capability gaps at brigade level and above; insight into incident causation and impact trends in the community over time; and insight into various demographic, land-use and other community characteristics that influence brigade capability.

Over the past year, the BCPA user group has grown to more than 400 registered users. Most users are CFA staff in districts across the state. The next steps for BCPA are to create the technical foundation to allow appropriate and secure access for brigade and group management teams across CFA.

The Annual Brigade Review (ABR) aims to enhance CFA's annual inspection process to empower brigades to identify their strengths and opportunities for improvement. It also provides CFA with a more holistic view of brigade health and capability. The BCPA was integral to this process because it provided supporting evidence for about 45 per cent of the ABR criteria.



During the 2019-20 fire season, there was an outpouring of gratitude from around the world and closer to home for CFA volunteers and their tireless efforts to protect communities.

The current pilot phase started on 1 July 2019 in ten districts across four regions. By the end of March 2020, more than 150 brigades had participated in ABR sessions. Feedback was received from more than 800 volunteers and more than 70 staff which indicated that the ABR is a valuable engagement and assessment process. The next stage of the project will begin next financial year.

The implementation of the Internet Connectivity for Brigades Program is proceeding, and CFA continues to work closely with our supplier to connect brigades to the internet. The significant events of the 2019-20 fire season and the COVID-19 pandemic have impacted the physical implementation at sites, though we expect all the 1000+ participating fire stations to be connected to the internet by December 2020.

Our volunteer leaders do far more than manage fires and incidents. They are

community leaders who lead through significant cultural and organisational change to ensure CFA is a safe, values-driven, fair and inclusive organisation. The CFA Volunteer Leadership Plan 2019-2024 has been developed to support professional development for volunteer leadership.

The Captains' Peer Mentor Program is now available in 14 CFA districts and delivered locally through a strong partnership with the Volunteer Sustainability Team and operational district staff. It is a tailored professional development program that provides a confidential space where captains can explore their goals, challenges or strategic matters. Personal and professional growth occurs through the experience of mentoring. The Volunteering for Leadership program offers workshops suitable for current and developing volunteer leaders and brigade members. The workshops cover a wide range of topics and are available in any district on request.

2019-20 Honours



Several CFA members were recognised for their commitment to fire services with the awarding of the Australian Fire Service Medal. This year's recipients were George O'Dwyer, Russell Pardew, Robin Parsons, Peter Shaw (pictured left) and Ian Symons.

Provide CPR (Refresher)



Enrol

The importance of online learning

The digitisation of current and future training and assessment programs to meet volunteer training needs is a significant opportunity for CFA.

The Victorian Government's Fire Services Statement identified that CFA needed to increase its training opportunities and brigade support to continue to be a strong and proud volunteer organisation, equipped with contemporary, high-standard equipment, tools and systems.

CFA staff and volunteers receive more than 500,000 hours of formal and informal training each year, delivered by professional and dedicated paid instructors and volunteer trainers and/or assessors.

We currently have 61 digital learning modules on our Learning Management System including: Bushfire Safety for Workers; Child Safe Standards; Electrical Safety Awareness; Protect and Preserve Incident Scene; Introduction to First Aid; Provide First Aid; Provide CPR; Tree Hazard Awareness; Thermal Imaging Camera Awareness; Smoke Alarm Installation; Brown Coal Mine Firefighting; Personal Flotation Device Awareness; and Maintain Safety at CFA Incidents.

In direct response to the Coronavirus Pandemic, specific digital learning modules were developed and made available online. These include COVID-19 Cleaning, Emergency Medical Response and Infection Control for Volunteer Brigades.

In the past 12 months CFA members have completed 17,411 of these digital learning modules, and we are developing more modules including: General Firefighter; Grassland Curing; Bushfire Survival Planning; Inspect Test and Maintain Response Equipment; Fire Weather for Incident Controllers; Driving Policy and Legislation; Intermediate Bushfire Behaviour; and AIIMS Awareness.

Executive Manager Training Delivery and Performance Colin Oliver said digital learning allowed CFA to deliver more flexible, consistent, targeted training to brigades particularly for individual role-specific training and response activities.

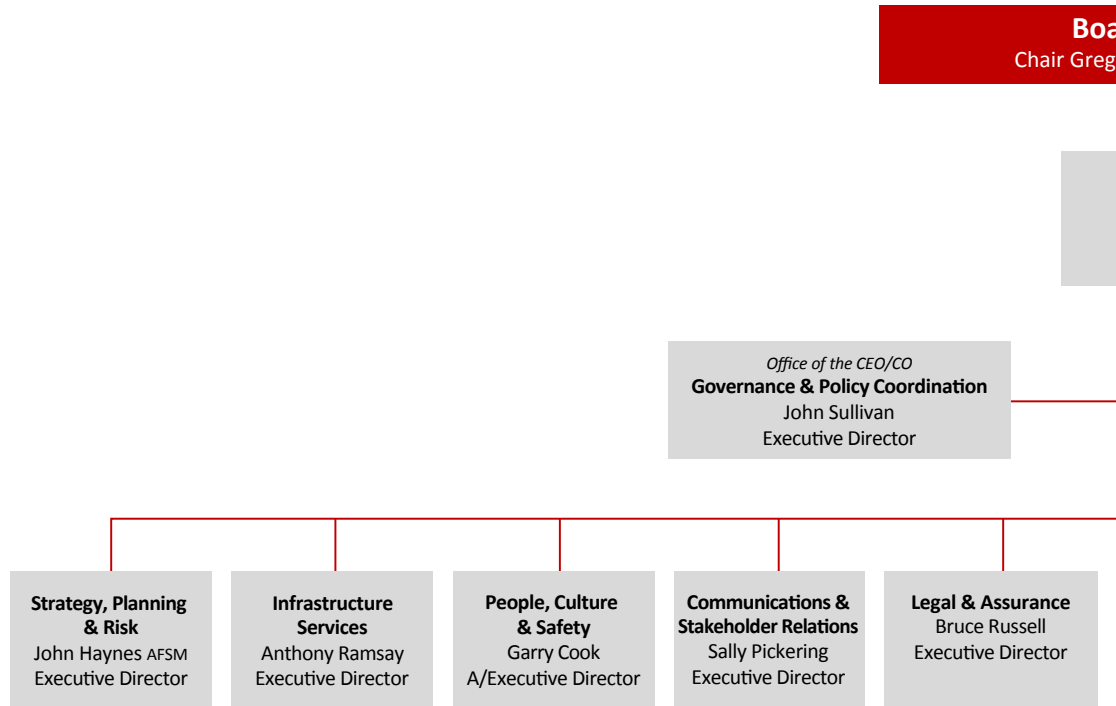
"This means that rather than having to wait for enough members to fill a face-to-face training session or travel to complete training, our people can jump online instead," Colin said.

"It also means that no one misses out on training because of full sessions. In some cases, members are able to complete the majority of their training online before completing a more concise, practical component in person.

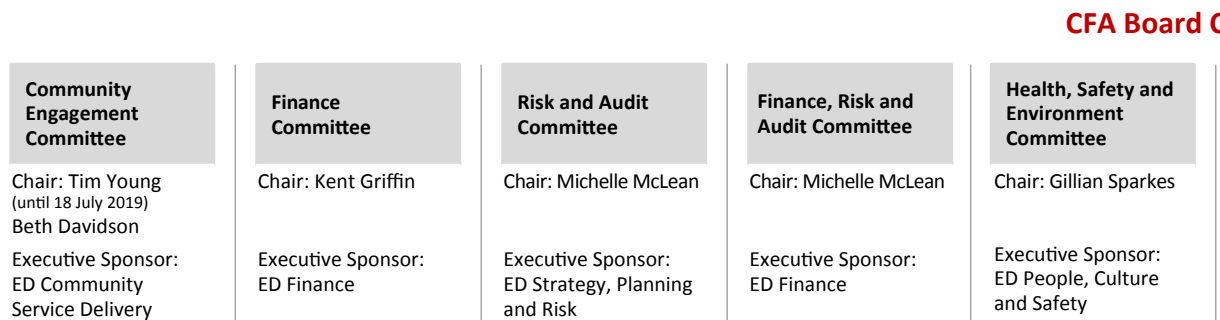
"Digital learning is another way CFA is increasing the sustainability of its brigades and the capability of its people."

Formalised Governance Framework

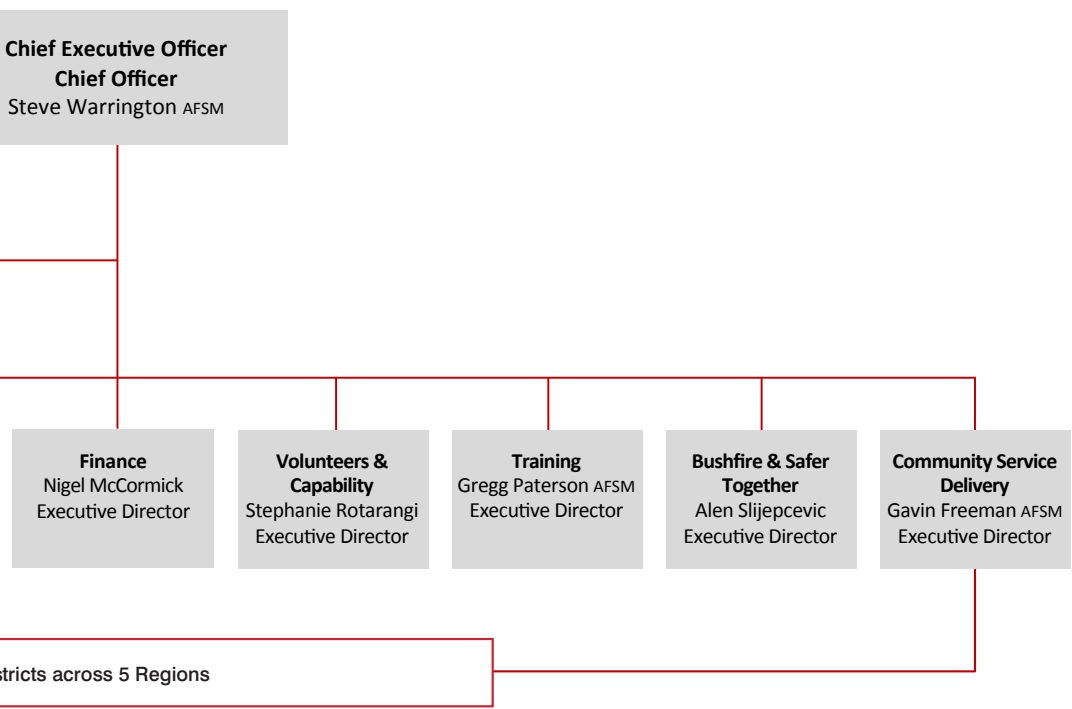
Our formalised Governance Framework details governance arrangements for the Board and Board committees.



1,217 Brigades in 21 Dis



ard
Smith AM



Committees

<p>People and Culture Committee</p>	<p>Service Delivery and Fire Services Reform Committee</p>	<p>Strategic Reform Committee</p>	<p>Honours, Awards and Remembrance Committee</p>	<p>Remuneration Committee</p>
<p>Chair: Lynda Hamilton (until 18 July 2019) Michelle McLean Executive Sponsor: ED People, Culture and Safety</p>	<p>Chair: Greg Smith AM Executive Sponsor: DCO Reform</p>	<p>Chair: Greg Smith AM Executive Sponsor: DCO Reform</p>	<p>Chair: Lynda Hamilton (until 18 July 2019) Greg Smith AM Executive Sponsor: ED Infrastructure Services</p>	<p>Chair: Greg Smith AM Executive Sponsor: ED People, Culture and Safety</p>

Figure 3: Structure and Executive as at 30 June 2020

CFA Board

CFA's Board is constituted under the CFA Act and is accountable to the Minister for Emergency Services. It sets our strategic direction and ensures government policy is effectively and efficiently implemented. The Board is accountable for our overall performance, ensuring legislative compliance, and that appropriate risk management strategies are in place.

Board members for 2019–20 were:

- Greg Smith AM (Chair)
- Michelle McLean (Deputy Chair)
- Simon Weir
- Pam White PSM
- Dr Gillian Sparkes
- Lynda Hamilton (until 18 July 2019)
- Tim Young (until 18 July 2019)
- Hazel Clothier (until 18 July 2019)
- Peter Shaw AFSM (reappointed for a three-year term from 30 July 2019)
- Kent Griffin (appointed for a three-year term from 30 July 2019)
- Dawn Hartog (appointed for a three-year term from 30 July 2019)
- Beth Davidson OAM (appointed for a three-year term from 29 October 2019)

CFA Board Committees

As at 30 June 2020, the Board committee structure contains seven committees that advise the Board on specific subjects.

Finance, Risk and Audit Committee

This committee provides the Board with oversight, review and assurance regarding financial sustainability and reporting, risk management, internal and external audit, and regulatory compliance. Ernst & Young conduct CFA's internal audit and report directly to the committee each time it meets. The Auditor-General audits CFA's annual financial statements and advises the committee. The committee includes an independent member.

People and Culture Committee

This committee provides the Board with oversight, review and assurance for people and culture plans, and programs of work and policy, including change management, workplace relations and staff development, and performance and succession. We appointed an independent member to this committee in June 2017.

Health, Safety and Environment Committee

This committee provides the Board with oversight, review and assurance regarding health, safety and environment strategy and policy, compliance and risk, performance, and in meeting external reporting requirements. We appointed an independent member to this committee in September 2017.

Community Engagement Committee

This committee provides oversight, review and assurance for community engagement initiatives, building community resilience, and on the quality and performance of our community engagement. We appointed an independent member to this committee in July 2017.

Honours, Awards and Remembrance Committee

This committee provides the Board with oversight, review and assurance regarding tributes and the preservation of history and remembrance, as well as recognition and remembrance work programs within CFA. As per the CFA Honours and Awards manual, it also receives, reviews and endorses nominations for certain honours and awards. This committee has appointed two independent members.

Remuneration Committee

This committee provides oversight, review and assurance regarding CFA's executive remuneration and policy.

Service Delivery and Fire Services Reform Committee:

In 2019–20, the Service Delivery and Fire Services Reform Committee replaced the Strategy, Planning and Governance Committee and the Strategic Reform Committee. The committee has supported the Board in discharging its responsibilities regarding the preparation for and the implementation of government policy as outlined in the Fire Services Statement. The committee has provided oversight, review and assurance regarding the delivery and implementation of the Government's Fire Services Reform policy and the strategic risks associated with it. Moving forward, the committee will focus on strategic service delivery matters.

Table 14: Board members' attendance at meetings 2019–20

Meeting*	BM	FRAC	HSE	PC	CE	HAR	REM	SD&FSR	SR	F ⁴
No. of Meetings	16	9	5	2	2	3	2	3	1	1
Greg Smith	15	3	1	-	-	3	1	3	1	-
Michelle McLean	16	9	1	2	-	-	2	3	1	-
Pam White	13	-	1	1	-	-	2	3	1	-
Gillian Sparkes	16	9	5	-	-	-	-	-	-	-
Simon Weir	15	9	3	-	-	-	-	-	-	1
Peter Shaw ¹	15	9	1	2	-	-	-	3	1	1
Kent Griffin ¹	14	8	-	-	-	-	-	2	1	1
Dawn Hartog ¹	9	-	1	-	2	2	-	-	-	-
Beth Davidson ²	10	-	2	2	2	-	-	-	-	-
Lynda Hamilton ³	-	-	-	-	-	-	-	-	-	-
Hazel Clothier ³	1	-	-	-	-	-	-	-	-	-
Tim Young ³	1	-	-	-	-	-	-	-	-	-

*BM, Board meeting; FRAC, Finance, Risk and Audit Committee; HSE, Health, Safety and Environment Committee; PC, People and Culture Committee; CE, Community Engagement Committee; HAR, Honours, Awards and Remembrance Committee; REM, Remuneration Committee; SD&FSR, Service Delivery and Fire Services Reform Committee; SR, Strategic Reform Committee; F, Finance.

1. Board member from 30 July 2019. 2. Board member from 29 October 2019. 3. Board member until 18 July 2019.

4. During the year, the Board separated Finance from Risk and Audit. The new Finance Committee held one meeting prior to being incorporated back into FRAC.

Attestation for Standing Directions



2019-20 Attestation Statement

2019-20 Financial Year

Compliance with Standing Direction 5.1.4

CFA Financial Management Compliance Attestation Statement

I, Greg Wilson, on behalf of the Country Fire Authority (CFA) Board, certify that the CFA has no Material Compliance Deficiency with respect to the applicable Standing Directions under the Financial Management Act 1994 and Instructions.

A handwritten signature in blue ink, appearing to read 'G. Wilson', is positioned above the printed name and title.

Greg Wilson
Chair

Date: 21 September 2020

Financial Summary

Five year financial summary	\$'m				
	2019-20	2018-19	2017-18	2016-17	2015-16
Grant income	807.4	622.2	600.2	577.8	477.6
Total income	865.1	656.7	640.1	590.5	510.2
Total expenses [*]	(737.3)	(644.4)	(591.0)	(582.2)	(575.2)
Net result	127.7	12.3	49.1	8.4	(65.1)
Comprehensive result	127.7	84.7	67.9	8.4	(31.0)
Net cash flows from operating activities	194.5	56.0	93.1	108.8	47.7
Total Assets	1,950.6	1,722.1	1,614.6	1,490.2	1,426.9
Total Liabilities	(300.0)	(221.0)	(231.1)	(231.6)	(217.6)
Total Equity	1,650.6	1,501.1	1,383.5	1,258.6	1,209.3

^{*} includes other economic flows included in net result

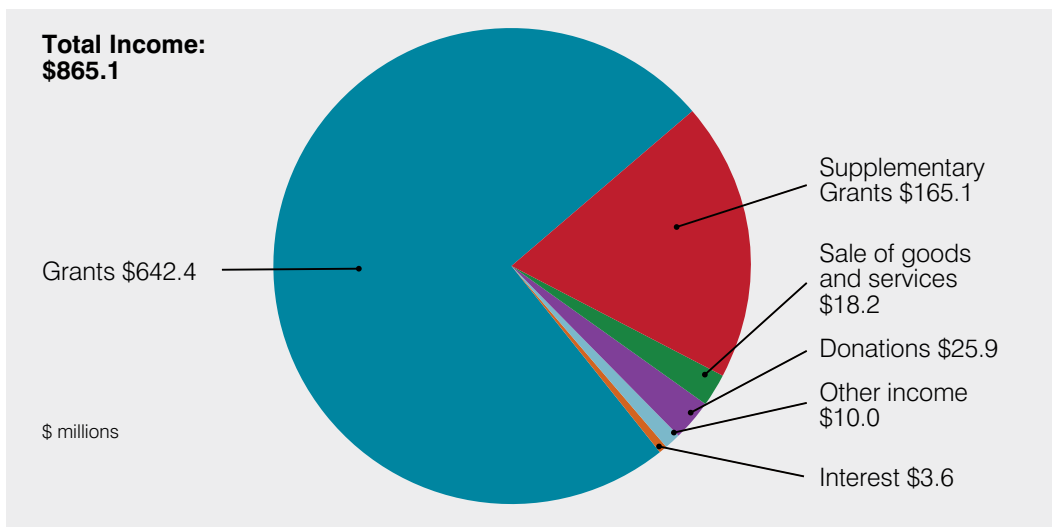
Executive Summary

CFA's comprehensive operating result for 2019-20 was a surplus of \$127.7m, representing an increase over last year's surplus of \$84.7m. The growth in income in 2019-20 was driven by additional non-recurring grant funding allocated to CFA.

CFA continues to maintain a strong balance sheet with net assets increasing by 10% \$149m to \$1.65 billion. These positive financial results reflect the Board's prudent oversight of financial management and CFA's objective of maintaining expenditures to within income over the medium term. Projects remain a significant feature of CFA's financial position from both a balance sheet perspective (cash held to enable the future delivery of projects) and from an operating result perspective.

Comprehensive Operating Statement

Income



Income

In 2019-20, CFA received most of its income (93%) through Grants provided by the Department of Justice and Community Safety (DJCS) and Department of Environment, Land, Water and Planning (DELWP).

