



Annual report 2003



## CFA at a glance (at 30 June 2003)

### Brigades

Brigades	1,240
Groups	142
Fire stations with career staff	24
Road Accident Rescue brigades	23
Forest Industry Brigades	20

### CFA people

Volunteers	59,136
Career firefighters	425
Career support and administration	750
<b>Total CFA people</b>	<b>60,311</b>

### Incident management (2002/03)

Total number of incidents	35,092
Total number of brigade turnouts	64,981

### Vehicle fleet (fire & emergency)

Tankers	1,282
Pumpers	241
Aerial appliances	7
All terrain	3
Rescue units	28
Hazardous Materials Incident units	9
Mobile Control units	6
Quick Attack units	7
Protective Equipment units	6
<b>Total CFA vehicles &amp; appliances</b>	<b>1,589</b>
Brigade-owned vehicles	701
Staff transport vehicles	350
Portable equipment	1,484

### Communication infrastructure

Base radios	1,024
Mobile radios	5,410
Portable radios	2,705
Pagers	14,520
Satellite terminals	89
ERS interceptors	7,378

### Buildings and land

Urban fire stations*	252
Rural fire stations*	1,023
HQ and offices	23
Training grounds	7
Mechanical workshops	13
Communications workshops/store	1
Protective equipment workshops	1
Residences	22
<b>Total buildings</b>	<b>1,342</b>

### Land holdings

Owned by CFA	812
Leased by CFA	554

### Financial (\$m)

Total revenue (2002/03)	196.1
Total expenditure (2002/03)	171.0
Total assets (non-current)	373.3
Buildings & leasehold improvements	174.6
Value of land owned by CFA	45.6
Value of vehicles	102.6

\* Some stations house two or more brigades; some brigades have outlying stations.

Front cover:

*One of eighty two community meetings held during the major fires in North East Victoria and East Gippsland*  
(Photo courtesy of The Border Mail)

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

- provides a record of events, performance, volunteer and career staff activities;
- reports against CFA's Statement of Activities 2002/03;
- informs the Government and public about CFA's services and organisational development during the financial year;
- acknowledges the support of CFA people; and
- demonstrates how CFA's objectives and goals are being delivered to meet community outcomes.

Further copies of this annual report may be obtained from CFA, PO Box 701, Mt Waverley, Vic 3149. Telephone: (03) 9262 8444. Facsimile: (03) 9264 6200. A copy is available on CFA's website: [www.cfa.vic.gov.au](http://www.cfa.vic.gov.au) A CD-ROM copy is also available with printable pages.



## CFA's objectives and goals

During 2002/03, the CFA Board adopted a new framework for future annual and corporate planning processes. This replaces previous vision and mission statements, and complements the Victorian Government's *Growing Victoria Together* policy, as well as providing the basis for meaningful performance measurements.

### Purpose

CFA will create safe, self-sufficient and sustainable communities by developing and growing appropriate community partnerships contributing to Victoria's social, economic and financial well-being.

### Outcomes

Victoria's communities are working continuously with CFA to improve their safety, self-sufficiency and sustainability.

CFA has established, and is continually enhancing, its capability to manage community demand for its services.

### Objectives

CFA will actively create appropriate partnerships that produce and maintain safe, self-sufficient and sustainable communities.

CFA will be an organisation fully integrated with, and appropriately responsive to, the communities it serves.

CFA will have the capability to efficiently manage community demand for its services in a manner that provides a safe, appropriate, effective and timely response.

### Goals

CFA will actively encourage the personal growth of its people by providing training to build their knowledge, capability and capacity to use superior leadership and management skills to create and grow safe, self-sufficient and sustainable communities.

CFA will continuously aim to be a truly united, highly flexible and capable organisation focused on responding efficiently and effectively to meeting the needs of communities with whom it is well aligned and firmly and fully integrated.

CFA will proactively create and foster the growth of robust community partnerships and service delivery relationships with community safety organisations.

CFA will continuously monitor and prioritise community demand for its services to build organisational capability and capacity that ensures appropriate and effective infrastructure is available to enable efficient delivery of services meeting community needs.

CFA will create, and continuously promote and develop, an organisational culture that actively enhances the safety, health and well-being of all CFA people.

### Outputs

#### Prevention:

Strategies and services to prevent emergency events or lessen their impact.

#### Preparedness:

Strategies and services that allow CFA and the community to respond quickly and effectively to emergency events.

#### Response:

Strategies and services that allow CFA to control, limit or modify the emergency to reduce the consequences.

#### Recovery:

*External:* Strategies and services that allow CFA to support affected communities in their reconstruction of physical infrastructure and restoration of emotional, social, economic and physical well-being.

*Internal:* Strategies and services to return CFA to a state of preparedness after emergency situations.

# Profile of CFA

## Brief history

The *Fire Brigades Act* 1890 created two boards, a Metropolitan Fire Brigades Board for the metropolitan fire district, and a Country Fire Brigades Board (CFBB) to embrace the nine country fire districts. The Act gave CFBB extensive powers and responsibilities for fire brigades based more than 16 kilometres from Melbourne CBD. The CFBB officially came into being on 1 January 1891.

In 1926, following serious bushfires, the Bush Fire Brigades were formed. Made up entirely of volunteer members, they were administered by the State Forests Department. They had only scant power to carry out fire prevention measures and received little or no financial assistance from the Government.