The total income for the 2019-20 year was \$865.1m, an increase of \$208.4m from the previous year's total of \$656.7m primarily attributable to \$140.4m Supplementary funding for reimbursement of costs incurred from the 2016-17 financial year to date under the CFA Operational Staff Employment, Conditions and Entitlements Policy conditions, \$31.2m drawdown of contingency funding for the environmental decommissioning and remediation works and \$21.7m increased donations from public support as a result of the summer bushfire season.

Government and statutory grant funding

CFA received Grants and Contributions \$807.4m for the current year (\$622.2m for 2018-19). Under the *Country Fire Authority Act 1958* (the Act), CFA received funding of annual expenditure from the State Government under the property-based fire service levy arrangements. Total grants income included Supplementary grant of \$165.1m for 2019-20 (\$12.8m for 2018-19). The significant increase in the grants income for the year was mainly attributable to receipt of Supplementary funding of \$140.4m for reimbursement of costs and \$31.2m funding for the environmental decommissioning and remediation works as detailed above in the Income section.

Sales of goods and services

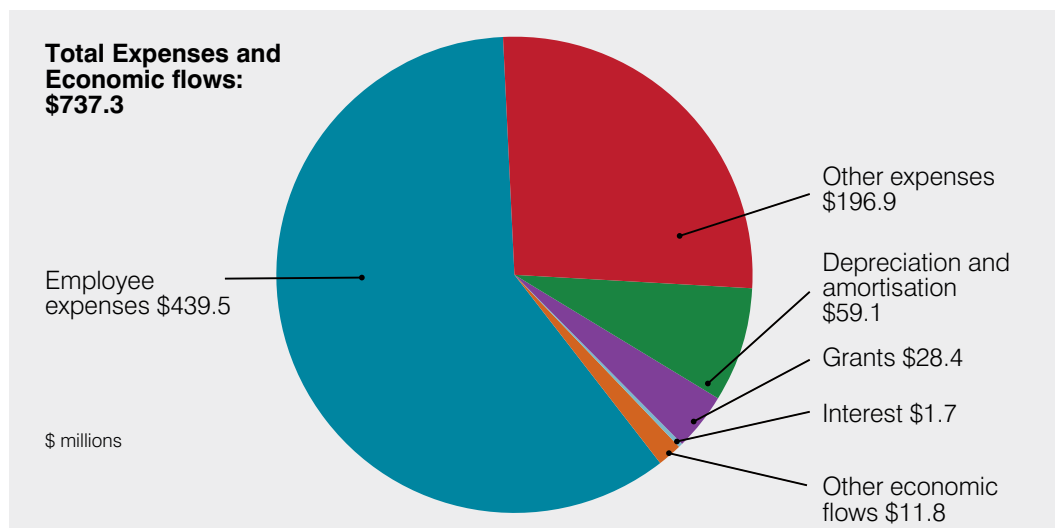
CFA received \$18.2m during the year from the sale of goods and services to external bodies (\$17.3m for 2018-19). This includes the provision of external training services, fire protection fees, dangerous goods inspections, fire and equipment maintenance services, and charges for hazardous materials incidents and emergency attendances.

Other income and interest

Other income, totalled \$35.9m for the current year (\$10.4m for 2018-19), was higher than the prior year due to receipt of substantially increased donations as a result of increased public support during the summer bushfire season. CFA received \$25.9m in donations for the year 2019-20 (\$4.2m for 2018-19).

Interest income was \$3.6m for the current year (\$6.9m for 2018-19). The reduction in the interest earnings for the current year in comparison to the year 2018-19 was a result of placing cash holdings in a centralised banking system account compliant with the 2018 Standing Directions, together with the declining interest rates environment.

Expenses



Expenses

Total expenses excluding other economic flows for the 2019-20 year were \$725.6m compared to \$635.4m for 2018-19. The increase of \$90.2m year on year in expenditure was due to additional \$66.8m employee costs, \$12.8m depreciation, \$12.1m grants expenditure, \$1.7m interest on leases from the first-time adoption of Australian Accounting Standards Board Standard on Leases (AASB 16) partially offset by a net favourable variance of \$3.2m from other operating expenses.

Net losses from other economic flows was \$11.8m for 2019-20 compared to \$9m for 2018-19. The additional loss of \$2.8m was a result of \$19.1m loss from implementation of an updated Long Service Leave (LSL) estimation model partially offset by \$13.4m gain from provision release on financial assets and \$2.9m net gain from asset disposal and discounting rate changes on the LSL revaluation.

Employee expenses

During 2019-20 employee expenses were \$439.5m compared to \$372.7m for 2018-19. The increase of \$66.8m in costs primarily resulted from growth program deployments, provision for employee related entitlements associated with conditions of employment for periods of service provided prior to 30 June 2020, operational overtime requirements, higher duties and EBA changes during the current year.

Depreciation and amortisation

Depreciation of property, plant and equipment and amortisation of intangible assets totalled \$59.1m for 2019-20 (\$46.4m for 2018-19). The primary reason for this increase was \$11m additional depreciation arising from the first-time adoption of AASB 16 Leases accounting standard. As per this standard, operating lease were capitalised as Right of Use (ROU) assets and correspondingly depreciated on a straight-line basis over the lease term.

Grants

CFA spent \$28.4m on grants during 2019-20 as against \$16.3m in 2018-19 and the primary reason for the increased grant expenditure was \$11.6m contribution to the Emergency Management Operational Communications (EMOC) program.

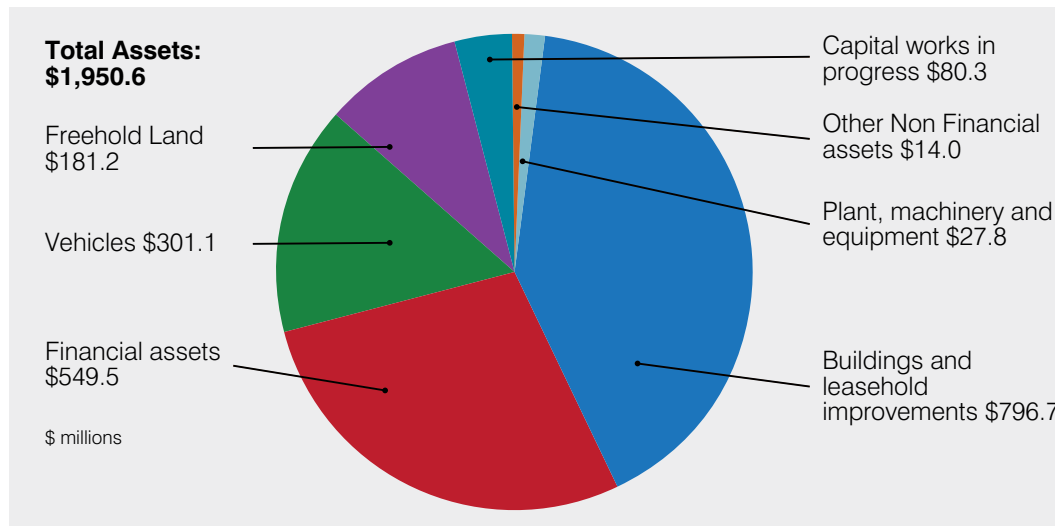
Other expenses

CFA spent \$196.9m on general operating costs and other expenses during 2019-20 as against \$200.1m in 2018-19. The decrease of \$3.2m for the year as compared to the prior year was a net result of various movements in underlying operating costs and provision movements.

This positive variance was attributable to re-classification in the 2019-20 financial year of \$9.8m operating lease costs to depreciation on account of first-time adoption of AASB 16 offset by COVID-19 pandemic-related costs (\$1.4m) and other net costs incurred for operational reasons. Favourable provision movements attributable to the volunteer compensation provision was offset by negative movements in the environmental decommissioning and remediation works provision.

Balance Sheet

Assets



Total Assets

Total assets were \$1,950.6m as at 30 June 2020 compared to \$1,722.1m as at 30 June 2019. The major elements in the upward movement of \$228.5m assets during the year were \$136.2m increase in cash and deposits and \$52.4m Right-of-Use (ROU) assets recognised on adoption of AASB 16.

Financial assets

Financial assets totalled \$549.5m as at 30 June 2020 (\$393.1m as at 30 June 2019) and comprise \$454.7m cash at bank and deposits, \$52.8m investments and \$42.0m receivables. \$11.1m cash and term-deposits included in the financial assets were recognised through consolidation of Trust fund. Net receivables increased by \$8.5m due to reversal of impairment mainly from a statutory debt.

Cash, deposits, and investments includes Trust and brigades' cash and investment balances together with cash holdings held for local initiatives and funded programs such as:

- 350 Firefighters Program
- Fire Services Statement
- New training capability
- Regional Radio Dispatch Service
- Environmental Compliance Program

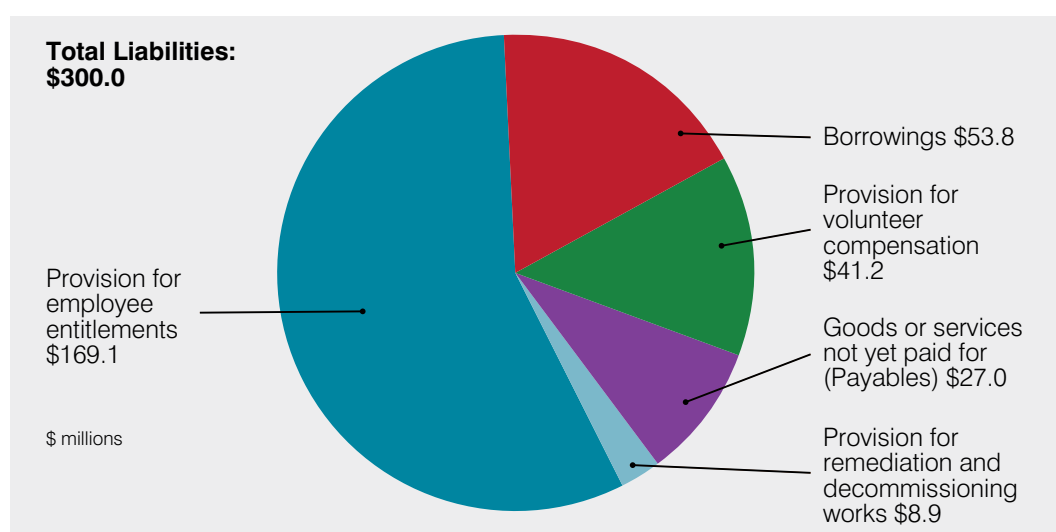
Non-Financial assets

Non-Financial assets totalled \$1,401.1m as at 30 June 2020 (\$1,329m as at 30 June 2019) comprising \$1,387.1m property, plant and equipment, and other non-financial assets, \$9.3m inventories of goods held in store, \$2.6m prepayments and \$2.1m intangible assets.

Within property, plant and equipment \$52.4m was recognised during the year as ROU asset on adoption of AASB 16.

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 in progress, totalled \$80.3m (2018-19: \$61.6m).

Liabilities



Total Liabilities

Total liabilities amounted to \$300.0m as at 30 June 2020 compared to \$221m as at 30 June 2019. The \$79.0m increase in the total liabilities in the current year was primarily attributable to the first-time recognition of \$53.8m borrowings on adoption of AASB 16 and \$26m in employee related and other provisions.

Goods or services not yet paid for (Payables)

At 30 June 2020, a total of \$27.0m was owed for goods or services provided but not yet paid for compared to \$27.8m as at 30 June 2019.

Borrowings

\$53.8m lease borrowings were recognised during the year on the first-time adoption of AASB 16.

Employee related and other provisions

There was a net increase of \$26m in employee related and other provisions. Employee related provisions increased by \$52.5m as a result of \$19.1m from implementation of the DTF 2008 Long Service Leave model, \$24.1m provision for employee related entitlements associated with periods of service provided prior to 30 June 2020 and \$9.3m other employee related provision movements.

This increase was offset by a net reduction of \$18.5m in the environmental decommissioning and remediation works provision as a result of works completed and a \$8.0m reduction in the Volunteer compensation provision primarily due to the estimates for large claims reflecting lower than expected case estimates and other reasons as detailed in note 5.4 of the Annual Financial Statements.

CFA and Brigades Donations Fund

In 2004, CFA established the CFA and Brigades Donations Fund (the Trust). The Trust is a public fund with tax-deductible status. It was set up to comply with the Income Tax Assessment Act 1997, to allow people to make tax-deductible donations to support CFA brigades' operational firefighting capacity.

The Trust is governed by its Deed, which sets out the purpose of the Trust and the purpose for which moneys relating to the Trust can be raised and be used. All donations for brigades whether received by brigades or the CFA on behalf of a brigade must be paid into the Trust. The money received is subsequently released back to the brigade for spending in line with the objects of the Trust (known as disbursements). The Trustees are responsible for the preparation of separate financial statements that are subject to independent audit.

The Trust is an entity controlled by CFA for accounting purposes as per the Australian Accounting Standards Board Standard on Consolidated Financial Statements (AASB 10). The financials of the Trust, therefore, were consolidated within the CFA's Annual Financial Statements effective 30 June 2020. As a result of this consolidation, cash and term-deposits amounting to \$11.1m has been recognised as financial assets in the books of CFA.

A total of 1,219 brigades were registered with the Trust as at 30 June 2020. The Trust received revenue from donations of \$17.7m during the 2019-20 financial year compared to \$4.2m during 2018-19. The Trust received substantially increased donations in the current financial year as a result of public support in the 2019-2020 bush fire season. Donations will be used in terms of the objects of the Trust deed, to purchase, maintain and meet costs associated with fire-fighting equipment, facilities and functions.

Trust bank and term-deposits balances were \$6.9m and \$4.2m as at 30 June 2020 (\$0.4m and \$1.1m as at 30 June 2019) respectively.

Subsequent Events

Fire Services Reform (FRV) and COVID-19

A detailed note in respect of implementation of FRV and a brief note on COVID-19 are provided in Note 8.10 of this Annual Financial Statements.

Financial Report

How this report is structured

Country Fire Authority (CFA) has presented its audited general purpose financial statements for the year ended 30 June 2020 in the following structure to provide users with the information about the CFA's stewardship of resources entrusted to it.

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Chair's, Accountable Officer's and Chief Financial Officer's declaration

The attached financial statements for the Country Fire Authority have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations and other mandatory professional reporting requirements.

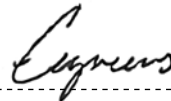
We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2020 and financial position of the Country Fire Authority at 30 June 2020.

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 23 November 2020.



G Wilson
Chair
Country Fire Authority
Melbourne
23 November 2020



C Greaves
Acting Chief Executive Officer
Country Fire Authority
Melbourne
23 November 2020



N McCormick CA
Chief Financial Officer
Country Fire Authority
Melbourne
23 November 2020

Audit Report



Victorian Auditor-General's Office

Independent Auditor's Report

To the Board of the Country Fire Authority

Opinion	<p>I have audited the financial report of the Country Fire Authority (the Authority) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 30 June 2020• comprehensive operating statement for the year then ended• statement of changes in equity for the year then ended• cash flow statement for the year then ended• notes to the financial statements, including significant accounting policies• chair's, accountable officer's and chief financial officer's declaration. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the Authority as at 30 June 2020 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the Authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
The Board's responsibilities for the financial report	<p>The Board of the Authority is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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 Authority's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
30 November 2020



Janaka Kumara
as delegate for the Auditor-General of Victoria

Comprehensive operating statement

For the financial year ended 30 June 2020

	Notes	(\$ thousand)	
		2020	2019
Continuing operations			
Income from transactions			
Grants	2.2.1	807,448	622,216
Sale of goods and services	2.2.2	18,205	17,257
Other income	2.2.3	35,884	10,380
Interest income	2.2.4	3,554	6,877
Total income from transactions		865,091	656,730
Expenses from transactions			
Employee expenses	3.1.1	439,492	372,654
Other operating expenses	3.3	196,878	200,098
Depreciation and amortisation	4.1.1	59,110	46,356
Grant expenses	3.2	28,366	16,268
Interest expenses	6.4	1,722	-
Total expenses from transactions		725,568	635,376
Net result from transactions/ (net operating balance)		139,523	21,354
Other economic flows included in net result			
Net gain/(loss) on non-financial assets ^(a)	8.2	46	(2,184)
Net gain/ (loss) on financial instruments ^(b)	8.2	8,320	(5,105)
Other gain/ (loss) from other economic flows	8.2	(20,141)	(1,739)
Total other economic flows included in net result		(11,775)	(9,028)
Net result		127,748	12,326
Other economic flows – other comprehensive income:			
Items that will not be reclassified to net result			
Changes in physical assets revaluation surplus	8.3	-	72,385
Total other economic flows – other comprehensive income		-	72,385
Comprehensive result		127,748	84,711

The accompanying notes form part of these financial statements.

Notes

(a) Net gain/(loss) on non-financial assets includes unrealised and realised gains and losses from revaluations, impairments, and disposals of all physical assets and intangible assets, except when these are taken through the asset revaluation surplus.

(b) Net gain/(loss) on financial instruments includes bad and doubtful debts from other economic flows, unrealised and realised gains and losses from revaluations, impairments and reversals of impairment.

Balance sheet

As at 30 June 2020

	Notes	(\$ thousand)	
		2020	2019
Assets			
Financial assets			
Cash and deposits	6.1	454,651	318,415
Receivables	5.1	42,008	28,252
Investments	6.3	52,837	46,476
Total financial assets		549,496	393,143
Non-financial assets			
Inventories	5.2	9,283	7,774
Property, plant and equipment ^(a)	4.1	1,387,113	1,315,928
Intangible assets	4.2	2,154	2,775
Prepayments		2,558	2,486
Total non-financial assets		1,401,108	1,328,963
Total assets		1,950,604	1,722,106
Liabilities			
Payables	5.3	26,999	27,802
Borrowings ^(b)	6.4	53,829	-
Employee related provisions	3.1.2	169,118	116,566
Other provisions	5.4	50,094	76,630
Total liabilities		300,040	220,998
Net assets		1,650,564	1,501,108
Equity			
Accumulated surplus		572,370	444,448
Physical asset revaluation surplus	8.3	556,761	556,761
Contributed capital		521,433	499,899
Net worth		1,650,564	1,501,108

The accompanying notes form part of these financial statements.

Notes

(a) Property, plant and equipment includes right-of-use lease assets as per Australian Accounting Standards Board: *AASB 16 Leases*

(b) Borrowings are right-of-use lease liabilities as per *AASB 16 Leases*.

Cash flow statement

For the financial year ended 30 June 2020

	Note	(\$ thousand)	
		2020	2019
Cash flows from operating activities			
Receipts			
Receipts from government		799,235	620,090
Receipts from other entities		23,693	18,513
Goods & services tax recovered from the ATO ^(a)		26,502	27,302
Interest received		3,538	8,275
Other receipts		33,723	10,340
Total receipts		886,691	684,520
Payments			
Payments of grant expenses		(28,390)	(16,268)
Payments to suppliers and employees		(663,775)	(612,245)
Total payments		(692,165)	(628,513)
Net cash flows from operating activities	6.1.1	194,526	56,007
Cash flows from investing activities			
Payments for investments		(4,200)	(475,399)
Proceeds from sale of investments		-	681,000
Purchases of non-financial assets		(70,675)	(97,663)
Proceeds from sale of non-financial assets		4,530	6,281
Net cash flows from/ (used in) investing activities		(70,345)	114,219
Cash flows from financing activities			
Owner contributions by State Government		21,708	43,287
Repayment of borrowings ^(b)		(9,653)	-
Net cash flows from financing activities		12,055	43,287
Net increase in cash and cash equivalents		136,236	213,513
Cash and cash equivalents at the beginning of the financial year		318,415	104,902
Cash and cash equivalents at the end of the financial year	6.1	454,651	318,415

The accompanying notes form part of these financial statements.

Notes

(a) GST paid to or received from the Australian Taxation Office (ATO) is presented on a net basis.

(b) CFA has recognised cash payments for the principal portion of lease payments as financing activities; cash payments for the interest portion as operating activities consistent with the presentation of interest payments and short-term lease payments for leases and low-value assets as operating activities.