In 1939, the Stretton Royal Commission was established to investigate the devastating and disastrous Black Friday bush fires across Victoria. The report made a number of significant recommendations, including the need for a single firefighting organisation for country Victoria. The devastation of the 1944 bushfires emphasised the urgency of better coordination of country fire services. Legislation was enacted to establish a single country fire authority and the Country Fire Authority (CFA) began operations on 2 April 1945.

## CFA today

Over the past 58 years, CFA has evolved from these informal beginnings to become one of the world's largest volunteer-based emergency services and provides a diverse range of risk reduction and fire suppression services to minimise the impact of fires and other emergencies on the community.

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

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

CFA serves a population of approximately 2.6 million people in more than one million dwellings. Its geographical area includes the rural, provincial, and metropolitan communities of Victoria outside the district served by the Metropolitan Fire & Emergency Services Board (MFESB) and excluding areas of publicly owned land managed by the Department of Sustainability and Environment (DSE). CFA also provides support to other fire and emergency services agencies within Victoria and interstate for significant emergencies that may arise.

In 2002/03, CFA attended 35,092 fire and emergency incidents in Victoria, involving almost 65,000 turnouts by CFA brigades.

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

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

## **CFA's structure**

CFA delivers service to the community through 1,240 brigades located throughout Victoria, including rural, urban and metropolitan areas. Neighbouring brigades cooperate together, forming 142 groups which ensure that mutual support and shared resources are available and effectively used.

These brigades are supported by nine Area headquarters which provide direct operational support through 20 Regions. Career and volunteer personnel share a range of administrative, planning and operational management roles at region, group and local level.

CFA's corporate headquarters in Melbourne provides strategic support, administrative and management services to each Area, as well as centralised coordination of resources during significant incidents.

## **CFA services**

CFA provides statewide fire and related emergency coordination, including:

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



## Chairman's report



Dear Minister

On behalf of the Board, I am pleased to report on the activities of CFA and the administration of the *Country Fire Authority Act 1958* (CFA Act) for the year ended 30 June 2003.

The past year has been one of the most challenging in CFA's history. We have continued to make significant progress in addressing safety and operational change which is progressively enhancing our service levels and setting a solid foundation for future efficiencies, effectiveness and growth. Our major achievements are described in this report and were made during the busiest year ever for fire operations, resulting mainly from six years of drought conditions and particularly warm and dry weather throughout the State. Overall, we attended 35,092 incidents during 2002/03, an increase of 5% over the previous year. While fire remains the major type of incident attended, the number and diversity of other incidents demonstrates that we are much more than a fire service, with over 9% of our activities involving motor vehicle accident rescue and almost 8% involving hazardous materials. The higher number of incidents attended also placed additional demands on our people, resulting in a record 64,981 brigade turnouts, an increase of more than 10% over the previous year.

In addition to attending emergency incidents, our people are also involved in extensive community education activities as part of our overall philosophy to integrate community preparedness and planning with response activities. This reflects the Prevention, Preparedness, Response and Recovery (PPRR) emergency management continuum and the need to achieve efficiencies through best use of human and capital resources depending on the risk facing our communities. We have significantly increased our financial resources to our community education and engagement activities. Our objective is to improve our service delivery by proactively identifying and minimising risks to the communities we serve. This will reduce, but not eliminate, the need for expensive response-readiness infrastructure and will, over time, reduce the extent of increased funding required to meet growing demands for our services.

### **2002/03 summer fire season**

Much of the increase in brigade activity was associated with the extreme summer fire season in which we declared the second highest number of Total Fire Bans ever. The most significant event was the complex of fires in North East Victoria and East Gippsland, which directly involved 8,595 CFA personnel and 674 CFA brigades over a period of 57 active firefighting days.

The fires, which originated on public land, burnt more than 1.1 million hectares of land (about 5% of Victoria), including more than 108,000 hectares of private land. During the fires, 41 dwellings, 213 other buildings, more than 3,000 kilometres of fencing, and more than 9,000 commercial stock were lost. While the losses had a deep impact on the communities affected, they were relatively minor compared to other major Victorian fires such as 'Black Friday' in January 1939 and Ash Wednesday in February 1983 and no lives were lost as a direct result of the fire. This is testament to the relatively successful fire management strategies used, and more importantly to the engagement of the communities directly impacted by the fires, demonstrating the synergies between community safety and operational fire suppression activities which have been the cornerstone of our strategic direction in past years.

Most of the CFA people involved in what has become known as the 'campaign fires' were volunteers who freely gave their time during the traditional holiday season to protect Victorian lives and assets. Their personal cost in terms of time from their families and from work should be acknowledged, as should the support of their families, friends, and employers. We should also acknowledge the significant contribution made by others in the community, including other government agencies, private enterprise and individuals, who provided direct support through the provision of goods and services during this major emergency event. The success of our people in successfully minimising what could have become a disaster for the State is a credit to the ethos of volunteerism within CFA and the Australian spirit.



## **Victorian Bushfire Inquiry**

As with all major incidents, the campaign fires provided CFA with an opportunity to learn from experiences and identify opportunities for improvement. The Victorian Government also used the summer fire season to identify areas for improvement and initiated an Inquiry into the major fires under the auspices of the Office of the Emergency Services Commissioner. As part of our post-fires recovery program, CFA prepared a very detailed submission and made 82 recommendations for consideration to improve the State's preparedness and fire management for future events.

Central to these recommendations was the need for an integrated end-to-end community safety planning regime that formally links prevention planning and emergency planning under the PPRR emergency management continuum, including formal integration of public and private land fire plans. Most importantly, we also identified the need for a more streamlined fire coordination structure. Our clear recommendation is consistent with the findings of the Royal Commission into the 1939 'Black Friday' bushfires that were of a similar size to the fires we recently experienced.