Statement of changes in equity

For the financial year ended 30 June 2020

	(\$ thousand)			
	Accumulated surplus	Physical asset revaluation surplus	Contributed capital	Total
Balance as at 1 July 2018	432,122	484,376	456,612	1,373,110
Net result for the year	12,326	-	-	12,326
Other comprehensive income	-	72,385	-	72,385
Capital appropriations	-	-	43,287	43,287
Other adjustments	-	-	-	-
Balance as at 30 June 2019	444,448	556,761	499,899	1,501,108
Net result for the year	127,748	-	-	127,748
Other comprehensive income	-	-	-	-
Capital appropriations	-	-	21,534	21,534
Other adjustments	174	-	-	174
Balance as at 30 June 2020	572,370	556,761	521,433	1,650,564

1. About this report

The Country Fire Authority is a statutory authority of the State of Victoria, established pursuant to an order made by the Premier under the *Country Fire Authority Act 1958*.

Its principal address is:

Country Fire Authority
8 Lakeside Drive,
Burwood East VIC 3151

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

Basis of preparation

These financial statements are presented in Australian dollars and prepared in accordance with the historical cost convention unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis. The exceptions to the historical cost convention are:

- non-financial physical assets which, after acquisition, are measured at a re-valued 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; and
- certain liabilities that are calculated based on actuarial assessments or present value.

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

Consistent with the requirements of *AASB 1004 Contributions*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of CFA.

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 to or distributions by owners have also been designated as contributions by owners.

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in applying Australian Accounting Standards (AASs) that have significant effect on the financial statements and estimates relate to:

- the fair value of land, buildings, and plant and equipment and investment properties;
- assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates;
- actuarial assumptions for volunteer compensation provisions based on assessment of outstanding claims;
- provision for decommissioning and remediation based on expert advice regarding the nature and timing of work involved; and
- collectability of receivables given period of outstanding debt, risk of default and expected loss. This is explained further in Note 7.1.3 under Financial instruments: Credit risk.

These financial statements cover CFA as an individual reporting entity and include all the controlled activities of CFA and the Trust for CFA & Brigades Donations Fund.

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

All amounts in the financial statements have been rounded to the nearest \$1,000 unless otherwise stated. Refer to Note 8.14 for a style convention guide and explanation of minor discrepancies resulting from rounding.

Compliance information

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

Where appropriate, those Australian Accounting Standard paragraphs applicable to not-for-profit entities have been applied. Accounting policies selected and applied in these financial statements ensure 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 technical terms can be found at Note 8.13.

These annual financial statements were authorised for issue by the Board of CFA on 23 November 2020.

2. Funding delivery of our services

Introduction

CFA's mission is to protect lives and property. Our vision is to ensure Victorian communities are prepared for and safe from fire. We are Victoria's volunteer fire service, operating across the state to reduce the occurrence and impacts of fire and other emergencies.

CFA receives income in the form of grants from the Department of Justice and Community Safety (DJCS) to fulfil its objectives. CFA also receives income from supplementary funding, other grants, regulatory fees, rendering of services and interest income from bank deposits and investments.

Structure

2.1	Summary of income that funds the delivery of our services	59
2.2	Income from transactions	59

2.1 Summary of income that funds the delivery of our services

	Notes	(\$ thousand)	
		2020	2019
Grants	2.2.1	807,448	622,216
Sale of goods and services	2.2.2	18,205	17,257
Other income	2.2.3	35,884	10,380
Interest income	2.2.4	3,554	6,877
Total income from transactions		865,091	656,730

Revenue is recognised when, or as, the performance obligations for the sale of goods and services to the customer are satisfied. Income from the rendering of services is recognised at a point in time when the performance obligation is satisfied or when the service is completed. Consideration received in advance of recognising the associated revenue from the customer is recorded as a contract liability. (Note 5.3) Where the performance obligations are satisfied but not yet billed, a contract asset is recorded. (Note 5.1). Adoption of *AASB 15 Revenue from Contract with Customers* and *AASB 1058 Income of Not-for-Profit Entities* for the first time during the year have had no impact on recognition of income from sale of goods or services or receipt of grant income.

2.2 Income from transactions

2.2.1 Grants

	(\$ thousand)	
	2020	2019
General purpose	642,388	609,414
Supplementary funding ^(a)	165,060	12,802
Total grants	807,448	622,216

Note

(a) Supplementary funding includes \$140,424k re-imbursement of costs incurred from the 2016-17 financial year to date under the CFA Operational Staff Employment, Conditions and Entitlements Policy conditions.

The current grant revenue recognition is based on the application of *AASB 1058 Income of Not-for-Profit Entities*. Due to the modified retrospective transition method chosen in applying AASB 1058, comparative information has not been restated to reflect the new requirements. The initial application of AASB 1058 on CFA's grant revenue has had no impact to Other Comprehensive Income and the Statement of Cash flows for the financial year.

Income from grants that are enforceable and with sufficiently specific performance obligations and accounted for as revenue from contracts with customers is recognised when CFA satisfies the performance obligation.

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when CFA has an unconditional right to receive cash which usually coincides with receipt of cash. On initial recognition of the asset, CFA recognises any related contributions by owners, increases in liabilities, decreases in assets, and revenue (related amounts) in accordance with other Australian Accounting Standards. Related amounts may take the form of:

- (a) contributions by owners, in accordance with AASB 1004;
- (b) revenue or a contract liability arising from a contract with a customer, in accordance with AASB 15;
- (c) a lease liability in accordance with AASB 16;
- (d) a financial instrument, in accordance with AASB 9; or
- (e) a provision, in accordance with *AASB 137 Provisions, Contingent Liabilities and Contingent Assets*.

There is no transitional impact on recognition of income in adopting AASB 15 and AASB 1058 as explained above.

Previous accounting policy for 30 June 2019

Grant income arises from transactions in which a party provides goods, services or assets (or extinguishes a liability) without receiving approximately equal value in return. While grants may result in the provision of some goods or services to the transferring party, they do not provide a claim to receive benefits directly of approximately equal value (and are termed 'non-reciprocal' transfers). Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For non-reciprocal grants, CFA recognises revenue when the grant is receivable or received.

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

2.2.2 Sale of goods and services

	(\$ thousand)	
	2020	2019
Sale of goods	3,226	3,384
Regulatory fees	7,658	7,888
Rendering of services	7,321	5,985
Total sale of goods and services	18,205	17,257

Revenue is recognised when, or as, the performance obligations for the sale of goods and services to the customer are satisfied. Income from the rendering of services is recognised at a point in time when the performance obligation is satisfied when the service is completed. Consideration received in advance of recognising the associated revenue from the customer is recorded as a contract liability. (Note 5.3) Where the performance obligations are satisfied but not yet billed, a contract asset is recorded. (Note 5.1). Adoption of *AASB 15 Revenue from Contract with Customers* and *AASB 1058 Income of Not-for-Profit Entities* for the first time during the year have had no impact on recognition of income from sale of goods or services or receipt of grant income.

Previous accounting policy for 30 June 2019

Income from the **sale of goods** is recognised when:

- CFA no longer has any of the significant risks and rewards of ownership of the goods transferred to the buyer;
- CFA no longer has continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- the amount of income, and the costs incurred or to be incurred in respect of the transactions, can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to CFA.

Income from **regulatory fees** and **rendering of services** is recognised by reference to the completion of the services being performed. The income is recognised when:

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

2.2.3 Other income

	(\$ thousand)	
	2020	2019
Public Fund donation*	8,193	33
Brigade assets - Cash and donations*	21,879	4,324
Brigade assets - Buildings at fair value	87	-
Brigade assets - Vehicles, plant and equipment	261	769
Fair value of assets and services received free of charge or for nominal consideration - Land	-	40
Other	5,464	5,214
Total other income	35,884	10,380

* Prior year numbers have been reclassified to align with current year presentation.

Public Fund donations represent donations received from the public into the Public Fund. Details of the Public Fund are disclosed at Note 6.2.1.

Donations received from the public significantly increased in the current year due to community support over the bushfire season of 2019-20.

Brigade Assets represent movements in cash at the brigades and contributions by the brigades towards property, plant and equipment. Brigade assets are recognised when received or receivable. Brigade assets cash and donations include donations from the public to the Trust for CFA & Brigades Donations Fund.

Contributions of resources provided free of charge or for nominal consideration are recognised at their fair value when the recipient obtains control over the resources, irrespective of whether restrictions or conditions are imposed over the use of the contributions. Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not donated.

Volunteer Services are only recognised when a fair value can be reliably measured and the services would have been purchased if not donated. CFA has assessed that the fair value of volunteer services via volunteer contribution and effort cannot be reliably measured or estimated through comparative pricing methodology.

Other income includes insurance recoveries, donations received, external capital contributions and employee contributions for Fringe Benefits Tax (FBT) and other items.

2.2.4 Interest income

	(\$ thousand)	
	2020	2019
Interest from financial assets not at fair value through profit and loss		
Interest on term deposits with Treasury Corporation Victoria (TCV)	-	5,107
Interest on Central Banking System account	3,379	1,089
Interest on bank deposits	175	681
Total interest from financial assets not at fair value through profit and loss	3,554	6,877

Interest income includes interest received from operational and call accounts. Interest income is recognised using the effective interest method, which allocates the interest over the relevant period.

3. The cost of delivering services

Introduction

This section provides an account of the expenses incurred by CFA in delivering services and outputs. In Note 2 the funds that enable the provision of services were disclosed, and in this note the cost associated with provision of services are recorded.

Structure

3.1	Expenses incurred in delivery of services	63
3.2	Grant expenses	66
3.3	Other operating expenses	67

3.1 Expenses incurred in delivery of services

		(\$ thousand)	
	Notes	2020	2019
Employee benefit expenses	3.1.1	439,492	372,654
Grants expenses	3.2	28,366	16,268
Other operating expenses	3.3	196,878	200,098
Total expenses incurred in delivery of services		664,736	589,020

3.1.1 Employee benefits in the comprehensive operating statement

	(\$ thousand)	
	2020	2019
Defined contribution superannuation expense	9,621	8,092
Defined benefit superannuation expense	19,953	18,999
Other on-costs (payroll tax, fringe benefits tax, workcover) ^(b)	27,513	21,810
Employee allowance and support costs ^(b)	7,840	4,055
Salaries and wages, annual leave and long service leave ^{(a)(b)}	374,565	319,698
Total employee benefit expenses	439,492	372,654

Notes

(a) CFA has adopted the Department of Treasury and Finance 2008 model for calculation of long service leave liability to better represent CFA's payment pattern. The impact of the adoption of the 2008 model is disclosed under Note 8.2.

(b) CFA has provided \$21,967k towards employee related entitlements associated with conditions of employment for periods of service provided prior to 30 June 2020 and a further \$2,163k in Travel expenses. The corresponding increase in the liability is reflected as Employee related provisions in the balance sheet – refer Note 3.1.2.

Employee benefit expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, termination payments and WorkCover premiums.

The amount recognised in the comprehensive operating statement in relation to superannuation is employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period. CFA does not recognise any defined benefit liabilities because it 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. Instead, the Department of Treasury and Finance (DTF) discloses in its annual financial statements the net defined benefit cost related to the members of these plans as an administered liability (on behalf of the State as the sponsoring employer).

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

3.1.2 Employee benefits in the balance sheet

	(\$ thousand)	
	2020	2019
Current provisions:		
Annual leave		
Unconditional and expected to settle within 12 months	30,933	32,294
Unconditional and expected to settle after 12 months	11,764	4,359
Long service leave^(a)		
Unconditional and expected to settle within 12 months	4,084	3,134
Unconditional and expected to settle after 12 months	64,684	48,740
Provision for employee entitlements^(b)	24,130	-
Provisions for on-costs		
Unconditional and expected to settle within 12 months	5,875	7,984
Unconditional and expected to settle after 12 months	12,767	9,650
Total current provisions for employee benefits	154,237	106,161
Non current provisions:^(a)		
Employee benefits	12,752	8,854
On-costs	2,129	1,551
Total non current provisions for employee benefits	14,881	10,405
Total provisions for employee benefits	169,118	116,566

Notes

(a) CFA has adopted the Department of Treasury and Finance 2008 model for calculation of long service leave liability to better represent CFA's payment pattern. Prior to this, CFA had been using the Department of Treasury and Finance 2004 model. The adoption of the 2008 model and associated discount rate changes resulted in a net loss \$19,100k, which is included in the \$20,141k loss disclosed at Note 8.2.

(b) CFA has provided \$24,130k towards employee related entitlements associated with conditions of employment for periods of service provided prior to 30 June 2020.

Reconciliation of movement in on-cost provision

	(\$ thousand)	
	2020	2019
Opening balance	19,185	18,006
Additional provisions recognised	10,130	8,045
Reductions arising from payments	(8,680)	(6,992)
Unwind of discount and effect of changes in the discount rate	136	126
Closing balance	20,771	19,185
Current	18,642	17,634
Non current	2,129	1,551

Liabilities for annual leave are recognised as part of 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.

Liabilities for long service leave are recognised in the provision for employee benefits. The model for valuation of long service leave was changed to align with the payment pattern of CFA to more appropriately represent the liability. The additional liability due to this change is reflected in balance sheet.

Unconditional Long Service Leave (LSL) is disclosed as a current liability; even where CFA does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- 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.

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 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' in the net result.

No provision has been made for **sick leave** as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the comprehensive operating statement as it is taken.

Employment on-costs such as payroll tax, workers compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

Liabilities for salaries and wages payable as at balance sheet date are disclosed at Note 5.3 Payables.

3.1.3 Superannuation contributions

Employees of CFA are entitled to receive superannuation benefits and CFA contributes to both defined benefit and defined 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.

As stated in Note 3.1.1, 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 defined benefit liability is recognised in DTF as an administered liability. However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of CFA.

	(\$ thousand)			
	Paid contribution for the year		Contribution outstanding at year end	
	2020	2019	2020	2019
Defined benefit plans ^(a)				
Emergency Services Superannuation Scheme (ESSS)	19,892	18,941	-	-
Other (Government Superannuation Office)	61	58	-	-
Defined contribution plans				
Emergency Services Superannuation Plan (ESS Plan)	6,821	5,774	-	-
Others	2,800	2,317	-	-
Total	29,574	27,090	-	-

Note

(a) The basis for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans.

3.2 Grant expenses

	(\$ thousand)	
	2020	2019
General purpose grants		
Grants to volunteer associations	1,816	1,695
Grants to local governments	256	175
Grants to federal government	171	175
Grants to Department of Justice and Community Safety (DJCS)	26,123	14,223
Total grant expenses	28,366	16,268

Grant expenses are contributions of CFA's resources to another party for a specific or general purpose where there is no expectation that the amount will be repaid in equal value (either by money, goods or services).

Grants can either be operating or capital in nature. 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 specific purpose and/or have conditions attached regarding their use.

Grant expenses are recognised in the reporting period in which they are paid or payable. Grants can take the form of money, assets, goods, services or forgiveness of liabilities.

3.3 Other operating expenses

		(\$ thousand)	
	Note	2020	2019
Supplies and services			
Purchase of uniform & equipment		13,910	11,710
Purchase of services			
-- Legal fees		3,033	2,075
-- Contractors and consultants fees		8,611	8,829
-- Audit fees		474	600
-- Catering - operational		814	811
-- Contractor payments to external services - ESTA and others		43,295	40,230
Maintenance			
-- Building operating and maintenance		15,256	12,387
-- Motor vehicle operating and maintenance		16,710	15,211
-- Computer equipment and systems		4,228	3,557
-- Communications, alarms and radio replacement		10,334	18,278
-- Other operating and maintenance		11,415	11,025
Printing and stationery		2,423	2,490
External training and skills maintenance		4,569	7,871
Hire fees - plant, equipment and vehicles		3,568	3,624
Aircraft hire		6,560	7,556
Publicity/Advertising		954	1,025
Volunteer compensation and insurance		(1,142)	16,009
Volunteer and brigade running costs		9,755	5,355
Contribution to other organisations		1,036	766
Operating lease rental expenses*		-	9,766
Short-term lease expenses*		40	-
Low value asset expenses*		41	-
Bad debts from transactions		8	25
Cost of goods sold/ distributed		6,531	5,224
Essential remediation and decommissioning expenses	5.4	10,458	(7,312)
General expenses		7,849	7,636
Travel expenses		16,148	15,350
Total other operating expenses		196,878	200,098

* Prior year numbers have been reclassified to align with current year presentation.

Other operating expenses generally represent the day-to-day running costs incurred in normal operations. It also includes bad debts expense from transactions that are mutually agreed.

Other operating expenses generally represent the day-to-day running costs incurred in normal operations, and also includes bad debts expense from transactions.

Supplies and services are recognised as an expense in the reporting period in which they are incurred.

Operating lease payments up until 30 June 2019 (including contingent rentals) were recognised 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.

From 1 July 2019, the following lease payments are recognised on a straight-line basis:

- Short-term leases – leases with a term less than 12 months; and
- Low value leases – leases with the underlying asset's fair value (when new, regardless of the age of the asset being leased) is no more than \$10k.

Cost of goods sold or distributed: The carrying amounts of any inventories held for sale or distribution are recognised as an expense in the period in which the related income is recognised or the inventories are distributed. The amount of any write down of inventories to net realisable value and all losses of inventories shall be recognised as an expense in the period the write down or loss occurs.

The amount of any reversal of any write down of inventories, arising from an increase in net realisable value, shall be recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

4. Key assets available to support output delivery

Introduction

CFA controls property, plant, equipment and other assets that are utilised in fulfilling its objectives and conducting its activities. They represent the resources that have been entrusted to CFA to be utilised for delivery of those outputs.

Significant judgement:

CFA has applied judgement to the following attributes of property, plant and equipment:

- the useful lives of assets;
- asset condition;
- fair values; and
- whether assets are specialised assets.

Fair value measurement

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 7.3 in connection with how those fair values were determined.

Structure

4.1	Property, plant and equipment	69
4.2	Intangible assets	75

4.1 Property, plant and equipment ^(a)

	(\$ thousand)					
	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2020	2019	2020	2019	2020	2019
Land at fair value ^(b)	181,230	179,621	-	-	181,230	179,621
Buildings at fair value ^(b)	805,357	737,350	(22,466)	-	782,891	737,350
Leasehold improvements at fair value	31,977	28,215	(18,131)	(16,110)	13,846	12,105
Plant and equipment at fair value	103,166	82,966	(75,385)	(71,752)	27,781	11,214
Vehicles at fair value	626,397	616,337	(325,304)	(302,254)	301,093	314,083
Assets under construction at cost	80,272	61,555	-	-	80,272	61,555
Net carrying amount	1,828,399	1,706,044	(441,286)	(390,116)	1,387,113	1,315,928

Notes

(a) This balance includes the initial recognition of right-of-use assets recorded on the balance sheet on 1 July 2019.

(b) A fair value assessment was conducted on 30 June 2019 on these classes of assets, where the fair value was found to be more than 10 per cent change from the last full revaluation conducted by the Valuer General Victoria for 30 June 2016. This resulted in the last year a revaluation increase in the value of the land by \$5,840k and buildings by \$66,545k and the comprehensive result by \$72,385k.

A fair value assessment was performed using the Valuer General Victoria indices for 30 June 2020 and as the requirements for revaluation in terms of FRD 103H *Non-financial Physical Assets* were not met, no managerial revaluation was performed on 30 June 2020.

Management has relied on the Valuer General Victoria's indices for its fair value assessment and whilst the indices may not reflect the full impact of COVID-19, there is no indication that the indices cannot be relied upon. In arriving at its assessment on fair value, management considered the specialist nature of its assets in supporting its unique service delivery requirements which remain unaffected by the impact of COVID-19 and will continue into the future. The potential impact of COVID-19 on the indices is inherently uncertain and its potential impact on the fair value cannot be reliably measured.

The following tables are subsets of buildings, plant, equipment and vehicles by right-of-use assets.

4.1(a) Total right-of-use assets: buildings, plant, equipment and vehicles

2020	(\$ thousand)		
	Gross carrying amount	Accumulated depreciation	Net carrying amount
Buildings	61,432	(10,028)	51,404
Plant and equipment	613	(554)	59
Vehicles	1,440	(507)	933
Net carrying amount	63,485	(11,089)	52,396

2020	(\$ thousand)		
	Buildings	Plant and equipment	Vehicles
Opening balance - 1 July 2019	61,432	613	1,295
Additions	-	-	145
Depreciation	(10,028)	(554)	(507)
Closing balance- 30 June 2020	51,404	59	933

Property, plant and equipment

Initial recognition: Property, plant and equipment are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a machinery of government change are transferred at their carrying amount.

The 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.

The cost of a leasehold improvement is capitalised and depreciated over the shorter of the remaining term of the lease or its estimated useful life.

Right-of-use asset acquired by lessees (under AASB 16 Leases from 1 July 2019)

– Initial measurement

The CFA recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

Subsequent measurement: Property, plant and equipment as well as right-of-use assets under leases are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset) and is summarised by asset category.

Right-of-use asset – Subsequent measurement

The CFA depreciates the right-of-use assets on a straight line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful life of the right-of-use assets are determined on the same basis as property, plant and equipment. The right-of-use assets may be subject to revaluation as required by FRD 103H, however as at 30 June 2020 right-of-use assets have not been revalued.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Specialised land and specialised buildings: The market approach is used for specialised land, although is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that the CSO adjustment is also equally applicable to market participants.

For specialised buildings, the current replacement cost method is used, adjusting for the associated depreciation.

Vehicles are valued using the current 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 in CFA who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Fair value for **plant and equipment** that are specialised in use (such that it is rarely sold other than as part of a going concern) is determined using the current replacement cost method.

Refer to Note 7.3 for additional information on fair value determination of property, plant and equipment.

Volunteer brigade land and buildings

CFA acknowledges the significant contributions made by volunteer brigades to the capital value of fire stations. Many brigades have made substantial improvements to fire stations and property over many decades. The value of these improvements is considered when the five-yearly Valuer General's valuation occurs and the aggregate amount is then included in future financial statements. The next scheduled revaluation will be conducted in 2021.

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

Volunteer brigade vehicles and plant and equipment

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

Impairment of property, plant and equipment

The recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under *AASB 13 Fair Value Measurement*, with the consequence that *AASB 136 Impairment of Assets* does not apply to such assets that are regularly revalued.

4.1.1 Depreciation and amortisation

Charge for the period ^(a)

	(\$ thousand)	
	2020	2019
Buildings	22,469	11,301
Leasehold improvements	2,020	2,042
Plant and equipment	3,980	2,009
Vehicles	30,459	30,455
Total depreciation	58,928	45,807
Intangible produced assets (amortisation) (Note 4.2)	182	549
Total depreciation and amortisation	59,110	46,356

Note

(a) The table incorporates depreciation of right-of-use assets as *AASB 16 Leases* has been applied for the first time from 1 July 2019.

Depreciation

All buildings, plant and equipment and other non-financial physical assets greater than \$5,000 that have finite useful lives, are depreciated. The exception to this rule is land.

Depreciation is generally calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for the current and prior years are included in the table below:

Asset	(years) Useful life
Buildings	50 - 67
Leased buildings	4 - 50
Plant and equipment (including leased assets)	3 - 25
Vehicles (including leased assets)	3 - 25

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

Right-of use assets are generally depreciated over the shorter of the asset's useful life and the lease term. Where the CFA obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that the CFA will exercise a purchase option, the CFA depreciates the right-of-use asset over its useful life.

Leasehold improvements are depreciated over the shorter of the lease term and their useful lives.

Indefinite life assets: Land, which is considered to have an indefinite life, is not depreciated. Depreciation is not recognised in respect of this asset because its service potential has not, in any material sense, been consumed during the reporting period.

4.1.2 Carrying values by 'purpose' groups ^(a)

	(\$ thousand)			
	Public safety and environment		Total	
	2020	2019	2020	2019
Nature based classification				
Land at fair value	181,230	179,621	181,230	179,621
Buildings at fair value	782,891	737,350	782,891	737,350
Leasehold improvements	13,846	12,105	13,846	12,105
Plant and equipment at fair value	27,781	11,214	27,781	11,214
Vehicles at fair value	301,093	314,083	301,093	314,083
Assets under construction at cost	80,272	61,555	80,272	61,555
Net carrying amount	1,387,113	1,315,928	1,387,113	1,315,928

Note

(a) Property, plant and equipment are classified primarily by the 'purpose' for which the assets are used, according to one of six purpose groups based upon government purpose classifications. All assets in a purpose group are further sub-categorised according to the asset's 'nature' (i.e. buildings, plant etc.), with each sub-category being classified as a separate class of asset for financial reporting purposes.

4.1.3 Reconciliation of movements in carrying amount of property, plant and equipment

	Land at fair value		Leasehold improvements at fair value				Plant and equipment at fair value		Vehicles at fair value		Assets under construction at cost		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	(\$ thousand)													
Opening balance	179,621	171,774	737,350	632,858	12,105	10,074	11,214	11,946	314,083	290,870	61,555	84,544	1,315,928	1,202,066
Recognition of right-of-use assets on initial application of AASB 16 ^(a)	-	-	61,432	-	-	-	613	-	1,295	-	-	-	63,340	-
Adjusted balance at 1 July 2019	179,621	171,774	798,782	632,858	12,105	10,074	11,827	11,946	315,378	290,870	61,555	84,544	1,379,268	1,202,066
Fair value of assets received free of charge	-	40	-	-	-	-	-	-	-	-	-	-	-	40
Additions	-	60	-	-	-	-	-	-	145	-	70,178	97,603	70,323	97,663
Disposals	(1,069)	(2,394)	(636)	(2,430)	-	(755)	-	-	(1,774)	(2,655)	-	-	(3,479)	(8,234)
Asset transfer to government agency	(940)	-	-	-	-	-	-	-	-	-	-	-	(940)	-
Transfer in/out of assets under construction	3,618	4,301	7,127	51,484	3,761	4,828	19,850	1,162	17,626	55,863	(51,982)	(117,638)	-	-
Revaluation of freehold land ^(b)	-	5,840	-	-	-	-	-	-	-	-	-	-	-	5,840
Revaluation of buildings ^(b)	-	-	-	66,545	-	-	-	-	-	-	-	-	-	66,545
Brigade assets recognised	-	-	87	194	-	-	84	115	178	460	(348)	(769)	-	-
Transfer from/(to) software under development (Note 4.2)	-	-	-	-	-	-	-	-	-	-	869	(2,185)	869	(2,185)
Depreciation	-	-	(22,469)	(11,301)	(2,020)	(2,042)	(3,980)	(2,009)	(30,459)	(30,455)	-	-	(58,928)	(45,807)
Closing balance	181,230	179,621	782,891	737,350	13,846	12,105	27,781	11,214	301,093	314,083	80,272	61,555	1,387,113	1,315,928

Notes:

(a) This balance represents the initial recognition of right-of-use assets recorded on the balance sheet on 1 July 2019.

(b) A fair value assessment was conducted on 30 June 2019 on these classes of assets, where the fair value was found to be more than 10 per cent change from the last full revaluation conducted by the Valuer General Victoria for 30 June 2016. This resulted in the last year a revaluation increase in the value of the land by \$5,840k and buildings by \$66,545k and the comprehensive result by \$72,385k.

A fair value assessment was performed using the Valuer General Victoria indices for 30 June 2020 and as the requirements for revaluation in terms of FRD 103H Non-financial Physical Assets were not met, no managerial revaluation was performed on 30 June 2020.

Management has relied on the Valuer General Victoria's indices for its fair value assessment and whilst the indices may not reflect the full impact of COVID-19, there is no indication that the indices cannot be relied upon. In arriving at its assessment on fair value, management considered the specialist nature of its assets in supporting its unique service delivery requirements which remain unaffected by the impact of COVID-19 and will continue into the future. The potential impact of COVID-19 on the indices is inherently uncertain and its potential impact on the fair value cannot be reliably measured.

4.2 Intangible assets

	(\$ thousand)	
	2020	2019
Capitalised software, trademarks and copyrights		
Gross carrying amount		
Opening balance	12,714	12,714
Transfer from software under development	1,075	-
Closing balance	13,789	12,714
Accumulated depreciation and amortisation		
Opening balance	12,124	11,344
Amortisation of intangible produced assets ^(a)	182	549
Amortisation of intangible non-produced assets ^(a)	4	231
Closing balance	12,310	12,124
Net book value - Capitalised software, trademarks & copyrights	1,479	590
Software under development		
Gross carrying amount		
Opening balance	2,185	-
Additions	434	-
Transfer to capitalised software	(1,075)	-
Transfer (to)/from property, plant and equipment (Note 4.1.3)	(869)	2,185
Net book value - Software under development	675	2,185
Net book value at end of financial year	2,154	2,775

Note

(a) The consumption of intangible produced assets is included in 'depreciation and amortisation' line item, whereas consumption of the intangible non-produced assets is included in 'net gain/(loss) on non-financial assets' line item on the comprehensive operating statement.

Initial recognition

Purchased intangible assets are initially recognised at cost. When the recognition criteria in *AASB 138 Intangible Assets* is met, internally generated intangible assets are recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

An **internally generated intangible asset** arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- b) an intention to complete the intangible asset and use or sell it;
- c) the ability to use or sell the intangible asset;
- d) the intangible asset will generate probable future economic benefits;
- e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- f) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Subsequent measurement

Intangible produced assets with finite useful lives are depreciated as an 'expense from transactions' on a straight-line basis over their useful lives. Intangible non-produced assets with finite useful lives are amortised as an 'other economic flow' on a straight-line basis over their useful lives. Useful lives of intangible assets are stated in the below table:

Intangible Asset	(years) Useful life
Software	7
Trademarks and copyrights	10

Impairment of intangible assets

Intangible assets with finite useful lives are tested for impairment whenever an indication of impairment is identified. The policy in connection with testing for impairment is outlined in Note 4.1.

Significant intangible assets

CFA has capitalised development expenditure associated with software. CFA has also capitalised trademarks and copyrights held for protection of its brand and marketing materials. These are amortised over their useful life.

5. Other assets and liabilities

Introduction

This section sets out those assets and liabilities that arose from the CFA's controlled operations.

Structure

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5.1 Receivables

		(\$ thousand)	
		2020	2019
Contractual			
Sale of goods and services		3,504	4,740
Allowance for impairment losses of contractual receivables	7.1.3	(254)	(67)
Other receivables		21,809	15,256
Statutory			
GST input tax credit recoverable		3,810	2,850
Regulatory fees		20,134	20,975
Allowance for impairment losses of statutory receivables	7.1.3	(6,995)	(15,502)
Total receivables		42,008	28,252
Represented by			
Current receivables		30,606	25,485
Non-current receivables		11,402	2,767

Contractual receivables mainly include debtors in relation to goods and services.

Statutory receivables arise from statutory requirements.

Contractual receivables and statutory receivables are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. CFA holds the contractual receivables and statutory receivables with the objective to collect the cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.

Details about CFA's impairment policies, CFA's exposure to credit risk, and the calculation of the loss allowance are set out at Note 7.1.3.

5.2 Inventories

	(\$ thousand)	
	2020	2019
Current inventories		
Supplies and consumables:		
At cost	9,283	7,774
Total current inventories	9,283	7,774

Inventories include 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 for all inventories is measured based on 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.

5.3 Payables

	(\$ thousand)	
	2020	2019
Contractual		
Supplies and services	5,599	1,235
Other payables	18,955	24,830
Statutory		
Payroll tax	2,174	1,317
PAYG withholding	19	19
FBT payable	212	212
GST payable	40	189
Total payables	26,999	27,802
Represented by:		
Current payables	26,999	27,802

Payables consist of:

- **contractual payables** are classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to CFA prior to the end of the financial year that are unpaid; and
- **statutory payables**, that 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 contracts.

Trade payables for supplies and services have an average credit period of 30 days. No interest is charged on outstanding balances.

The terms and conditions of amounts payable to the government and agencies vary according to the agreements and as they are not legislative payables, they are not classified as financial instruments.

Other payables include accrual for benefits accruing to employees in respect of wages and salaries for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

Maturity analysis of contractual payables ^(a)

	(\$ thousand)						
	Carrying amount	Nominal amount	Maturity dates				5+ years
			Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	
2020							
Supplies and services	5,599	5,599	5,599	-	-	-	-
Other payables	18,955	18,955	18,955	-	-	-	-
Total	24,554	24,554	24,554	-	-	-	-
2019							
Supplies and services	1,235	1,235	1,235	-	-	-	-
Other payables	24,830	24,830	24,830	-	-	-	-
Total	26,065	26,065	26,065	-	-	-	-

Note

(a) Maturity analysis is presented using the contractual undiscounted cash flows.

5.4 Other provisions

	(\$ thousand)	
	2020	2019
Current provisions		
Volunteer compensation	6,145	6,787
Environmental decommissioning and remediation works	8,850	25,152
Total current provisions	14,995	31,939
Non-current provisions		
Volunteer compensation	35,099	42,495
Environmental decommissioning and remediation works	-	2,196
Total non-current provisions	35,099	44,691
Total other provisions	50,094	76,630

Other provisions are recognised when CFA has a present obligation, the future sacrifice of economic benefits is probable and the amount of the provision can be measured reliably. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using a discount rate that reflects the time, value of money and risks specific to the provision.

Volunteer compensation

CFA administers a compensation scheme, provided for under the Country Fire Authority Act 1958 that is designed to recompense its volunteers for personal loss and injury incurred as a direct result of their firefighting and emergency response activities. An actuarial assessment of this scheme was performed by Deloitte, to determine the present value of CFA's future payment obligations for injuries sustained up to 30 June 2020. An allowance for anticipated recoveries was made, with these predominately related to lump sum recoveries from the Victorian Managed Insurance Authority (VMIA).

Large Claims: An individual projection model was used, based on current case estimate assumptions, with allowance for future case estimate development and mortality.

Non-Large Claims: Payments and recoveries were modelled using two actuarial techniques: payments per claim incurred, (PPCI) for injuries in 2010 to 2020, and chain-ladder (for injuries prior to 2010).

Allowance was made for claims incurred but not reported (IBNR) and claims incurred but not enough reported (IBNER), based on experience in recent injury years. Inflation adjusted future payments and recoveries were discounted to 30 June 2020 using risk free discount rates.

CFA's net outstanding claims provision decreased from \$49,282k at 30 June 2019 to \$41,244k at 30 June 2020 and can be attributed to:

- decrease in forecast inflation rate assumption reflecting the current economic environment, particularly impacted by COVID-19 (offset in part by marginal decrease in forecast discount rate assumption); and
- decreases in central estimate for large claims reflecting lower than expected upward revisions of case estimates.

This is offset in part by:

- increase in claims handling expense assumption from 10% (adopted for the 30 June 2019 assessment) to 13% for the 30 June 2020 assessment to reflect more recent expense experience; and
- an additional risk margin of 4% was added to the 30 June 2020 assessment due to increased uncertainty in liability estimates relating to COVID-19.

The volunteer compensation provision is based on the following key assumptions

Assumptions	2020	2019
Claim inflation	1.7%	2.9%
Discount rate	1.2%	1.4%
Risk margin ^(a)	29.0%	25.0%
Claims handling expenses	13.0%	10.0%
Weighted average term of settlement ^(b)	6.6 years	6.7 years

Notes

(a) Includes an additional allowance of 4% for increased uncertainty due to COVID-19.

(b) The weighted average term of settlement has reduced, mainly due to significant reduction in the forecasted remaining years for medical benefits in the large claims case estimates, which is offset by increases in average claim size, such that total case estimate for medical claims is similar.

Reconciliation of movements in provision for volunteer compensation

	(\$ thousand)	
	2020	2019
Opening balance	49,282	42,456
Payments made during the year *	(6,896)	(9,183)
Addition/(Reversal) of provision for the year *	(1,142)	16,009
Closing balance	41,244	49,282

*Prior year figures have been re-grouped to align with the current year presentation.

Environmental decommissioning and remediation works

The Environment Protection Authority (EPA) issued clean up notices for the former Fiskville Training College (Fiskville) and six Victorian Emergency Management Training Centres (VEMTC) managed by CFA. In response to this, CFA engaged external consultants to provide strategic environmental advice for the management of legacy contamination, resulting from fire training activities. As part of that advice, the external consultant designed and valued rehabilitation activities required at Fiskville. The design was subsequently endorsed by the EPA's independent environmental auditor.

Based on the environmental auditor's endorsement of the rehabilitation strategy, the cost components determined during the year 2015–16 were included in the provision for environmental remediation and decommissioning works for that year. The program's delivery lifecycle has reached a stage where the anticipated full, whole-of-life program spend has been reviewed and adjusted for revised costings due to updated assumptions in respect of anticipated final soil and water volumes, scope increases, changing PFAS EPA regulatory framework, costings and work requirements resulting in an increase of the provision. Decommissioning is complete with the remaining environmental rehabilitation workings having been contracted and scheduled to be completed in 2021.

CFA has completed the environmental assessments required under the clean-up notices for the Wangaratta, Longerenong, Huntly, West Sale and Bangholme VEMTC sites, while environmental sampling, monitoring and reporting continues.

Reconciliation of movements in provision for environmental decommissioning and remediation works

	(\$ thousand)	
	2020	2019
Opening balance	27,348	50,683
Reductions arising from payments	(29,019)	(16,023)
Additional provision	10,521	990
Reversal of provision	-	(8,302)
Closing balance	8,850	27,348

6. How we financed our operations

Introduction

This section provides information on the sources of finance utilised by CFA during its operations and other information related to financing activities of CFA.

This section includes disclosures of balances that are financial instruments, including cash balances. Notes 7.1 and 7.3 provide additional, specific financial instrument disclosures.

Structure

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6.1 Cash and deposits

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, deposits at call and those highly liquid investments with an original maturity of three months or less, which are held for 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.

	(\$ thousand)	
	2020	2019
Total cash and deposits disclosed in the balance sheet		
- Cash at bank and on hand held by CFA Corporate	15,186	5,584
- Cash at Bank - Public Fund*	11,304	3,357
- Cash at bank with Central Banking System held by CFA Corporate	385,003	277,545
- Cash at bank - CFA & Brigades Donations Trust Fund	6,873	-
- Cash at bank held by Brigades	35,586	30,404
- Short-term deposits held by Brigades	699	1,525
Balance as per cash flow statement	454,651	318,415

* The prior year figure is reclassified to align with the current year presentation

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

- future expenditure on projects and activities where funding has been received;
- balances held by brigades, which in general will be deployed for the benefit of the relevant brigade or group of brigades;
- employee leave entitlements, including leave entitlements that will be included in the transfer to Fire Rescue Victoria. Refer Note 8.10 for details; and
- balances held by Public Fund are to be expended as per the Public Fund Governing Rules and balances held in the Trust for CFA & Brigades Donations Fund will be expended as per the terms of the Trust Deed.

Short-term deposits held by brigades are invested in Authorised Deposit -Taking Institutions (ADIs) approved by Australian Prudential Regulation Authority (APRA) as per CFA's Treasury and Investment Management Policy.

6.1.1 Reconciliation of net result for the period to cash flow from operating activities

	(\$ thousand)	
	2020	2019
Net result for the period	127,748	12,326
Non-cash movements		
(Gain)/ Loss on sale or disposal of non-current assets	(50)	1,953
Amortisation of non-produced intangible asset	4	231
Depreciation and amortisation of non-current assets	59,110	46,356
Resources provided free of charge or for nominal consideration	-	(40)
Impairment of financial assets at amortised cost	(8,320)	5,105
(Gain)/ Loss arising from revaluation of long service leave liability	20,141	1,739
Revaluation of volunteer compensation provision	(8,038)	-
Provision for remediation and decommissioning	10,521	-
Brigade long term investment	(2,161)	-
Movements in assets and liabilities		
(Increase)/ Decrease in prepayments	(72)	324
(Increase)/ Decrease in receivables	(5,436)	(1,377)
(Increase)/ Decrease in inventories	(1,509)	1,188
Increase/ (Decrease) in payables	(803)	(107)
Increase/ (Decrease) in provisions	32,411	4,819
Increase/ (Decrease) in other liabilities	(29,019)	(16,510)
Net cash inflow from operating activities	194,526	56,007

6.2 Fund accounts

6.2.1 Public Fund

The Public Fund is a public fund for the *Income Tax Assessment Act 1997 (as amended)*. This Fund is controlled by the CFA.