We are pleased that the Inquiry's interim report in August 2003 started to take action to improve fire management practices. In particular, we acknowledge the Inquiry's recommendation that we should modify our operational procedures to ensure better use of local knowledge in fire management at a tactical and strategic level. We had identified this issue through our post-fire recovery program and have taken immediate steps to ensure that we make better use of local knowledge in the future.

## **Financial resources**

Our success during the campaign fires, and the summer fire season as a whole, can be attributed in part to the significant investment we have made over the past three years in new infrastructure and resources and programs designed to improve the operational efficiency, effectiveness and safety of our people. Much of this has been achieved through additional funding under the Strategic Resource Initiative program which is providing total funding of \$98.3 million over four years. During the year, \$19.5 million was allocated under this program to agreed priority projects which included volunteer support, new land, buildings and equipment, training and safety programs. It also included the recruitment and training of new career firefighters to support volunteers in fire stations in Melbourne's outer-metropolitan growth corridors and major regional centres, bringing our total number of career firefighting staff to 425, an increase of almost 36% over the past three years. Progress with these projects is provided in this report.

Under the provisions of the CFA Act, statutory funding contributions are made by the State Government and insurance and other companies. This amounted to \$165.5 million for 2002/03. Statutory contributions formed the majority of our total revenue for the period, which increased by 14.1% over last year to a total of \$196.1 million.

During the year, the State Government conducted a review to evaluate alternative funding models for Victoria's fire services. CFA and volunteer associations participated in this review which assessed a number of options for future funding mechanisms, including modification to the current insurance-based system and property-based systems. The review concluded that the existing funding model remained appropriate. The findings are consistent with CFA's submission to this review.

## **Board changes**

We were saddened by the death of Rob MacLennan who passed away on 28 May 2003. Rob had been a member of the CFA Board since 2001 and made a significant contribution to our Board, and to CFA over many years as a CFA volunteer. He will be greatly missed. During the year, Bill Davies and Helen McGowan retired from the Board; on behalf of CFA I thank them for their valuable contribution to CFA over many years. Two new members have been appointed to the Board: Rick Hill was appointed on 15 March 2003, and Ken King was appointed on 1 July 2003. They both bring new skills and perspectives to the Board and I look forward to working with them.

During the year, and following an extensive search, we appointed Neil Bibby as CFA's Chief Executive Officer from 31 March 2003. Neil's extensive experience, formerly as CFA's Director Community Safety and with the Metropolitan Fire and Emergency Services Board, will guide our future strategic direction in CFA's evolution from a fire service to an integrated emergency management agency.



## Our future

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

In conclusion, 2002/03 has been one of the most challenging in CFA's history. We have made significant progress towards achieving our longer-term goals even though we were involved in the most active summer fire season for many years. Our success, both operationally and strategically, was only made possible through the efforts and commitment of all CFA's people. Our success has been achieved through the synergies of many levels of our 'family', including the members of the Board, our staff, and most importantly, our volunteers and their representative organisations. Without their dedication, commitment and commonality of purpose, CFA would not be the organisation it is today. We are indebted to their superb contribution in making CFA one of the most respected and professional volunteer-based emergency management agencies in Australia and the world.



**Len Foster**  
Chairman

## Financial summary

### Revenue 2002/03

**\$196.1 million**

#### Total Government and statutory funding

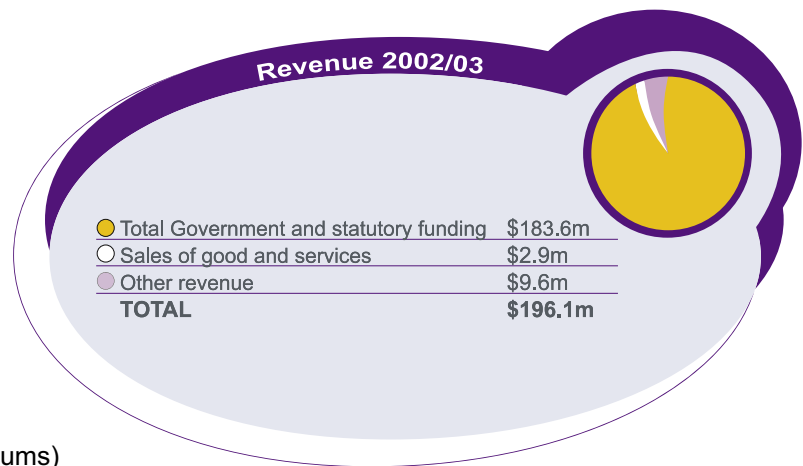
Under the *Country Fire Authority Act 1958*, CFA receives funding of annual expenditure through the Victorian Government, insurance companies (through insurance premiums) and from other companies under Section 80A of the Act. During 2002/03 statutory contributions totalled \$165.5 million, comprising \$35.1 million from the State Government, \$121.0 million from insurance companies, and \$9.4 million from other companies. In addition, the Government provided supplementary funding of \$18.1 million, most of which was reimbursement of additional extraordinary costs incurred by CFA during the campaign fires in North East Victoria and East Gippsland.

#### Sales of goods and services

CFA received \$2.9 million during the year from the provision of goods and services to external bodies. These include the provision of external training services, fire protection fees, alarm monitoring, dangerous goods inspections, and hazardous materials incidents.

#### Other revenue

Other revenues during the year totalled \$9.6 million from a number of sources including the Transport Accident Commission, the Commonwealth Government, interest, and public donations.



### Expenses 2002/03

**\$171.0 million**

#### Employee benefits

During 2002/03 \$80.4 million was spent on salaries and other employee expenses such as superannuation, payroll tax, WorkCover premiums and employee support activities.

#### Depreciation and amortisation

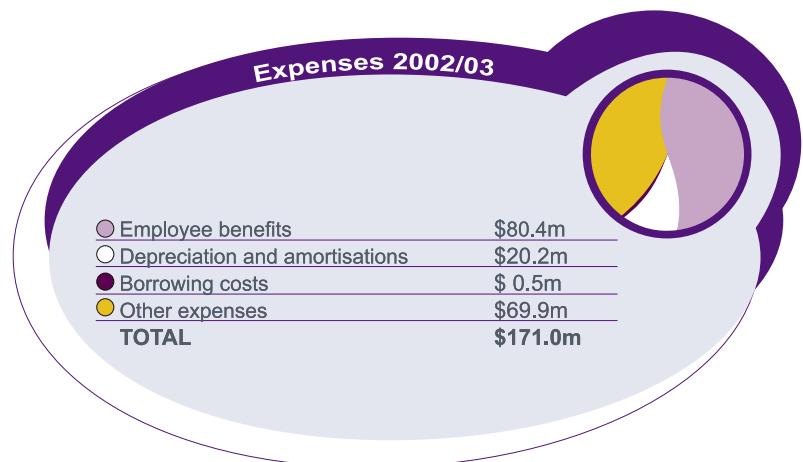
The written down value of CFA's assets at cost or valuation, including land, buildings, leasehold improvements, vehicles, plant and machinery totalled \$373.3 million. Depreciation expense totalled \$20.2 million during 2002/03.

#### Borrowing costs

Interest payments on loans with Treasury Corporation of Victoria totalled \$543,000 during 2002/03.

#### Other expenses

CFA spent \$69.9 million on general operating costs and other expenses during 2002/03. These included motor vehicle running costs (\$7.2 million), communications and alarms (\$7.9 million), training (\$3.3 million), uniforms and equipment (\$5.8 million), aircraft hire (\$9.5 million), buildings and other operating and maintenance costs (\$14.6 million), and other volunteer and brigade support expenses (\$2.4 million).



## Assets (at 30 June 2003)

**\$402.5 million**

### Vehicles

After depreciation, the value of CFA vehicles totalled \$102.6 million. Of these, CFA-owned vehicles are valued at \$85.7 million, and brigade-owned vehicles are valued at \$16.8 million.

### Plant, machinery and equipment

This includes computer hardware, software and licence fees, and communications equipment to a total value of \$22.7 million.

### Buildings and leasehold improvements

The value of CFA-owned buildings and improvements made to leasehold buildings totalled \$174.6 million.

### Freehold land

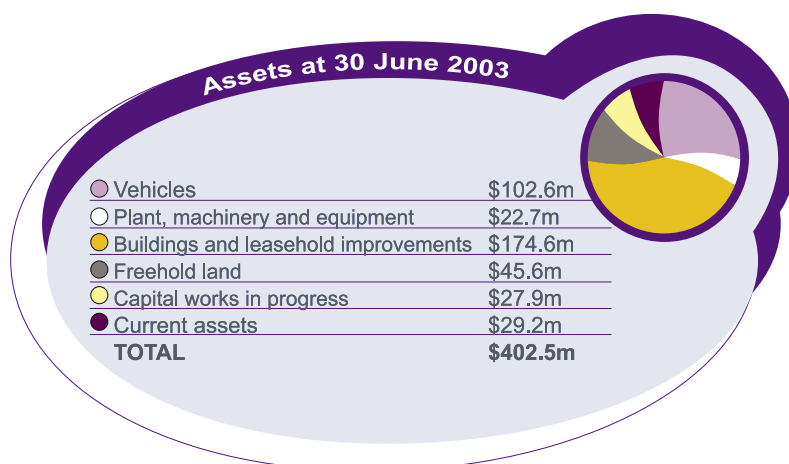
The value of land owned by CFA totalled \$45.6 million.

### Capital works in progress

At the end of the year, the value of expenditure on capital works such as land, buildings, firefighting vehicles and plant, machinery and equipment, but which were not yet completed, totalled \$27.9 million.

### Current assets

Current assets totalled \$29.2 million and included inventories and goods held in store (\$5.0 million), money owed to CFA (\$11.5 million) and cash at bank, deposits and prepayments made by CFA (\$12.6 million).



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## Liabilities (at 30 June 2003)

**\$52.4 million**

### Borrowings

There is a core borrowing facility from Treasury Corporation which provides CFA's short to medium term cash requirements. At 30 June 2003, these totalled \$2.0 million.

### Employee entitlements

A total of \$23.7 million is accrued for annual leave and long service leave payments to staff. Some of this will become payable at a future date.

### Goods or services not yet paid for

At the end of the year a total of \$21.6 million was owed for goods or services already provided but not yet paid for.