The purpose of the Public Fund is to solicit and receive funds solely to support the CFA in terms of the CFA Public Fund Governing Rules. During 2019-20 CFA has received substantially increased donations from the public as a result of the summer bushfire season. A description of the activities relating to donations in 2019-20 is provided in the section 'Fire season 2019-20' of this annual report.

The Public Fund balance is disclosed separately for the current year. The prior year cash has been reclassified to align with the current year presentation.

Public Fund controlled by CFA

2020	(\$ thousand)			
	Opening balance as at 1 July 2019	Total receipts	Total payments	Closing balance as at 30 June 2020
Cash and cash equivalents and investments				
Public Fund	3,356	8,202	254	11,304

2019	(\$ thousand)			
	Opening balance as at 1 July 2018	Total receipts	Total payments	Closing balance as at 30 June 2019
Cash, cash equivalents & investments				
Public Fund	3,334	33	11	3,356

6.2.2 Trust for CFA & Brigades Donations Fund

The Trust for CFA & Brigades Donations Fund is a public fund for 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 to enable them to meet the costs of purchasing and maintaining fire-fighting equipment and facilities, providing training and resources and to otherwise meet those administrative expenses of the brigades which are associated with their fire-fighting equipment functions.

Any earnings on the funds held pending distribution are also applied to the trust funds under management as appropriate. The transactions and balances of the Trust are consolidated in this financial statement based on an assessment that CFA has control of the Trust, as defined in *AASB 10 Consolidated Financial Statements*.

Trust for CFA & Brigades Donations Fund controlled by CFA

2020	(\$ thousand)			
	Opening balance as at 1 July 2019	Total receipts	Total payments	Closing balance as at 30 June 2020
Cash and cash equivalents and investments				
Trust for CFA & Brigades Donations Fund	1,496	17,710	8,133	11,073

2019	(\$ thousand)			
	Opening balance as at 1 July 2018	Total receipts	Total payments	Closing balances as at 30 June 2019
Cash and cash equivalents and investments				
Trust for CFA & Brigades Donations Fund	1,306	4,307	4,117	1,496

6.3 Investments

	(\$ thousand)	
	2020	2019
Term deposits		
Australian dollar term deposits held by the Trust > three months	4,200	-
Australian dollar term deposits held by Brigades > three months	48,637	46,476
Total current investments	52,837	46,476

6.4 Borrowings

	(\$ thousand)	
	2020	2019
Current Borrowings		
Right-of-use lease liabilities	7,064	-
Total current borrowings	7,064	-
Non-current borrowings		
Right-of-use lease liabilities	46,765	-
Total non-current liabilities	46,765	-
Total borrowings	53,829	-

Borrowings refer to interest bearing liabilities, comprising lease liabilities.

Borrowings are classified as financial instruments.

Interest bearing liabilities are classified at amortised cost.

Defaults and breaches: During the current and prior year, there were no defaults and breaches of any of the borrowings.

Maturity analysis of borrowings

	(\$ thousand)					
	Nominal amount	Maturity dates				
		Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	5+ years
2020						
Lease liabilities	65,164	872	1,724	5,972	21,128	35,468
Total	65,164	872	1,724	5,972	21,128	35,468

Lease liabilities arise from the adoption of the AASB 16 *Leases* on 1 July 2019.

Interest expenses

	(\$ thousand)	
	2020	2019
Right-of-use lease interest expenses	1,722	-
Total interest expenses	1,722	-

Interest expense includes interest component of lease repayments.
Interest expense is recognised in the period in which it is incurred.

The CFA recognises borrowing cost immediately as an expense.

6.5 Leases

6.5.1 Leases

Information about leases for which CFA is a lessee is presented below.

CFA leasing activities

The CFA leases various properties, IT equipment and motor vehicles. The lease contracts are typically made for fixed periods of a number of years with an option to renew the lease after that expiry date. Lease payments are renegotiated prior to expiry date to reflect market rentals.

The CFA leases some equipment with contract terms of less than one year. These leases are short-term and/or leases of low value items. The CFA has elected not to recognise right-of-use assets and lease liabilities for these leases.

Leases at significantly below-market terms and conditions

The CFA entered into a number of leases for the use of facilities to provide community services. The lease contracts specify lease payments of under \$200 per annum. The leased premises are used by the CFA to provide fire-fighting and rescue services to the community. These leases account for a small portion of the similar leases the CFA is using for the purpose of providing services to the community and therefore they do not have a significant impact on the CFA's operations.

6.5.1 (a) Right-of-use Assets

Right-of-use assets are presented in Note 4.1(a).

6.5.1 (b) Amounts recognised in the Comprehensive Operating Statement

The following amounts are recognised in the Comprehensive Operating Statement relating to leases:

	(\$ thousand)
	2020
Interest expense on lease liabilities	1,722
Expenses relating to short term leases	40
Expenses relating to leases of low-value assets	41
Total amount recognised in the statement of comprehensive statement	1,803

6.5.1 (c) Amounts recognised in the Statement of Cashflows

The following amounts are recognised in the Statement of Cashflows for the year ending 30 June 2020 relating to leases:

	(\$ thousand)
	2020
Interest expense on lease liabilities	1,722
Repayment of lease liabilities	9,653
Total cash outflow for leases	11,375

For any new contracts entered into on or after 1 July 2019, CFA considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition CFA assesses whether the contract meets three key evaluations:

- whether the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the CFA and for which the supplier does not have substantive substitution rights;
- whether the CFA has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and the CFA has the right to direct the use of the identified asset throughout the period of use; and
- whether the CFA has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

Separation of lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the lessee is required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

Recognition and measurement of leases as a lessee (under AASB 16 from 1 July 2019)

Lease Liability – initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or the CFA's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments);
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date;

Lease Liability – subsequent measurement

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right of use asset is already reduced to zero.

Short-term leases and leases of low value assets

The CFA has elected to account for short-term leases and leases of low value assets using the practical expedients. Instead of recognising a right of use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight line basis over the lease term.

Below market/Peppercorn lease

Right-of-use assets under leases at significantly below-market terms and conditions that are entered into principally to enable the CFA to further its objectives, are initially and subsequently measured at cost.

These right-of-use assets are depreciated on a straight -line basis over the shorter of the lease term and the estimated useful lives of the assets.

Presentation of right-of-use assets and lease liabilities

The CFA presents right-of-use assets as 'Property, plant and equipment' in the balance sheet. Lease liabilities are presented as 'borrowings' in the balance sheet.

Recognition and measurement of leases (under AASB 117 until 30 June 2019)

In the comparative period, leases of property, plant and equipment were classified as operating leases.

7. Risks, contingencies and valuation judgements

Introduction

CFA is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information (including exposures to financial risks), as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for CFA relates mainly to fair value determination.

Structure

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7.1 Financial instruments specific disclosures

Introduction

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of CFA's activities, certain financial assets and financial liabilities arise under statute rather than a contract (taxes, fines and regulatory fees). The nature of such a receivable arising from statutory requirements is, in substance, similar to a contractual receivable, as the statutory requirements also provide an entity with a right to receive cash or another financial asset from another entity. Accordingly, CFA recognises and measures a statutory receivable as if it were a financial instrument when the statutory requirements establish a right for the entity to receive cash or another financial asset.

Categories of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by CFA to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

CFA recognises the following assets in this category:

- cash and deposits;
- receivables; and
- investments in term deposits.

Loans and receivables and cash 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. After initial measurement, loans and receivables are measured at amortised cost using the effective interest method (and for assets, less any impairment). CFA recognised the following assets in this category:

- cash and deposits;
- receivables; and
- investments in term deposits.

Categories of financial liabilities

Financial liabilities at amortised cost 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. CFA recognises the following liabilities in this category:

- payables (excluding statutory payables); and
- borrowings (including lease liabilities).

Offsetting financial instruments: Financial instrument assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, CFA has a legal right to offset the amounts and intent either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Some master netting arrangements do not result in an offset of balance sheet assets and liabilities. Where CFA does not have a legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as default, insolvency or bankruptcy, they are reported on a gross basis.

De-recognition of financial assets: A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is de-recognised when:

- the rights to receive cash flows from the asset have expired; or
- CFA retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- CFA has transferred its rights to receive cash flows from the asset and either:
 - has transferred substantially all the risks and rewards of the asset; or
 - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where CFA has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of CFA's continuing involvement in the asset.

De-recognition of financial liabilities: A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the comprehensive operating statement.

Reclassification of financial instruments: **Financial assets** are required to be reclassified between fair value through net result, fair value through other comprehensive income and amortised cost when and only when CFA's business model for managing its financial assets has changed such that its previous model would no longer apply.

If under rare circumstances an asset is reclassified, the reclassification is applied prospectively from the reclassification date and previously recognised gains, losses or interest are not be restated. If the asset is reclassified to fair value, the fair value should be determined at the reclassification date and any gain or loss arising from a difference between the previous carrying amount and fair value is recognised in net result.

Subsequent to initial recognition, reclassification of **financial liabilities** is not permitted.

7.1.1 Financial instruments: Categorisation

	(\$ thousand)			
	Cash and deposits	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
2020				
Financial assets				
Cash and deposits	454,651	-	-	454,651
Receivables				
Sale of goods and services	-	3,250	-	3,250
Other receivables	-	21,809	-	21,809
Statutory receivables	-	16,949	-	16,949
Investments				
Term deposits	-	52,837	-	52,837
Total financial assets	454,651	94,845	-	549,496
Financial liabilities				
Payables^(a)				
Supplies and services	-	-	5,599	5,599
Other payables	-	-	18,955	18,955
Borrowings				
Lease liabilities	-	-	53,829	53,829
Total financial liabilities	-	-	78,383	78,383

	(\$ thousand)			
	Cash and deposits	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
2019				
Financial assets				
Cash and deposits	318,415	-	-	318,415
Receivables				
Sale of goods and services	-	4,673	-	4,673
Other receivables	-	15,256	-	15,256
Statutory receivables	-	8,323	-	8,323
Investments				
Term deposits	-	46,476	-	46,476
Total financial assets	318,415	74,728	-	393,143
Financial liabilities				
Payables^(a)				
Supplies and services	-	-	1,235	1,235
Other payables	-	-	24,830	24,830
Total financial liabilities	-	-	26,065	26,065

Note

(a) The total amounts disclosed as payables exclude statutory amounts.

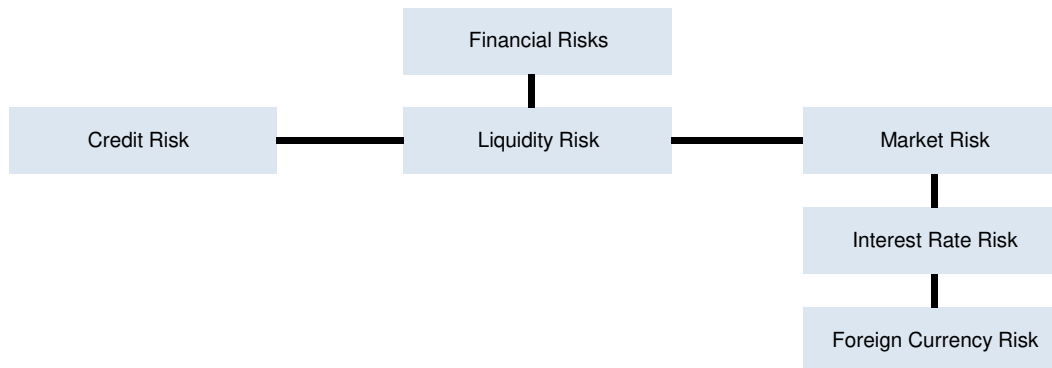
7.1.2 Financial instruments – Net holding gain/(loss) by category

	(\$ thousand)			
	Reversal of impairment loss	Total interest income	Total interest expense	Total
2020				
Contractual financial assets				
Cash and deposits	-	3,554	-	3,554
Financial assets at amortised cost – other than on derecognition	8,320	-	-	8,320
Total contractual financial assets	8,320	3,554	-	11,874
Contractual financial liabilities				
Financial liabilities at amortised cost				
Lease liabilities	-		1,722	1,722
Total contractual financial liabilities	-	-	1,722	1,722

	(\$ thousand)			
	Impairment loss	Total interest income	Total interest expense	Total
2019				
Financial assets				
Cash and deposits	-	1,770	-	1,770
Financial assets at amortised cost – other than on derecognition	(5,105)	5,107	-	2
Total financial assets	(5,105)	6,877	-	1,772

The net holding gains or losses disclosed above are determined for cash and deposits and financial assets at amortised cost net the gain or loss is the interest income minus any impairment recognised in the net result.

7.1.3 Financial risk management objectives and policies



As a whole, CFA's financial risk management program seeks to manage these risks and the associated volatility of its financial performance.

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, with respect to each class of financial asset and financial liability above are disclosed in Note 7.3 to the financial statements.

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

CFA's main financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. CFA manages these financial risks in accordance with its Treasury and Investment Management Policy.

CFA uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the Board of CFA.

Financial instruments: Credit risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. CFA's exposure to credit risk arises from the potential default of counterparties on their contractual and statutory obligations resulting in financial loss to CFA. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with CFA's financial assets is minimal. CFA minimises the concentration of credit risk 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 (considered to be no credit risk).

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.

The consideration of any impairment of a contractual and statutory receivable is measured at an amount equal to lifetime expected credit losses in accordance with the requirements of *AASB 9 Financial Instruments* and Para 4.3 of FRD 114C. CFA measure expected credit losses of a financial instrument in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Contract and statutory financial assets are written off, when identified, against the carrying amount when there is no reasonable expectation of recovery.

Bad debts considered as written off by mutual consent are classified as a transaction expense. Bad debts written off following a unilateral decision is recognised as other economic flows in the net result.

CFA has in place a Board-approved Treasury and Investment Management Policy, which complies with the *Borrowing and Investment Powers Act 1987*.

Cash surplus to the day-to-day transactional requirements are invested in an account with the Central Banking System under the Standing Directions 2018. Investments held by brigades are made with Authorised Deposit-Taking Institutions (ADIs) approved by the Australian Prudential Regulation Authority (APRA).

Currently CFA does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

Except as otherwise detailed in the following table, the carrying amount of contractual and statutory financial assets recorded in the financial statements, net of any allowances for losses, represents CFA's maximum exposure to credit risk without taking account of the value of any collateral obtained.

There has been no material change to CFA's credit risk profile in 2019-20, except for statutory receivables. A sum of \$6,995,000 has been recognised as impairment loss allowance for statutory receivable at 30 June 2020.

Credit quality of financial assets

2020	(\$ thousand)	
	Other	Total
Financial assets		
Cash and deposits	454,651	454,651
Investments held by CFA & Brigades Trust Fund > 3 months	4,200	4,200
Investments held by brigades > 3 months ^(a)	48,637	48,637
Financial assets with loss allowance measured at lifetime expected credit loss:		
Contractual receivables applying the simplified approach for impairment	25,059	25,059
Statutory receivables applying the simplified approach for impairment	16,949	16,949
Total financial assets	549,496	549,496

2019	(\$ thousand)	
	Other	Total
Financial assets		
Cash and deposits	318,415	318,415
Investments held by brigades > 3 months ^(a)	46,476	46,476
Financial assets with loss allowance measured at lifetime expected credit loss:		
Contractual receivables applying the simplified approach for impairment	19,929	19,929
Statutory receivables applying the simplified approach for impairment	8,323	8,323
Total financial assets	393,143	393,143

Note

(a) Investments held by brigades are invested in Authorised Deposit-Taking Institutions (ADI) approved by Australian Prudential Regulation Authority (APRA) as per CFA's Treasury and Investment Management Policy.

Impairment of financial assets under AASB 9 Financial Instruments

CFA records the allowance for expected credit loss for the relevant financial instruments applying the AASB 9 Expected Credit Loss approach. Subject to AASB 9 impairment assessment include CFA's contractual receivables and statutory receivables.

While cash and cash equivalents are also subject to the impairment requirements of AASB 9, the identified impairment loss was Nil.

Contractual receivables and statutory receivables at amortised cost

CFA applies AASB 9 simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. CFA has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on CFA's past history, existing market conditions, as well as forward-looking estimates at the end of the financial year.

CFA's non-contractual receivables arising from statutory requirements are considered as financial instruments as per para 4.3 of *FRD 114C Financial Instrument* and *AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities*. These statutory receivables are recognised and measured in accordance with AASB 9 requirements as financial instruments under FRD 114C. CFA applies AASB 9 simplified approach for statutory receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. CFA has similarly grouped statutory receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on CFA's past history, existing market conditions, as well as forward-looking estimates at the end of the financial year.

On this basis, CFA determines the closing loss allowance at end of the financial year as follows:

						(\$ thousand)
30 June 2020	Current	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Total
Contractual Receivables						
Expected loss rate	0.0%	0.9%	5.9%	15.5%	-	
Gross carrying amount	1,209	247	681	1,367	-	3,504
Loss allowance	-	2	40	212	-	254
Statutory Receivables						
Expected loss rate	0.0%	0.7%	4.6%	18.8%	37.3%	
Gross carrying amount	472	190	232	1,053	18,187	20,134
Loss allowance	-	1	11	198	6,785	6,995

						(\$ thousand)
As at 30 June 2019	Current	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Total
Contractual Receivables						
Expected loss rate	0.0%	1.0%	4.4%	9.5%	-	
Gross carrying amount	3,078	619	752	291	-	4,740
Loss allowance	-	6	33	28	-	67
Statutory Receivables						
Expected loss rate	0.0%	1.0%	4.4%	4.8%	84.8%	
Gross carrying amount	767	185	1,083	753	18,187	20,975
Loss allowance	-	1	45	36	15,420	15,502

Reconciliation of the movement in the loss allowance for contractual receivables is shown as follows:

			(\$ thousand)	
			2020	2019
Balance at beginning of the year			(67)	(36)
Opening retained earnings adjustment on adoption of AASB 9			-	(33)
Opening Loss Allowance			(67)	(69)
Reversal of unused/ (Increase in) provision recognised in the net result			(187)	2
Balance at end of the year			(254)	(67)

Reconciliation of the movement in the loss allowance for statutory receivables is shown as follows:

	(\$ thousand)	
	2020	2019
Balance at beginning of the year	(15,502)	-
Opening retained earnings adjustment on adoption of AASB 9	-	(10,395)
Opening Loss Allowance	(15,502)	(10,395)
Reversal of unused/ (Increase in) provision recognised in the net result	8,507	(5,107)
Balance at end of the year	(6,995)	(15,502)

Credit loss allowance is classified as other economic flows in the net result. Contractual and statutory receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

Under the simplified approach, the loss allowance is measured in the same period as an asset is recognised and is measured based on lifetime Expected Credit Losses. For example, the Expected Credit Losses for contractual receivables and statutory receivables from large number of small customers is determined based on a provision matrix, which is in turn, based on historical observed default rates, adjusted for forward-looking estimates.

Financial instruments: Liquidity risk

Liquidity risk arises from being unable to meet 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, making payments within 30 days from the date of resolution.

CFA is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the balance sheet. CFA manages its liquidity risk by:

- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations;
- holding investments and other contractual financial assets that are readily tradeable in the financial markets; and
- careful maturity planning of its financial obligations based on forecasts of future cash flows.

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 funds invested in call accounts through the Central Banking System.

The carrying amount of contractual financial liabilities detailed in Note 5.3 represents CFA's maximum exposure to liquidity risk.

Financial instruments: Market risk

CFA's exposure to market risk is primarily through interest rate risk. Due to general economic conditions interest rates are at historically low rates. Surplus cash and deposits that are invested in a call account at daily variable rates that will impact income and cash.

CFA's exposure to foreign currency risk is insignificant, and COVID-19 impact, if any, is discussed in a separate section in this report.

Objectives, policies and processes used to manage each of these risks are disclosed below.

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 and prices. Sensitivity analysis shown is for illustrative purposes only. The following movements are 'reasonably possible' over the next 12 months:

- a movement of 25 basis points up and down (2019: 50 basis points up and down) in market interest rates in the Australian Dollar (AUD).

The tables that follow show the impact on CFA's net result for each category of financial instrument held by CFA at the end of the reporting period, if the above movements were to occur.

Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. CFA does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. CFA has exposure to cash flow interest rate risks through deposits at call at floating interest rates with the Central Banking System and a moderate exposure via fixed rate term deposits by brigades with Authorised Deposit Taking Institutions (ADI) approved by Australian Prudential Regulation Authority (APRA).