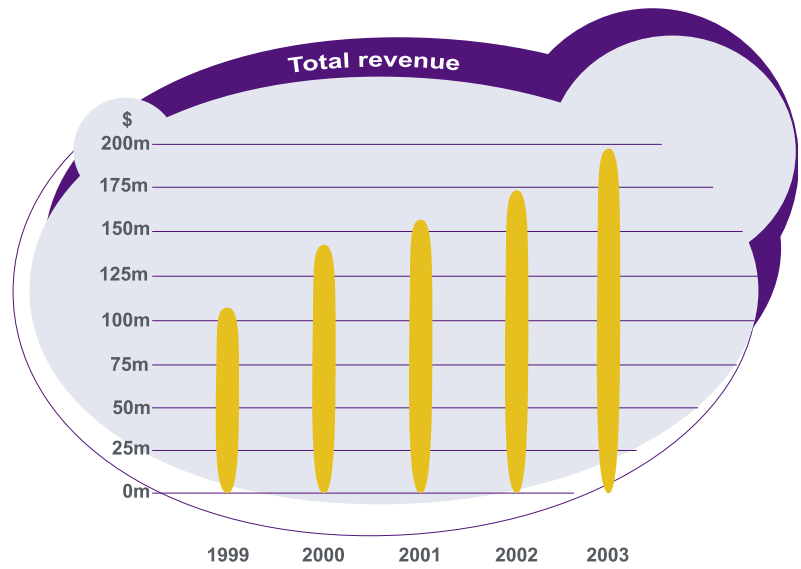
### Provision for volunteer compensation

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



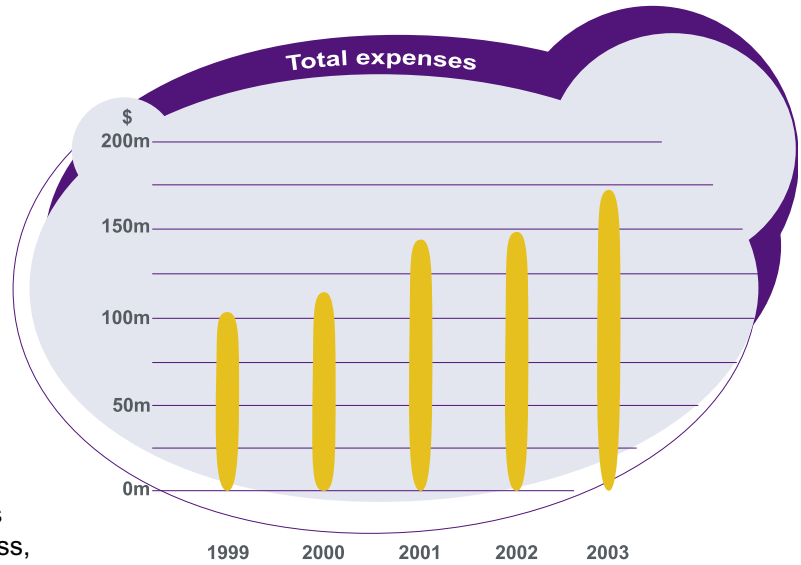
## Total revenue

In 2002/03 CFA's revenue totalled \$196.1 million which included \$14.8 million for the North East Victoria and East Gippsland fires. Over the past five years revenue has increased by 80%, reflecting increased activity levels and significant improvements to firefighting infrastructure throughout the State. Revenue over the past three years reflects Strategic Resource Initiative (SRI) funding.



## Total expenses

During the year, CFA's expenses totalled \$171.0 million which includes expenditure of \$14.8 million related to the North East Victoria and East Gippsland fires. Expenses over the past five years have increased by 67%. During 2002/03 expenses represented 87% of total revenue, unchanged from the previous year. The significant increase in expenses for the past three years reflects the SRI programs for improving operational preparedness, skills enhancement and volunteer support activities.

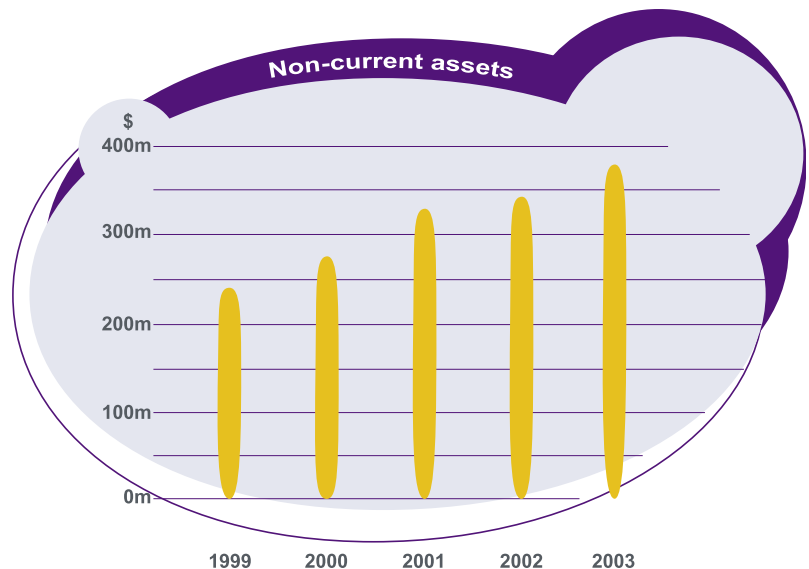


### Important note:

Each year, the contributions received from the State Government and insurance companies provide funding for that year's recurrent expenditure and capital works. These contributions are classified as revenue. After deducting recurrent expenses for the year, CFA's net result is determined. This net result is utilized as the major source of funding for the CFA capital program. In 2002/03, CFA's net result was a surplus of \$25.1 million.

## Non-current assets

Non-current assets include all infrastructure – the value of land, buildings, vehicles, plant, machinery and equipment, and capital works in progress. The total of these assets at 30 June 2003 was \$373.3 million. Over the past five years the value of CFA's non-current assets, which includes revaluations, has increased by almost 51%.



These charts have been compiled from the Statement of Financial Performance, Statement of Financial Position, and associated notes to these accounts for the financial year 2002/03. Figures have been rounded in this summary.

## Chief Executive Officer's report



Our activities and achievements during the past financial year have provided a solid base for CFA in the future. Our future and that of the State are inextricably linked and today, more than ever, CFA is better informed about the strategic direction of Government and how we need to be aligned with future planning in Victoria to meet our objectives and the expectations of the communities we serve.

The future is dynamic and this was demonstrated in late 2002 in the Department of Sustainability and Environment 30-year planning vision for Melbourne. This vision is based on Melbourne's population increasing by one million people over 30 years, requiring an additional 620,000 residences and the need for associated support services and infrastructure. The challenge for CFA is to manage the alignment between broad government policy and the implications of its implementation for CFA, not only in metropolitan Melbourne but also in regional and rural Victoria. To assist this, we have established the CFA Growth Strategy Steering Committee to guide work on managing the implications of long term changes on CFA's service delivery.

CFA also faces additional challenges. As a volunteer community-based organisation we face continuing pressures in maintaining effective service delivery. Although the numbers of volunteers increased slightly as at 30 June 2003, this was mainly the result of seasonal factors associated with the extent and prolonged nature of the campaign fires. There has been an overall declining trend in volunteer retention, due to the dynamics of changing social and economic factors which has seen a shift in work and living patterns inconsistent with the on-call availability required of volunteers. In addition, over past years we have placed increasing pressures on volunteers, requiring additional proficiencies and training, and changes in the way we operate.

Volunteers are the key to CFA's past and future success. To meet the challenges of the future, we need to continually change to ensure we can continue to meet and enhance our levels of service delivery and the increasing demands and expectations of the communities we serve. We also need to balance the demands we place on our people and maintain and improve our efficiency and effectiveness.

For this reason, during 2002/03 the CFA Board undertook a comprehensive review of our planning processes and adopted a new framework for annual and longer-term corporate planning. This planning framework provides linkages with Department of Justice outputs and broader whole-of-Government policy and in the way we plan and budget for annual activities and multi-year strategic initiatives (such as capital works). The new planning framework also provides the basis for establishing meaningful performance measures based on outputs and outcomes.

Over past years we have evolved from a fire service to a contemporary emergency service. By 2010 we will have evolved into an emergency management agency, reducing the level of risk and adverse effects associated with emergencies and improving the actual level and perception of safety in Victoria's communities.

Our planning framework recognises that Victoria is not a single community, but an infinite number of diverse communities with differing needs and expectations. Through our volunteers we are a community-based and community focused organisation which is uniquely positioned to contribute to our purpose and objectives of 'creating safer communities' for all Victorians.

We will measure and report our organisational performance through the use of the Prevention, Preparedness, Response and Recovery (PPRR) output model which provides for a holistic risk management approach to all our activities. We have already commenced this process with the emphasis we place on achieving safer communities through effective community education and engagement. While previously our focus as a fire service was on providing a response capability to emergencies, our current approach integrates community safety with response activities. The effectiveness of this was clearly demonstrated during the recent campaign fires, and increasingly our focus will be on prevention and preparedness.

From 2003/04, the new corporate planning process will comprise a formal annual plan, a rolling three-year corporate plan, strategic plan and associated financial plans which will form the basis of future annual reporting.

As a transition to the new planning process, activities during the last financial year were based primarily on outputs extracted from the 2002/03 budget approved by the CFA Board and other substantial activities being undertaken by CFA. They are broadly aligned to the Board's seven priority themes and the State Government policy of *Growing Victoria Together*. This Statement of Activities identifies 20 key activities and provides the basis of reporting achievements and outcomes in this year's annual report.

Our corporate planning process is only one link to meeting future demand and community expectations. The key to achieving our objectives is our people. Over past years we have recorded many significant achievements, all of which can be attributed to the expertise and commitment of our people who have provided a solid foundation for our evolution to an emergency management agency. As we approach a future of continual and dynamic change, our success will depend on the efforts of our people. Our focus in the future will continue to be on providing a rewarding and satisfying environment for our people and to assist them in their efforts. Most importantly, we will continue to recognise their selfless contribution to our continued success.

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**Neil Bibby**  
Chief Executive Officer

## Key achievements during 2002/03

Activity	References in this report
No reduction in service provided by CFA	17-18; 21
Increase the agreed capital works program and fund new initiatives through a 5% saving achieved from better managed delivery of products and services	22-23
Achieve a tangible response to the recommendations of the Linton Coronial Inquiry through implementation of the Safer Firefighting Action Plan	17
Consolidate increases in service levels	17-21
Achieve agreement for a standard fire station design	22
Implement the Brigade Management Model	18
Develop a long term, rigorous budget process	27
Finalise the Corporate Planning process	11-12
Respond to the Melbourne 2030 Department of Infrastructure document and the Infrastructure Planning Council/Investing in Our Future 2020 documents	11-12
Implement an improved internal financial reporting process achieved via the SAP financial system	23; 27
Commence activity based reporting	11-12
Prepare specific issue plans, including a five-year information and technology management strategy; environment management plan; and 10-year financial plan.	11-12
Enhance management of the capital works program (land, buildings, appliances and communications)	22-23
Commence implementation of the Government Infrastructure Management System (GIMS) asset management system	27
Continue the Personal Protective Clothing program	23
Commission the work to establish the interim SIPSaC Regional Call-taking and Dispatch centre in Ballarat	23
Develop the 'whole-of-CFA' training program	24-25
Fiskville capital works improvements	22-23
Ongoing key resource improvements under the Strategic Resource Initiative (SRI)	6; 14-27



## The year in review

### Operations

This year was the most active for CFA in its history with the overall number of incidents increasing by 5% over last year. This reflects the busiest summer fire season in CFA's history. It also reflects increases in all types of incidents other than hazardous material incidents which declined by 5% compared with 2001/02 and the number of false alarms call outs which remained static.