The carrying amounts of financial assets that are exposed to interest rates and CFA's sensitivity to interest rate risk are set out in the table that follows. There are no financial liabilities with interest rate exposure.

Interest rate exposure of financial instruments

	%	Interest rate exposure (\$ thousand)			
		Weighted average interest rate	Carrying amount	Fixed interest rate	Variable interest rate
2020					
Financial assets					
Cash and deposits ^(b)	0.92%	454,651	-	454,651	-
Receivables					
Sale of goods and services		3,250	-	-	3,250
Other receivables		21,809	-	-	21,809
Statutory receivables		16,949	-	-	16,949
Investments > 3 months ^(b)	1.22%	52,837	52,837	-	-
Total financial assets		549,496	52,837	454,651	42,008
Financial liabilities					
Payables ^(a)					
Supplies and services		5,599	-	-	5,599
Other payables		18,955	-	-	18,955
Borrowings					
Lease liabilities	2.93%	53,829	53,829	-	-
Total financial liabilities		78,383	53,829	-	24,554

	%	(\$ thousand)			
		Interest rate exposure			
	Weighted average interest rate	Carrying amount	Fixed interest rate	Variable interest rate	Non-interest bearing
2019					
Financial assets					
Cash and deposits ^(b)	1.52%	318,415	-	318,415	-
Receivables					
Sale of goods and services		4,673	-	-	4,673
Other receivables		15,256	-	-	15,256
Statutory receivables		8,323	-	-	8,323
Investments > 3 months ^(b)	2.05%	46,476	46,476	-	-
Total financial assets		393,143	46,476	318,415	28,252
Financial liabilities					
Payables ^(a)					
Supplies and services		1,235	-	-	1,235
Other payables		24,830	-	-	24,830
Total financial liabilities		26,065	-	-	26,065

Notes

(a) The total amounts disclosed here exclude statutory amounts

(b) Since 30 June 2019, CFA does not hold short term deposits or investments for more than three months with TCV as the investments have been transferred to an account under the Central Banking System in accordance with the Standing Directions 2018.

Interest rate risk sensitivity

	Carrying amount	(\$ thousand)	
		-25 basis points	+25 basis points
		Net Result	Net result
2020			
Contractual financial assets			
Cash and deposits ^(a)	454,651	(1,137)	1,137
Total impact		(1,137)	1,137

	Carrying amount	(\$ thousand)	
		-50 basis points	+50 basis points
		Net Result	Net result
2019			
Contractual financial assets			
Cash and deposits ^(a)	318,415	(1,592)	1,592
Total impact		(1,592)	1,592

Note

(a) Cash and deposits include deposits of \$454,651k (2019: \$318,415k) that are exposed to floating rate movements. Sensitivities to these movements are calculated as follows:

- 2020: $\$454,651k \times \pm 0.0025 = \pm \$1,137k$; and
- 2019: $\$318,415k \times \pm 0.005 = \pm \$1,592k$

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 Electronic Fund Transfer. The CFA's exposure and sensitivity to foreign currency movements is not considered material.

7.2 Contingent assets and contingent liabilities

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

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

CFA has not identified any contingent assets for the 2020 financial year (2019: nil)

Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- present obligations that arise from past events but are not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations; or
 - the amount of the obligations cannot be measured with sufficient reliability.

Contingent liabilities are also classified as either quantifiable or non-quantifiable.

Non-quantifiable contingent liabilities

A number of potential obligations are non-quantifiable at this time arising from:

- i) At 30 June 2020, CFA is included as a party in many 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) *Firefighters' Presumptive Rights Compensation and Fire Services Legislation Amendment (Reform) Act 2019 (the Act)*.
- iii) Remediation and closure of Fiskville Training College and remediation of VEMTC training grounds.
- iv) Staff related entitlements or claims, including potential entitlements arising as a result of the on-going implementation of the CFA Operational Staff Employment, Conditions and Entitlements Policy.

Firefighters' Presumptive Rights Compensation and Fire Services Legislation Amendment (Reform) Act 2019

The *Firefighters' Presumptive Rights Compensation and Fire Services Legislation Amendment (Reform) Act 2019 (the Act)* was assented to on 2 July 2019.

Part 2 of the Act that came into operation on 3 July 2019, provides for the establishment and operation of the Firefighters' Presumptive Rights Compensation scheme for both career and volunteer firefighters. At the time of the preparation of this report, it is impractical to quantify any possible contingent liabilities for CFA.

Remediation and closure of Fiskville Training College and remediation of VEMTC training grounds

On 26 March 2015, the government announced the permanent closure of Fiskville Training College (Fiskville). Fiskville and the VEMTC training grounds owned by CFA at Penshurst, Bangholme, West Sale, Wangaratta, Huntly, and Longerenong have been the subject of notices issued by the EPA. Note 5.4 'Other provisions' details the provisions associated with the closure of Fiskville and the activities required for addressing the obligations associated with these notices.

CFA has many contingent liabilities arising from the closure of Fiskville and notices issued by EPA. These relate to further notices that may be issued by EPA, regulatory infringements that may be imposed by EPA, compensation that may be sought and, any legal claims that may be made. At this stage it is impractical to quantify the financial effects of these contingent liabilities.

Staff Related Entitlements

As at 30 June 2020, there are a number of individual clauses of the CFA Operational Staff Employment, Conditions and Entitlements Policy that have not been fully implemented. As at the date of this report, these clauses are still subject to consultation between stakeholders on the manner of implementation and once resolved, the application of these clauses on individual entitlements may be dated to a period prior to 30 June 2020. Potential implementation of these clauses currently have a indeterminable financial impact to the period ended 30 June 2020.

It is possible that that further employee entitlement claims may arise in respect of the year ended 30 June 2020 and these have not been provided for, as CFA have not been able to reliably estimate the financial impact of the potential liability without the claims having being received, considered and assessed.

7.3 Fair value determination

Significant judgement: Fair value measurements of assets and liabilities

Fair value determination requires judgement and the use of assumptions. This section discloses the most significant assumptions used in determining fair values. Changes to assumptions could have a material impact on the results and financial position of CFA.

This section sets out information on how CFA determined fair value for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following assets are carried at fair value: land, buildings, plant and equipment and vehicles.

In addition, the fair values of other assets and liabilities that are carried at amortised cost, also need to be determined for disclosure purposes.

CFA determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

Fair value hierarchy

In determining fair values, a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

- 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.

CFA determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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.

How this section is structured

For those assets and liabilities for which fair values are determined, the following disclosures are provided:

- carrying amount and the fair value (which would be the same for those assets measured at fair value);
- which level of the fair value hierarchy was used to determine the fair value; and
in respect of those assets and liabilities subject to fair value determination using Level 3 inputs:
 - a reconciliation of the movements in fair values from the beginning of the year to the end; and
 - details of significant unobservable inputs used in the fair value determination.

This section is divided between disclosures relating to fair value determination for financial instruments (refer to Note 7.3.1) and non-financial physical assets (refer to Note 7.3.2).

7.3.1 Fair value determination of financial assets and liabilities

The fair values and net fair values of financial 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 currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts are a reasonable approximation of fair value due to their short-term nature or with the expectation that they will be paid in full by the end of the 2019-20 reporting period. All financial instruments are determined at Level 3 above. Refer to Note 7.1.1 for the list of financial instruments.

There have been no transfers between levels during the period.

7.3.2 Fair value determination: Non-financial physical assets

Fair value measurement hierarchy

2020	Carrying amount as at 30 June 2020	(\$ thousand)		
		Fair value measurement at end of reporting period using:		
		Level 1 ^(a)	Level 2 ^(a)	Level 3 ^(a)
Land at fair value				
Specialised land	181,230			181,230
Total of land at fair value	181,230	-	-	181,230
Buildings at fair value				
Specialised buildings	729,764			729,764
Heritage assets ^(b)	1,723			1,723
Total of buildings at fair value	731,487	-	-	731,487
Leasehold improvements at fair value				
Leasehold improvements	13,846			13,846
Total of Leasehold improvements at fair value	13,846	-	-	13,846
Plant, equipment and vehicles at fair value				
Plant and equipment	27,722			27,722
Vehicles	300,160			300,160
Total of plant, equipment and vehicles at fair value	327,882	-	-	327,882

2019	Carrying amount as at 30 June 2019	(\$ thousand)		
		Fair value measurement at end of reporting period using:		
		Level 1 ^(a)	Level 2 ^(a)	Level 3 ^(a)
Land at fair value				
Specialised land	179,621			179,621
Total of land at fair value	179,621	-	-	179,621
Buildings at fair value				
Specialised buildings	735,594			735,594
Heritage assets ^(b)	1,756			1,756
Total of buildings at fair value	737,350	-	-	737,350
Leasehold improvements at fair value				
Leasehold improvements	12,105			12,105
Total of Leasehold improvements at fair value	12,105	-	-	12,105
Plant, equipment and vehicles at fair value				
Plant and equipment	11,214			11,214
Vehicles	314,083			314,083
Total of plant, equipment and vehicles at fair value	325,297	-	-	325,297

Notes

(a) Classified in accordance with the fair value hierarchy.

(b) CFA holds \$1,756k (2019 \$1,756k) worth of properties listed as heritage assets. These heritage assets cannot be modified nor disposed of without formal ministerial approval.

There have been no transfers between levels during the period.

Specialised land and buildings: The market approach to valuation is used for specialised land, although it is adjusted for the Community Service Obligation (CSO) to reflect the specialised nature of the land being valued.

The CSO adjustment is a reflection of the valuer's 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 current replacement cost method is used, adjusting for the associated depreciation. 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. The effective date of the valuation is 30 June 2016.

Heritage assets are valued using the current replacement cost method. This cost generally represents the replacement cost of the building/component after applying depreciation rates on a useful life basis. However, for some heritage and iconic assets, the cost may be the reproduction cost rather than the replacement cost if those assets' service potential could only be replaced by reproducing them with the same materials.

Where it has not been possible to examine hidden works such as structural frames and floors, the use of reasonable materials and methods of construction have been assumed bearing in mind the age and nature of the building. The estimated cost of reconstruction including structure services and finishes, also factors in any heritage classifications as applicable.

An independent valuation of CFA's heritage assets was performed by the Valuer-General Victoria. The valuation was performed based on the current replacement cost of the assets. The effective date of the valuation is 30 June 2016.

Vehicles are valued using the current 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 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 current replacement cost method. There were no changes in valuation techniques throughout the period to 30 June 2020. For all assets measured at fair value, the current use is considered the highest and best use.

A more detailed analysis of the sensitivity of significant unobservable inputs used in the valuation is disclosed in the table below titled 'Description of significant unobservable inputs to Level 3 valuations'.

Reconciliation of Level 3 fair value movements

	(\$ thousand)					
2020	Specialised land	Specialised buildings	Heritage assets	Leasehold improvements	Plant and equipment	Vehicles
Opening balance	179,621	735,594	1,756	12,105	11,214	314,083
Purchases	3,618	7,214	-	3,761	19,934	17,803
Asset transfer to government agency	(940)	-	-	-	-	-
Disposals	(1,069)	(636)	-	-	-	(1,774)
Revaluation of land and buildings	-	-	-	-	-	-
Depreciation	-	(12,408)	(33)	(2,020)	(3,426)	(29,952)
Closing balance	181,230	729,764	1,723	13,846	27,722	300,160

	(\$ thousand)					
2019	Specialised land	Specialised buildings	Heritage assets	Leasehold improvements	Plant and equipment	Vehicles
Opening balance	171,774	631,241	1,616	10,074	11,946	290,871
Purchases	4,361	51,679	-	4,828	1,277	56,322
Fair value of assets received free of charge	40	-	-	-	-	-
Disposals	(2,394)	(2,430)	-	(755)	-	(2,655)
Revaluation of land and buildings	5,840	66,373	172	-	-	-
Depreciation	-	(11,269)	(32)	(2,042)	(2,009)	(30,455)
Closing balance	179,621	735,594	1,756	12,105	11,214	314,083

Description of significant unobservable inputs to Level 3 valuations

2019 and 2020	Valuation technique	Significant unobservable inputs
Specialised land	Market approach	CSO adjustment 20%
Specialised buildings	Current replacement cost	Useful life of specialised buildings
Heritage assets	Current replacement cost ^(a)	Useful life of heritage assets
Vehicles	Current replacement cost	Useful life of vehicles
Plant and equipment	Current replacement cost	Useful life of plant and equipment

Note

(a) For some heritage and iconic assets, cost may be the reproduction cost of the asset rather than the replacement cost if their service potential could only be replaced by reproducing them with the same materials.

Significant unobservable inputs have remained unchanged since 30 June 2019.

8. Other disclosures

Introduction

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

Structure

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8.1 Ex-gratia expenses

Ex-gratia expenses are the voluntary payments of money or other non-monetary benefit, e.g. a write-off, that is not made to acquire goods, services or other benefits for the entity, to meet a legal liability, to settle or resolve a possible legal liability or claim against the entity.

No ex-gratia payments were made during the financial year.

8.2 Other economic flows included in net result

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. Other gains/ (losses) from other economic flows include the gains or losses from:

	(\$ thousand)	
	2020	2019
Net gain/ (loss) on non-financial assets		
Amortisation of non-produced intangible assets ^(a)	(4)	(231)
Net gain/ (loss) on disposal of property plant and equipment	50	(1,953)
Total net gain on non-financial assets	46	(2,184)
Net gain / (loss) on financial instruments		
Impairment of financial assets at amortised cost ^(b)	8,320	(5,105)
Total net gain / (loss) on financial instruments	8,320	(5,105)
Other loss from other economic flows		
Net loss arising from revaluation of long service liability ^(c)	(20,141)	(1,739)
Total other loss from other economic flows	(20,141)	(1,739)

Notes

(a) This is amortisation of non-produced intangible assets with finite useful lives.

(b) Including (increase)/decrease in provision for doubtful debts and bad debts from other economic flows: refer to Note 7.1.3

(c) CFA has adopted the Department of Treasury and Finance 2008 model for calculation of long service leave liability to better represent CFA's payment pattern. Prior to this, CFA had been using the Department of Treasury and Finance 2004 model. The adoption of the 2008 model and associated discount rate changes resulted in a net loss \$19,100k, which is included in the \$20,141k disclosed in Note 8.2 above and a corresponding increase in Long Service Leave liability. Impact of change in measurement model to the future period has not been disclosed as it is impracticable to estimate such impact due to the variability of assumptions inherent in the model.

8.3 Physical asset revaluation surplus

	(\$ thousand)	
	2020	2019
Physical asset revaluation surplus		
Balance at beginning of financial year	556,761	484,376
Revaluation increments/ (decrements)		
- Freehold land	-	5,840
- Buildings	-	66,545
Balance at end of financial year	556,761	556,761
Net changes in physical asset revaluation surplus	-	72,385

8.4 Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are recorded below at their nominal value and inclusive of GST. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

Nominal amounts 2020	(\$ thousand)			Total
	Less than 1 year	1 to 5 years	5+ years	
Capital expenditure commitments payable	45,418	1,487	-	46,905
Other commitments payable	51,929	69,134	-	121,063
Total commitments (inclusive of GST)	97,347	70,621	-	167,968
Less GST recoverable from the Australian Tax Office	(8,850)	(6,420)	-	(15,270)
Total commitments (exclusive of GST)	88,497	64,201	-	152,698

Nominal amounts 2019	(\$ thousand)			Total
	Less than 1 year	1 to 5 years	5+ years	
Capital expenditure commitments payable	40,025	728	-	40,753
Operating lease commitments payable	11,067	21,486	16,256	48,809
Other commitments payable	82,710	91,869	7,238	181,817
Total commitments (inclusive of GST)	133,802	114,083	23,494	271,379
Less GST recoverable from the Australian Tax Office	(12,164)	(10,371)	(2,136)	(24,671)
Total commitments (exclusive of GST)	121,638	103,712	21,358	246,708

8.5 Change in accounting policies

8.5.1 Leases

This note explains the impact of the adoption of AASB 16 *Leases* on the CFA's financial statements.

The CFA has applied AASB 16 with a date of initial application of 1 July 2019.

The CFA has elected to apply AASB 16 using the modified retrospective approach, as per the transitional provisions of AASB 16 for all leases for which it is a lessee. The cumulative effect of initial application is recognised in retained earnings as at 1 July 2019. Accordingly, the comparative information presented is not restated and is reported under AASB 117 and related interpretations.

Previously, the CFA determined at contract inception whether an arrangement is or contains a lease under AASB 117 and Interpretation 4 – 'Determining whether an arrangement contains a Lease'. Under AASB 16, the CFA assesses whether a contract is or contains a lease based on the definition of a lease as explained in note 6.5.

On transition to AASB 16, the CFA has elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied AASB 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under AASB 117 and Interpretation 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under AASB 16 was applied to contracts entered into or changed on or after 1 July 2019.

Leases classified as operating leases under AASB 117

As a lessee, the CFA previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the CFA. Under AASB 16, the CFA recognises right-of-use assets and lease liabilities for all leases except where exemption is availed in respect of short-term and low value leases.

On adoption of AASB 16, the CFA recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of AASB 117. These liabilities were measured at the present value of the remaining lease payments, discounted using the CFA's incremental borrowing rate as of 1 July 2019. On transition, right-of-use assets are measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 30 June 2019.

The CFA has elected to apply the following practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 117:

- Applied a single discount rate to a portfolio of leases with similar characteristics;
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term;
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application; and
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

Impacts on financial statements

On transition to AASB 16, the CFA recognised \$63,340k of right-of-use assets and \$63,340k of lease liabilities.

When measuring lease liabilities, the CFA discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted average rate applied is 2.93%.

	(\$ thousand)
	1 July 2019
Total Operating lease commitments disclosed at 30 June 2019 inclusive of GST	48,809
Total Operating lease commitments at 30 June 2019 exclusive of GST	44,372
Changes to future lease payments (reassessment of further lease terms)	30,566
Impact of discounting using the incremental borrowing rate at 1 July 2019	(11,598)
Lease liabilities recognised at 1 July 2019	63,340

8.5.2 Revenue from Contracts with Customers

In accordance with FRD 121 requirements, the CFA has applied the transitional provisions of AASB 15, under modified retrospective method with the cumulative effect of initially applying this standard against the opening retained earnings at 1 July 2019. Under this transition method, the CFA applied this standard retrospectively only to contracts that are not 'completed contracts' at the date of initial application.

There is no transitional impact on recognition of income in adopting AASB 15 and AASB 1058 as disclosed at Note 2.1.

8.5.3 Income of Not-for-Profit Entities

This note explains the impact of the adoption of *AASB 1058 Income of Not-for-Profit Entities*.

There is no transitional impact of adopting AASB 1058. If the grant revenue was accounted for under the previous accounting standard AASB 1004 in 2019-20, the total grant recognition would not have changed.

The adoption of AASB 1058 did not have an impact on Other comprehensive income and the Statement of Cash flows for the financial year.