While fire remains the major type of incident attended by CFA, the number and diversity of other incidents demonstrates that we are much more than a fire service with over 9% of our activities involving motor vehicle accident rescue and almost 8% involving hazardous materials.

Although the overall number of incidents increased, they do not reflect the extent of activity. For example, fires and explosions increased by 754 over 2001/02, and only seven of these were recorded as associated with the North East Victoria and Gippsland campaign fires which occupied a total of 8,595 CFA personnel over 71 days, including a period after containment on ready-reserve.

The number of primary and support turnouts by brigades increased by 5% over last year. This increase reflects increased brigade commitment to the major campaign fires which involved a total of 674 brigades throughout the State.

#### Total number of incidents (at 30 June)

Incident type	1998/99	1999/00	2000/01	2001/02	2002/03	change
Fires and explosions	12,066	11,554	14,510	13,784	14,538	+5.5%
MVA, rescue, EMS calls	2,879	2,877	3,045	3,306	3,332	+0.8%
Hazardous condition	2,426	2,001	2,772	2,863	2,715	-5.2%
Overpressure rupture	32	15	27	22	35	+59.0%
Service calls	1,630	1,545	1,864	1,583	1,867	+17.9%
Good intent calls	3,515	3,225	4,002	3,839	4,608	+20.0%
False alarms/false calls	6,375	5,694	7,797	7,658	7,654	nil
Undetermined and other	329	3,863	289	267	343	+28.5%
<b>Total incidents</b>	<b>29,252</b>	<b>30,774</b>	<b>34,306</b>	<b>33,322</b>	<b>35,092</b>	<b>+5.3%</b>

(Information provided from Fire Incident Reporting System (FIRS) and grouped by AIRS Divisions.)

#### Total number of turnouts by CFA brigades

	1998/99	1999/00	2000/01	2001/02	2002/03	change
Primary	29,252	30,774	34,306	33,322	35,092	+5.3%
Support	20,006	21,788	27,411	25,360	29,889	+17.9%
<b>Total</b>	<b>49,258</b>	<b>52,562</b>	<b>61,717</b>	<b>58,682</b>	<b>64,981</b>	<b>+10.7%</b>

### Summer fire season

As mentioned above, the 2002/03 summer fire season was the busiest ever for CFA, following six years of drought conditions and particularly warm and dry weather in the northern parts of the State. The continuing effects of the drought resulted in tinder-dry fuel loads that produced extreme fire risks. During the summer fire season, a total of 24 Total Fire Bans (TFBs) were declared, the highest number for the past five years, and the second highest ever in CFA's history.

#### Total Fire Ban Days (1999-2003)

	Whole of State	Partial
1999	1	4
2000	3	13
2001	6	8
2002	0	9
2003	4	20

### Declared Total Fire Bans 2002/03

18 October 2002	North West
2 November 2002	North West; North East
12 November 2002	North West; Central; North East
17 November 2002	North West
17 December 2002	North West; North East
18 December 2002	North West; North East
19 December 2002	North West; North East
20 December 2002	North West; North East
21 December 2002	North West; Central; North East
29 December 2002	North West; South West; Central; North East
30 December 2002	North West; North East
7 January 2003	Whole of State
13 January 2003	North West; South West; Central; North East
18 January 2003	North East
20 January 2003	Whole of State
21 January 2003	North East
22 January 2003	North East
24 January 2003	North West; South West; Central; North East
25 January 2003	Whole of State
26 January 2003	North West; Central; North East; Eastern
29 January 2003	Whole of State
30 January 2003	North East; Eastern
18 March 2003	North West; South West; Central; North East
19 March 2003	Central; North East; Eastern

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Victoria is divided into five Total Fire Ban (TFB) districts, based on geography and climate.

The fire season in NSW traditionally starts before Victoria and we assisted the NSW Rural Fire Service with firefighting personnel and equipment to battle severe fires in the Sydney region during October and November 2002.

During the declared fire danger period from 1 December 2002 to 30 April 2003, we attended a total of 15,493 incidents throughout the State, including 168 fires that originated on public land. Examples of major incidents originating on public land that involved a significant commitment of CFA resources.

### Major incidents originating on public land: 2002/03 summer fire season

Date	Location	CFA brigades	CFA appliances	Fire size
18 December 2002	Big Desert	34	25	181,400 ha
19 March 2003	Wandong	28	35	8 ha
19 March 2003	Gembrook	18	24	650 ha
7 April 2003	Newham	80	102	600 ha

In addition to the major North East Victoria and Gippsland fires, and those described above, other significant fires occurred at Lysterfield, Morwell, Beechworth, Teesdale, Taggerty, Alvie, Smythesdale, Newton and Pakenham South.

### North East Victoria and Gippsland fires

The largest of fires originating on public land occurred on the evening of 8 January 2003 when a series of violent thunderstorms stretching from South East NSW to North East Victoria ignited 87 fires on public land in Victoria's alpine area. While all but nine fires were successfully contained, the inaccessibility of mountainous terrain contributed to what was to become one of Victoria's most devastating fires.