8.5.4 Transition impact on financial statements

This note explains the impact of the adoption of the following new accounting standard for the first time, from 1 July 2019:

- *AASB 16 Leases*;
- *AASB 15 Revenue from Contracts with Customers*;
- *AASB 1058 Income of Not-for-Profit Entities*;

Impact on Balance Sheet due to the adoption of AASB 16 is illustrated with the following reconciliation between the carrying amounts at 30 June 2019 and the balances reported under the new accounting standard at 1 July 2019:

		(\$ thousand)		
		Before new accounting standard Opening at 1 July 2019	Impact of new accounting standard AASB 16	After new accounting standard Opening at 1 July 2019
Balance Sheet	Notes			
Assets				
Financial assets				
Cash and deposits	6.1	318,415	-	318,415
Receivables	5.1	28,252	-	28,252
Investments	6.3	46,476	-	46,476
Non-financial assets				
Inventories	5.2	7,774	-	7,774
Property, plant and equipment	4.1.3	1,315,928	63,340	1,379,268
Intangible assets	4.2	2,775	-	2,775
Prepayments		2,486	-	2,486
Total non-financial assets		1,722,106	63,340	1,785,446
Liabilities				
Payables	5.3	27,802	-	27,802
Borrowings	8.5.1	-	63,340	63,340
Employee related provisions	3.1.2	116,566	-	116,566
Other provisions	5.4	76,630	-	76,630
Total liabilities		220,998	63,340	284,338
Equity				
Accumulated surplus		444,448	-	444,448
Physical asset revaluation surplus	8.3	556,761	-	556,761
Contributed capital		499,899	-	499,899
Total equity		1,501,108	-	1,501,108

8.6 Responsible persons

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the *Financial Management Act 1994 (FMA)*, 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 for CFA are:

Responsible Minister

Minister for Police and Emergency Services

The Hon Lisa Neville, MP 1 July 2019 to 30 June 2020

Acting Ministers

The Hon. Benjamin Carroll, MP 20 July 2019 to 20 July 2019
The Hon. Jill Hennessy, MP 21 July 2019 to 31 July 2019
The Hon. Gavin Jennings, MP 1 August 2019 to 3 August 2019
The Hon. Jill Hennessy, MP 29 September to 13 October 2019
The Hon. Jill Hennessy, MP 14 October to 20 October 2019

Authority Members (CFA Board Members)

Greg Smith AM (Chair) 1 July 2019 to 30 June 2020
Michelle McLean (Deputy Chair) 1 July 2019 to 30 June 2020
Peter Shaw AFSM 1 July 2019 to 18 July 2019; and
30 July 2019 to 30 June 2020

Pamela White PSM 1 July 2019 to 30 June 2020
Dr.Gillian Sparkes 1 July 2019 to 30 June 2020
Simon Weir 1 July 2019 to 30 June 2020
Hazel Clothier 1 July 2019 to 18 July 2019
Lynda Hamilton 1 July 2019 to 18 July 2019
Timothy Young 1 July 2019 to 18 July 2019
Kent Griffin 30 July 2019 to 30 June 2020
Dawn Hartog 30 July 2019 to 30 June 2020
Beth Davidson OAM 29 October 2019 to 30 June 2020

Accountable Officer

Steve Warrington AFSM 1 July 2019 to 29 June 2020*
Chief Executive Officer/Chief Officer

Catherine Greaves 29 June 2020 to 30 June 2020**
Acting Chief Executive Officer

* S. Warrington resigned effective 31 July 2020, and was on leave from 26 June 2020.

**C. Greaves commenced as Acting CEO from 29 June 2020.

Remuneration (other than the Responsible Minister)

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

Income Band	Number	
	2020	2019
\$0 - \$9,999 ^(a)	5	1
\$30,000 - \$39,999	1	2
\$50,000 - \$59,999	5	5
\$60,000 - \$69,999	1	2
\$110,000 - \$119,999	1	1
\$360,000 - \$369,999	-	1
\$440,000 - \$449,999	1	-
Total numbers	14	12
Total amount (\$ thousand)	935	975

Note

(a) Dr. Gillian Sparkes is the Commissioner for Environmental Sustainability Victoria and received nil remuneration from CFA during 2020 (2019: Nil)

8.7 Remuneration of executives

The number of executive officers, other than Ministers and the Accountable Officer, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provides a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits (as defined in AASB 119 Employee Benefits) in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered. Accordingly, remuneration is determined on an accrual basis, and is disclosed in the following categories.

Short-term employee benefits include amounts such as salaries, wages, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment benefits include employer's contribution to superannuation and other retirement benefits paid or payable.

Other long-term benefits include long service leave, other long service benefits or deferred compensation.

Termination benefits include termination of employment payments, such as severance packages.

Remuneration of executive officers (including Key Management Personnel disclosed in Note 8.8)	(\$ thousand)	
	Total remuneration	
	2020	2019
Short-term employee benefits	6,800	7,303
Post-employment benefits	584	617
Other long-term benefits	149	177
Termination benefits	86	28
Total remuneration	7,619	8,125
Total number of executives ^(a) (number)	34	34
Total annualised employee equivalents ^(b) (number)	33.8	33.0

Notes

(a) The total number of executive officers include persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 Related Party Disclosures and are also reported within the related parties note disclosure. Refer to note 8.8.

(b) Annualised employee equivalent is based on the time fraction worked over the reporting period.

8.8 Related parties

CFA is a wholly owned and controlled entity of the State of Victoria.

Related parties of CFA include:

- all Key Management Personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over); and
- all Cabinet Ministers and their close family members.

All related party transactions have been entered into on an arm's-length basis.

Key Management Personnel of CFA includes the Portfolio Minister, Board of Directors, Chief Executive Officer and other members of the CFA Executive Team.

KMP	KMP Category	Position title	Period
The Hon Lisa Neville, MP	Portfolio Minister	Minister for Police and Emergency Services	1 July 2019 to 30 June 2020
Greg Smith AM	Board of Directors	Chair	1 July 2019 to 30 June 2020
Michelle McLean	Board of Directors	Deputy Chair	1 July 2019 to 30 June 2020
Peter Shaw AFSM	Board of Directors	Board Member	1 July 2019 to 18 July 2019 30 July 2019 to 30 June 2020
Dr. Gillian Sparkes	Board of Directors	Board Member	1 July 2019 to 30 June 2020
Pamela White PSM	Board of Directors	Board Member	1 July 2019 to 30 June 2020
Simon Weir	Board of Directors	Board Member	1 July 2019 to 30 June 2020
Timothy Young	Board of Directors	Board Member	1 July 2019 to 18 July 2019
Lynda Hamilton	Board of Directors	Board Member	1 July 2019 to 18 July 2019
Hazel Clothier	Board of Directors	Board Member	1 July 2019 to 18 July 2019
Kent Griffin	Board of Directors	Board Member	30 July 2019 to 30 June 2020
Dawn Hartog	Board of Directors	Board Member	30 July 2019 to 30 June 2020
Beth Davidson OAM	Board of Directors	Board Member	29 October 2019 to 30 June 2020
Steve Warrington AFSM	CFA Executive	Chief Executive Officer/Chief Officer	1 July 2019 to 30 June 2020
Catherine Greaves	CFA Executive	Acting Chief Executive Officer	29 June 2020 to 30 June 2020
Garry Cook	CFA Executive	Acting Executive Director - People, Culture & Safety Acting Chief Officer	1 July 2019 to 30 June 2020 30 June 2020 to 30 June 2020
John Haynes AFSM	CFA Executive	Executive Director - Strategy, Planning & Risk	1 July 2019 to 30 June 2020
Anthony Ramsay	CFA Executive	Executive Director - Infrastructure Services	1 July 2019 to 30 June 2020
Sally Pickering	CFA Executive	Executive Director - Communications and Stakeholder Relations	1 July 2019 to 30 June 2020

KMP	KMP Category	Position title	Period
Nigel McCormick	CFA Executive	Executive Director - Finance	1 July 2019 to 30 June 2020
John Sullivan	CFA Executive	Executive Director - Governance & Policy Coordination	1 July 2019 to 30 June 2020
Stephanie Rotarangi	CFA Executive	Executive Director - Volunteers & Capability	1 July 2019 to 22 December 2019
		Deputy Chief Officer - Fire Services Reform	23 December 2019 to 30 June 2020
Peter O'Keefe	CFA Executive	Acting Executive Director - Volunteer & Capability	23 December 2019 to 30 June 2020
Gregg Paterson	CFA Executive	Executive Director - Training	1 July 2019 to 30 June 2020
Gavin Freeman	CFA Executive	Executive Director - Community Service Delivery	1 July 2019 to 30 June 2020
Gregg Paterson	CFA Executive	Acting Executive Director - Community Service & Delivery	15 June 2020 to 30 June 2020
Alen Slijepcevic	CFA Executive	Executive Director - Bushfire Management	1 July 2019 to 30 June 2020

Overlapping dates in the schedule are due to KMP on leave or secondment in June 2020.

- CEO/CO Steve Warrington was on leave from 26 June 2020 to 30 June 2020.
Acting CEO Catherine Greaves was acting from 29 June 2020 to 30 June 2020.
Acting CO Garry Cook was acting from 30 June 2020 to 30 June 2020.
- ED Community Service & Delivery Gavin Freeman was seconded to FRV 15 June 2020.
Acting ED Community Service & Delivery Gregg Paterson was acting from 15 June 2020 to 30 June 2020.

Remuneration of key management personnel

The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the Department of Parliamentary Services financial report.

Compensation of Key Management Personnel	(\$ thousand)	
	2020	2019
Short-term employee benefits	4,203	3,527
Post-employment benefits	252	300
Other long-term benefits	81	72
Termination benefits	-	-
Total^(a)	4,536	3,899

Note

(a) KMPs that are members of CFA Executive Team are also reported in the disclosure of remuneration of executive officers at Note 8.7.

Transactions and balances with key management personnel and other related parties

Given the breadth and depth of state government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. payment of stamp duty and other government fees and charges. Further, employment processes within the Victorian Public Sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission.

All payments made or received between CFA and other government entities are on arm's length basis and at normal commercial terms.

A summary of related party transactions above \$100k during the period are shown below

Entity	KMP	Position title	Nature	Receipts	Payments	(\$ thousand) Net dues owed to / (by) CFA as at 30 June 2020
Australasian Fire and Emergency Service Authorities Council Limited (AFAC)	Gavin Freeman	Executive Director - Community Service Delivery	Major incident cost recovery; Payments for conferences & training	192	509	-
Bushfire & Natural Hazards CRC Federal Government	Stephanie Rotarangi	Executive Director - Volunteers & Capability and Executive Director - Fire Services Reform	Annual partner contribution	-	275	-
Metropolitan Fire and Emergency Services Board	Pamela White	Board, Country Fire Authority	Training provided; ICT services & training received	973	3,133	464
Emergency Services Telecommunication Authority (ESTA)	The Hon Lisa Neville, MP	Minister for Police and Emergency Services	Communication Services	-	45,637	313
Department of Justice and Community Safety (DJCS)	The Hon Lisa Neville, MP	Minister for Police and Emergency Services	Grants received and provided	793,462	26,122	(11)
Emergency Management Victoria (EMV)	The Hon Lisa Neville, MP	Minister for Police and Emergency Services	Grants received and provided	2,081	12,631	400
Victoria State Emergency Service	The Hon Lisa Neville, MP	Minister for Police and Emergency Services	Training & property recoveries; Infrastructure Services	740	475	-
Department of Environment, Land, Water and Planning (DELWP)	The Hon Lisa Neville, MP	Minister for Police and Emergency Services	Grants received; Aircraft flying & hire services	8,617	8,827	5,363
Victorian Government Solicitor	The Hon Lisa Neville, MP	Minister for Police and Emergency Services	Legal fees	-	296	-

All other transactions that have occurred with KMP and their related parties have not been considered material for disclosure. In this context, transactions are only disclosed when they are considered necessary to draw attention to the possibility that CFA's financial position and profit or loss may have been affected by the existence of related parties, and by transactions and outstanding balances, including commitments, with such parties.

No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

8.9 Remuneration of auditors

	(\$ thousand)	
	2020	2019
Victorian Auditor-General's Office		
Audit of the financial statements		
- Audit fee	204	194
- Audit fee for 30 June 2018	-	90
Internal and other audit services	270	316
Total remuneration of auditors	474	600

8.10 Subsequent events

The policy in connection with recognising subsequent events, which are events occurring between the end of the reporting period and the date when the financial statements are authorised for issue, is as follows:

- adjustments are made to amounts recognised in the financial statements where those events provide information about conditions that existed at the reporting date; and/ or
- disclosure is made where the events relate to conditions that arose after the end of the reporting period that are considered to be of material interest.

Fire Services Reform

Parts 3 to 11 *Firefighter's Presumptive Rights Compensation and Fire Services Legislation Amendment (Reform) Act 2019* (the Act) came into operation on 1 July 2020 and amended the *Country Fire Authority Act 1958* and the *Fire Rescue Victoria Act 1958* to:

- make it an objective of the CFA to support the recruitment, development, and retention of volunteer officers and members;
- recognise the CFA as a fully volunteer fire fighting service, supported where necessary by employees;
- allow CFA to perform certain functions and exercise certain powers within the Fire Rescue Victoria (FRV) fire districts;
- make it a function of FRV to provide operational and management support to the CFA in conjunction with and as agreed by CFA;
- provides for the provision of FRV officers or employees to CFA via a secondment agreement between the agencies; and
- allow for the CFA Chief Officer to have order and control of the work of an officer or employee made available to CFA under a secondment agreement.

As part of implementing the Fire Services Reform, the following agreements were entered into between CFA and FRV with effect from 1 July 2020:

- A Secondment Agreement (on-going) for the purpose of FRV providing officers or employees of FRV to CFA. These staff are to be engaged under this agreement for the provision of operational and management support including but not limited to administrative, training, community safety and fire safety support to CFA.

- Overarching Operational Services Agreement and two Service Level Deeds of Agreement setting out the operational and management support FRV will provide to CFA and the services and functions CFA will provide to FRV.

As a result of the creation of FRV, 38 formerly CFA career and integrated stations are now located within the FRV fire district. (FRV's area of jurisdiction.)

All CFA staff covered by the Operational Staff Agreement, together with 171 professional, technical and administrative positions transferred with their existing terms and conditions of employment to FRV as at the 1 July 2020. This transition occurred pursuant to provisions in the Act which provide for automatic transfer of CFA staff to FRV together with Ministerial directed transfer of further CFA staff to FRV.

In accordance with the terms of the ongoing Secondment Agreement, the wages and other employee entitlements associated with operational staff seconded to the CFA will be for the account of FRV.

CFA volunteers continue to provide primary response in the country areas of Victoria (CFA's area of jurisdiction) and pursuant to agreed interagency operational protocols, provide support into the FRV fire district. Volunteer firefighters will continue to play a key role in the day to day provision of fire prevention and suppression activities, including in the former CFA fire district areas as incorporated into the FRV fire district under the Act.

The Minister for Police and Emergency Services (the Minister) directed CFA to prepare an allocation statement for the purpose of allocating 37 co-located and career-only fire stations and agreed upon appliances. This allocation statement was signed by the Minister on the 1 September 2020 and the transfer statement in terms of FRD119A was executed on 30 September 2020.

The table below shows the assets and liabilities allocated to FRV after 1 July 2020 in terms of the executed Allocation Statement.

Listing of assets and liabilities allocated from CFA to FRV after 1 July 2020

	(\$ thousand)
	1 July 2020
Assets allocated after 1 July 2020	
Property, plant & equipment	
Appliances	33,195
Vehicles	-
Land	58,358
Stations	122,077
Equipment	-
Right-of-use lease assets	41
Inventories	-
Investments	-
Total financial assets	213,671
Liabilities allocated after 1 July 2020	
Annual leave	-
Long service leave	-
Right-of-use lease liabilities	43
Total liabilities	43
Net Assets allocated	213,628

In accordance with *FRD119A Transfer through contributed capital*, these transfers are a direct adjustment to equity and are designated as contributions by owners in accordance with paragraph 5.1(d) of FRD119A, to take effect on the transfer date mentioned above.

The allocation of assets and liabilities together with transfer of project deliverables to FRV in terms of Fire Services Reform, is anticipated to result in a reduction of CFA operating expenditure in the 2020-21 financial year by an estimated \$341m, together with an appropriate reduction in grant funding allocated to CFA.

In terms of Part 6 of the Act, the Minister may provide direction to CFA for the preparation of further allocation statements up to and including the 30 December 2020 and it is anticipated that further directions under these provisions will be made.

It is anticipated that further allocations statements will be entered into and will provide for the following allocations of assets and liabilities from CFA to FRV:

- employee liabilities (e.g. annual leave and long service leave) related to CFA employees who transferred to FRV on 1 July 2020 under sections 102 and 103 of the Act,
- vehicles and tools of trade associated with those employees transferring to FRV,
- cash associated with the employee liabilities transferred to FRV in terms of section 102 and 103 of the Act,
- cash associated with the delivery of projects for which the responsibility for delivery is transitioning to FRV, and
- firefighting equipment associated with the career firefighting capability at transferred stations that is not considered fixtures and fittings.

COVID-19

The impact of the coronavirus (COVID-19) pandemic is ongoing and while it did not have any significant impact for the CFA up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by State and Federal government, such as maintaining social distancing requirements, quarantine, travel restrictions and border controls, government policy and any economic stimulus that may be provided.

There are no other subsequent events requiring adjustment or disclosure.

8.11 Other accounting policies

Contributions by owners

Consistent with the requirements of *AASB 1004 Contributions*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of CFA.

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

Foreign currency balances/transactions

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign monetary items existing at the end of the reporting period are translated at the closing rate at the date of the end of the reporting period.

8.12 Australian Accounting Standards issued that are not yet effective

The following Australian Accounting Standards related to CFA become effective for reporting periods commencing after the operative dates stated. CFA has not adopted these standards early.

Topic	Key Requirement	Effective date for CFA	Impact on CFA's financial statements
AASB Amendments to Australian Accounting Standards-Definition of Material	2018-7 This standard amends to AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments refine and clarify the definition of material in AASB 101 by improving the wording and aligning the definition across AASB Standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.	1-Jul-20	The standard becomes effective for CFA in 2020-21 financial year. CFA intends to adopt this amendment, if our analysis reveals that it will have a material effect.

Topic	Key Requirement	Effective date for CFA	Impact on CFA's financial statements
AASB 2020-1	This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.	1-Jul-22	The standard only becomes effective for CFA in the 2022-23 financial year. CFA will assess and adopt this amendment, if required at the appropriate time.

8.13 Glossary of technical terms

The following is a summary of the major technical terms used in this report.

Actuarial gains or losses on superannuation defined benefit plans are changes in the present value of the superannuation defined benefit liability resulting from:

- a) experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred); and
- b) the effects of changes in actuarial assumptions.

Amortisation is the expense that results from the consumption, extraction or use over time of a non-produced physical or intangible asset. This expense is classified as an 'other economic flow'.

Borrowings refer to interest bearing liabilities, mainly lease liabilities.

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

Comprehensive result is the amount included in the comprehensive operating statement representing total change in net worth other than transactions with owners as owners.

Control means the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Controlled item generally refers to the capacity of CFA to benefit from that item in the pursuit of the entity's objectives and to deny or regulate the access of others to that benefit.

Current grants are amounts payable or receivable for current purposes for which no economic benefits of equal value are receivable or payable in return.

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 transactions'.

Effective interest method is the method used to calculate the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, where appropriate, a shorter period.

Employee benefits expenses include all costs related to employment including salaries and wages, fringe benefits tax, leave entitlements, termination payments, defined benefits superannuation plans, and defined contribution superannuation plans.

Ex-gratia expenses mean the voluntary payment of money or other non-monetary benefit (e.g. a write-off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability or claim against the entity.

Expected Credit Loss (ECL) is a calculation of the present value of the amount expected to be lost on a financial asset, for financial reporting purposes. This is measured in a way that reflects:

- a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- b) the time value of money; and
- c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Financial asset is any asset that is:

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

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of CFA's activities, certain financial assets and financial liabilities arise under statute rather than a contract (taxes, fines and regulatory fees). The nature of such a receivable arising from statutory requirements is, in substance, similar to a contractual receivable, as the statutory requirements also provide an entity with a right to receive cash or another financial asset from another entity. Para 4.3 of FRD 114C Financial Instruments further states that statutory receivables are also financial instruments. Accordingly, CFA recognises and measures a statutory receivable as if it were a financial instrument when the statutory requirements establish a right for the entity to receive cash or another financial asset.

Financial liability is any liability that is:

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

Financial Reporting Directions (FRDs) are financial and non-financial reporting requirements prescribed by Department of Treasury and Finance (DTF).

Financial statements comprise:

- a) a comprehensive operating statement for the period;
- b) a balance sheet as at the end of the period;
- c) a cash flow statement for the period;
- d) a statement of changes in equity for the period;
- e) notes, comprising a summary of significant accounting policies and other explanatory information;
- f) comparative information in respect of the preceding period as specified in paragraph 38 of AASB 101 Presentation of Financial Statements; and
- g) a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 41 of AASB 101.

Grant expenses and other transfers are 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. For this reason, grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers. 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 taxpayers in return for their taxes.

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.

General government sector comprises all government departments, offices and other bodies engaged in providing services free of charge or at prices significantly below their cost of production. General government services include those that are mainly non-market in nature, those that are largely for collective consumption by the community and those that involve the transfer or redistribution of income. These services are financed mainly through taxes, or other compulsory levies and user charges.

Interest expense represents costs incurred in connection with borrowings. This includes the interest component of lease liabilities.

Interest income includes interest received on bank term deposits and other investments.

Key Management Personnel (KMP) – people with the authority and responsibility for directly or indirectly planning, directing and controlling the activities of the entity.

Leases are rights conveyed in a contract, or part of a contract, the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

Net acquisition of non-financial assets (from transactions) are 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 financial liabilities are calculated as liabilities less financial assets. This measure is broader than net debt as it includes significant liabilities, other than borrowings (e.g. accrued employee liabilities such as superannuation and long service leave entitlements).

Net financial worth is equal to financial assets minus liabilities. It is a broader measure than net debt as it incorporates provisions made (such as superannuation, but excluding depreciation and bad debts) as well as holdings of equity. Net financial worth includes all classes of financial assets and liabilities, only some of which are included in net debt.

Net operating balance or net result from transactions is a key fiscal aggregate and is income 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 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 classified as 'other non-owner movements in equity'.

Net worth is calculated as assets less liabilities, which is an economic measure of wealth.

Non-financial assets are all assets that are not financial assets. It includes inventories, land, buildings, infrastructure, road networks, land under roads, plant and equipment, cultural and heritage assets and intangibles.

Non-produced assets are assets used for production that have not themselves been produced. They include land, subsoil assets, and certain intangible assets. Non-produced intangibles are intangible assets needed for production that have not themselves been produced. They include constructs of society such as patents.

Operating 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 movements in equity'. Refer also '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. In simple terms, other economic flows are changes arising from market re-measurements. They include gains and losses from disposals, revaluations and impairments of non-financial physical and intangible assets; fair value changes of financial instruments.

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. They include changes in physical asset revaluation surplus, changes in accumulated surplus and gains and losses on remeasuring available-for-sale financial assets.

Payables include short and long-term trade debt and accounts payable, grants, taxes and interest payable.

Prepayments 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.

Produced assets include buildings, plant and equipment, inventories, cultivated assets and certain intangible assets. Intangible produced assets may include computer software, motion picture films and research and development costs (which does not include the start-up costs associated with capital projects).

Receivables include amounts owing from government through appropriation receivable, short and long-term trade credit and accounts receivable, accrued investment income, grants, taxes and interest receivable.

Related party is a person who has significant influence over a KMP or vice versa and/ or a close family member of a KMP.

Related party transaction is a transaction between CFA and one of its KMPs, a related party or any entity they control.

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

Standing Directions refers to the Standing Directions 2018 of the Assistant Treasurer under the *Financial Management Act 1994* and its Instructions.

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

8.14 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:

- - zero, or rounded to zero
- (xxx.x) negative numbers
- 20xx year/ period
- 20xx–xx year/ period

The financial statements and notes are presented based on the illustration for a government department in the 2019-2020 Model Report for *Victorian Government Departments*. The presentation of other disclosures is generally consistent with the other disclosures made in earlier publications of CFA's annual report.

Financial Disclosures

Consultancy expenditure

Details of consultancies valued at \$10,000 or greater

As at 30 June 2020, there were three consultancies where the total fees payable to the consultants were \$10,000 or greater.

Consultant	Purpose of consultancy	Start date	End date	Total approved project fee (excl. GST) (\$'000)	Expenditure 2018-19 (excl. GST) (\$'000)	Future expenditure (excl. GST) (\$'000)
Nation Partners	Delivery of an environmental framework, strategy, and risk assessment	Sep-19	On-going	300.0	135.0	36.1
Hard Work Pty Ltd	To provide advice and support on fundraising strategy	Jan-20	Apr-20	117.0	102.0	0.0
Pinnacle Group Australia	Strategic advice on structural changes arising out of Fire Services Reform	May-20	Jun-20	50.0	22.6	22.6
Total				467.0	259.6	58.7

Details of consultancies valued at less than \$10,000

As of 30 June 2020, there were no consultancy engaged during the year, where the total fees payable to the consultant was less than \$10,000.

The below is an amendment to the disclosure of consultants reflected in the 2016 Annual Report

Consultant	Purpose of consultancy	Start date	End date	Total approved project fee (excl. GST) (\$'000)	Expenditure 2018-19 (excl. GST) (\$'000)	Future expenditure (excl. GST) (\$'000)
McCrohan Consulting	Provision of strategic advice and insight on communications	Dec-15	Jun-16	60.0	60.0	0

Information and communication technology expenditure

Details of information and communication technology (ICT) expenditure

As at 30 June 2020, total ICT expenditure of \$46m with details shown below:

(\$ million)			
Business As Usual (BAU) ICT expenditure (Total \$m)	Non-Business As Usual (non-BAU) ICT expenditure (Total = A + B \$m)	Non-BAU Operational expenditure (A \$m)	Non-BAU Capital expenditure (B \$m)
36.2	9.8	9.0	0.8

ICT expenditure refers to costs in providing business-enabling ICT services. It comprises Business As Usual (BAU) ICT expenditure and Non-Business As Usual (Non-BAU) ICT expenditure. Non-BAU ICT expenditure relates to extending or enhancing current ICT capabilities. BAU ICT expenditure is all remaining ICT expenditure which primarily relates to ongoing activities to operate and maintain the current ICT capability.

Relevant Legislation and Policies

Legislation and delegated legislation provide a clear framework for 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
Building Act 1993
Carers Recognition Act 2012
Charter of Human Rights and Responsibilities Act 2006
Child Wellbeing and Safety Act 2005
Conservation, Forests and Lands Act 1987
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
Forests Act 1958
Freedom of Information Act 1982
Fundraising Act 1998
Gambling Regulation Act 2003
Gender Equality Act 2020
Heavy Vehicle National Law Application Act 2013
Independent Broad-based Anti-Corruption Commission Act 2011
Liquor Control Act 1987
Local Jobs First Act 2003
Occupational Health and Safety Act 2004
Ombudsman Act 1973
Planning and Environment Act 1987
Privacy and Data Protection Act 2014
Public Interest Disclosures Act 2012
Public Administration Act 2004
Public Construction Management Act 1994
Public Records Act 1973
Rail Safety (Local Operations) Act 2006
Road Safety Act 1986
Residential Tenancies Act 1997
Subdivision Act 1988
Traditional Owner Settlement Act 2010
Victorian Civil and Administration Tribunal Act 1998
Working with Children Act 2005
Workplace Injury Rehabilitation and Compensation Act 2013
Wrongs Act 1958

Commonwealth Acts

A New Tax System (Goods and Services Tax) Act 1999
Climate Change Act 2017
Competition and Consumer Act 2010
Disability Discrimination Act 1992
Fair Work Act 2009
Fringe Benefits Tax Assessment Act 1986
National Vocational Education and Training Regulator Act 2011
Public Interest Disclosure Act 2013
Racial Discrimination Act 1975
Sex Discrimination Act 1984
Telecommunications Act 1997

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

FOI requests can be lodged online at www.foi.vic.gov.au. In the 2019–20 year an application fee of \$29.60 applied. Access charges may also be payable for documents and search time

Access to documents can also be obtained through a written request to CFA's FOI team, as detailed in s17 of the FOI Act. As such, requests can also be lodged directly with CFA via email to foi@cfa.vic.gov.au. The application fee can be paid either by cheque in the mail or by direct deposit to CFA's bank. Details are as follows:

Account Name: CFA
BSB: 063 225
Account number: 1007 1353

Please include confirmation of the payment in your email so that our accounts receivable department can be notified accordingly.

Written requests for documents in the possession of CFA should be addressed to:

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

FOI statistics/timelines

During 2019–20, CFA received 102 applications. Of these requests, four were from Members of Parliament, four from the media, 48 from law firms and the remainder from CFA members and the general public.

CFA made 96 FOI decisions during the 12 months ended 30 June 2020.

All decisions apart from 21 were made within the statutory time frame. Most of the delayed decisions were caused by working offsite because of COVID-19.

From the requests received during 2019–20, two were subject to a complaint/internal review by OVIC.

Further information

Further information regarding the operation and scope of FOI can be obtained from the FOI Act, the Professional Standards and regulations made under the Act, and foi.vic.gov.au.

Financial Management Act 1994 (Vic)

All the financial information contained in the report for the financial year has been prepared and presented in accordance with the Financial Management Act 1994 and the Standing Directions of the Minister for Finance 2016 issued under that Act. Relevant information is available to the Minister for Emergency Services, the Parliament of Victoria, and the public on application to CFA's Accountable Officer (the Chief Executive Officer).

Public Interest Disclosures Act 2012 (Vic) formerly known as Protected Disclosure Act 2012 (Vic)

In relation to the matters specified in section 70 of the Public Interest Disclosures Act 2012 during the reporting year, there were nil disclosures notified to the Independent Broad-based Anti-corruption Commission by CFA under section 21(2) during 2019–20.

Privacy and Data Protection Act 2014 (Vic)

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.

Building Act 1993 (Vic)

CFA complies with the Building Act 1993, with respect to alterations and maintenance to the buildings owned by CFA.

National Competition Policy

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

Environment and sustainability

During the 2018–19 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 electronic format.

Sponsorships

CFA has a Managing Strategic Partnerships and Sponsorships business rule which outlines the processes, procedures and obligations for entering into a sponsorship agreement (including a corporate sponsorship), strategic partnership or fundraising appeals in order to meet financial, strategic and legal requirements.

Government advertising expenditure

CFA spent \$954,000 in advertisement costs for various campaigns during the 2019-20 financial year. However, no individual campaign spend was \$100,000 or greater (exclusive of GST).

Employment and conduct principles

CFA is committed to applying merit and equity principles when appointing staff. The selection processes ensure that applicants are assessed and evaluated fairly and equitably on the basis of the key selection criteria and other accountabilities without discrimination. Employees have been correctly classified in workforce data collections.

Inclusion and fairness

In 2019, CFA developed a new Inclusion and Fairness business rule subordinate to the Recruitment and Departures, and Values and Behaviours policies. The business rule provides guidance in relation to CFA's principles to enable inclusive, safe and equitable work practices and their integration into every aspect of service delivery, business management and day-to-day management across the broader organisation.

Carers Recognition Act 2012 (Vic)

CFA has taken all practical measures to comply with its obligations under the Carers Recognition Act 2012.

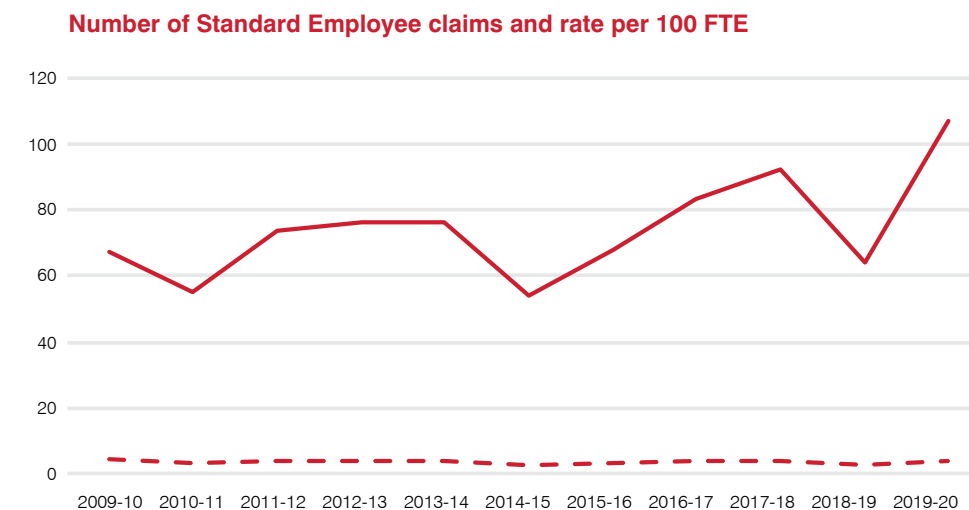
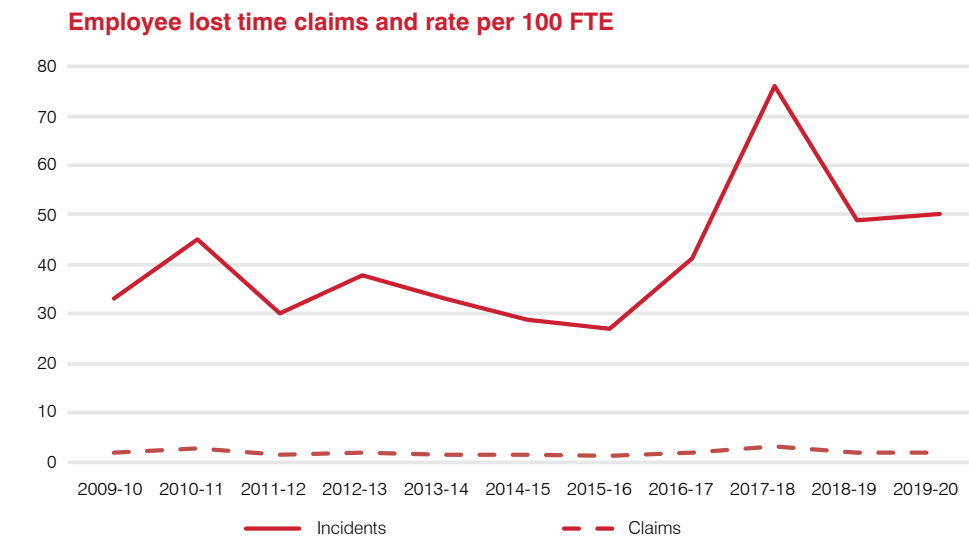
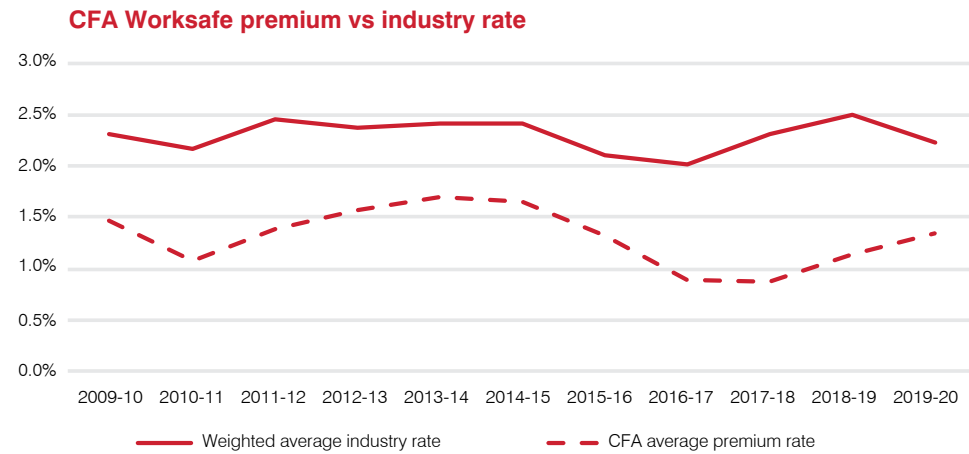
Disability Act 2006 (Vic) and Disability Discrimination Act 1992 (Cth)

CFA is prioritising disability inclusion. CFA has reviewed and updated policies and procedures to comply with accessibility standards. CFA has employed an engagement officer to facilitate the planning and development of disability inclusion strategies. CFA is also prioritising bringing all CFA buildings up to compliance standards, with the goal of reaching 80 per cent compliance within the next eight years.

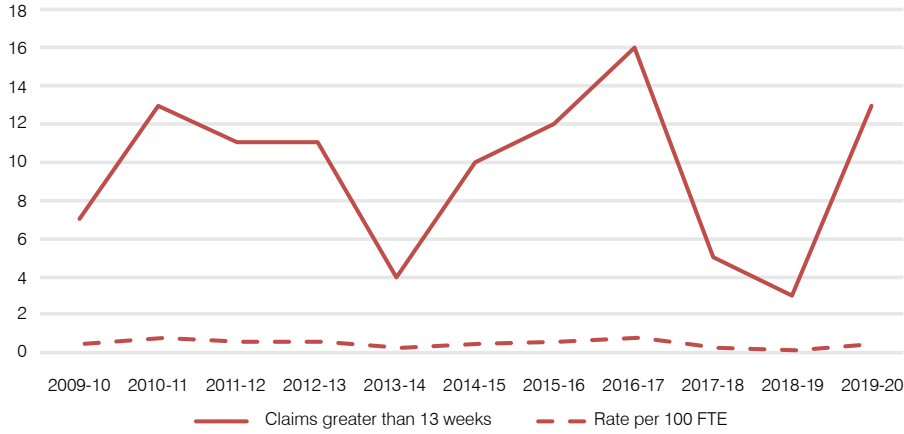
Occupational Health And Safety

Employee incidents and claims

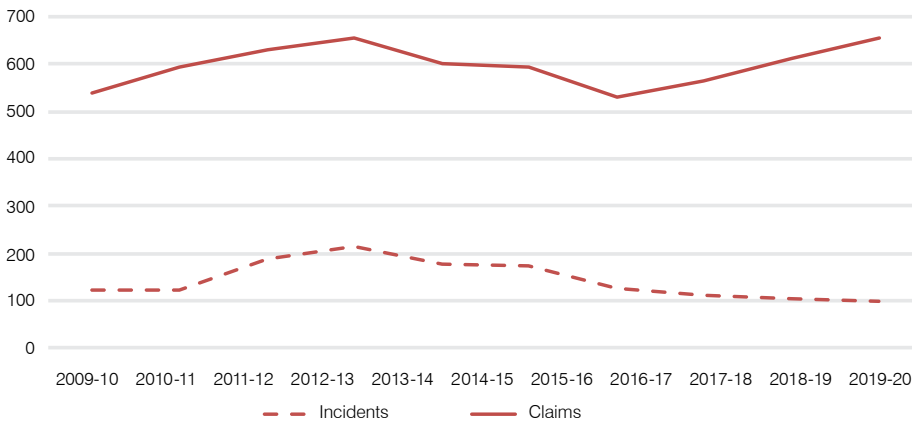
Employee incidents and claims: CFA's performance continues to be significantly better than the industry average. Premium increased due to a combination of an increase in both remuneration and claims costs.



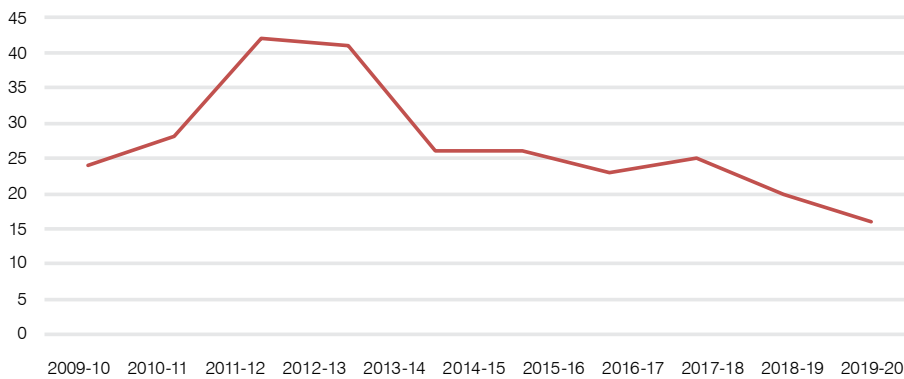
Employee claims with timeloss of 13 weeks or greater and rate per 100 FTE



Volunteer claims and incident trends (date of injury)



Volunteer lost time claims (date of injury)



Disclosure Index

Local Jobs First Act 2003 (Vic)

In accordance with the requirement of the Local Jobs First Act 2003, government agencies are required to report contracts valued at more than \$3 million in metropolitan areas and \$1 million in regional areas.

A total of five contracts commenced during 2019–20 in regional Victoria that exceeded \$1 million in value. These contracts were fire

stations at Morwell, Shepparton, Tatura and Nagambie, and the Central Highlands Training Campus. There were no contracts in the metropolitan area that exceeded \$3 million.

The local content (including all labour and materials) for these contracts was in the order of 96 per cent.

Compliance with statutory disclosure requirements

Requirement	Page reference
Charter and purpose	
FRD 22H Manner of establishment and the relevant Ministers	36, 109
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