For 57 days, 15,725 personnel (of whom 8,595, or more than half, were from CFA) fought under extreme conditions to bring the fires under control. The extent and unpredictability of the fires, the number of personnel involved and the logistics of providing and supporting firefighting resources (including 1,192 interstate and overseas firefighters, and Defence personnel) was likened to a military campaign, and for this reason the fires are known as the 'campaign fires'.



## Personnel deployed on the campaign fires

### Victorian State Government agencies

- 8,595 CFA volunteers and staff
- 3,350 DSE, DPI, and PV firefighters and staff
- 1,016 SES staff and volunteers
- 75 MFESB staff
- 1,545 other non-firefighting agencies.

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### Interstate and overseas agencies and personnel

- 130 NSW Rural Fire Service personnel
  - 584 South Australian Country Fire Service personnel
  - 31 Tasmanian Fire Service and Tasmanian Parks and Wildlife Service personnel
  - 68 Queensland Fire and Rescue Service and Queensland Rural Fire Service personnel
  - 234 Department of Defence personnel
  - 35 USA Department of Agriculture (National Forests Service) fire personnel
  - 62 New Zealand Rural Fire Authority personnel
- 

As the fires originated on public land, DSE acted most often as the agency in control, with CFA and other agencies providing support. As these fires also threatened private land and townships, it was decided very early in the campaign to adopt an inter-agency approach to fire management, including the establishment of joint Incident Control Centres (ICCs).

The fires were the biggest and most resource-intensive emergency event in CFA's history. Never before has CFA needed to deploy and continue to coordinate and manage such a large force of firefighters and support resources over such a prolonged period of time. The challenge we faced was to deploy sufficient resources to the campaign fires while maintaining operational capacity to protect the rest of the State. During the period of the campaign fires we attended 7,523 other incidents throughout the State, assisted by MFESB which stepped into CFA stations in outer-metropolitan Melbourne to allow the release of CFA personnel to fight the campaign fires.

When the fires were eventually contained on 19 March 2003, more than 1.1 million hectares (or 5% of Victoria) had been burnt, including more than 108,000 hectares of private land. During the fires, 41 dwellings, 213 other buildings, more than 3,000 km of fencing and more than 9,000 cattle and other commercial stock were lost. No lives were lost as a direct result of the fires. Like the fires in NSW and ACT during this summer fire period, the fire intensity and the extent of ember attack were at levels not generally experienced.

While the losses had a deep impact on the communities affected, they were relatively minor compared to other major Victorian fires such as 'Black Friday' on 13 January 1939 and 'Ash Wednesday' on 16 February 1983. This is testament to the relatively successful wildfire strategies used and, more importantly, the engagement of communities directly impacted by the fires prior to and during the fires, further demonstrating the synergies between community safety and fire suppression activities.

The campaign fires resulted in additional expenditure for CFA of \$14.8 million. This was reimbursed by the Government.

### Post-fire recovery

As is common practice, we have used the experience of the campaign fires to review our business and service delivery, and to identify opportunities for improvement. This is being achieved through a recovery project which is reviewing all aspects of the operation, including physical response capacity, community preparedness and involvement, logistics and mobilization and the impact on CFA's budget and annual and corporate plans.

The project includes extensive debriefing of brigades and individuals, as well as input from many external organisations that supported CFA during the fires. It will identify processes and procedures that performed well and areas that need improvement, and establish a process from which future recovery activities can be developed.

Information gathered as part of the recovery project was also used to provide a comprehensive submission to the Victorian Government Bushfire Inquiry, in which we have identified areas for improvement and recommended potential solutions that would ensure Victoria is better prepared for large-scale fire emergencies in the future.

Concurrent with our commitment to continuous improvement, the recovery project also includes a number of investigations into specific incidents that occurred during the summer fire season. These relate to a number of 'near miss' incidents and more general operational issues such as fatigue, red flag warnings, dehydration and resource mobilization. Most of these relate to the campaign fires.

### **Service Delivery Standards**

During 2002/03, compliance with Service Delivery Standards (SDS) was 89.75% on a rolling 12-month basis. While slightly below the 90% benchmark requirements, continual monitoring of performance is being factored into future resourcing and capital works programs.

### **Safer Firefighting program**

The Linton coronial inquiry into the tragic deaths of five CFA volunteer firefighters on 2 December 1998 resulted in 55 recommendations that highlighted a number of risks and problems needing urgent attention by CFA and DNRE (now DSE).

To ensure that the Coroner's recommendations are carefully considered, a high-level group, the CFA Safer Firefighting Steering Committee, was formed, comprising representatives from CFA's major stakeholders. The Steering Committee is overseeing the progressive resolution of all recommendations.

Of the 55 recommendations associated with the Linton coronial inquiry, 24 (or 44%) are nearing completion, and 27 (or 69%) of 39 recommendations associated with the Linton/Midlands Joint CFA/DSE Review are considered complete. Internal auditors will validate the completion of recommendations progressively.

While resolution of the Linton recommendations is a priority, there are a number of other reviews and inquiries that have occurred in the past that are also being addressed. To assist in the management of resolving these recommendations, we have introduced the Performance Improvement Monitoring System.

As a demonstration of our commitment to continuous improvement, we currently have 130 reviews, and 1,733 recommendations from the debriefings recently conducted as part of the post-campaign fires operational recovery project that will also be included.

Key actions resulting from addressing the recommendations are described below.

### **Programs to improve operational effectiveness and service levels**

The impact of providing support to NSW in October and November 2002, and the North East Victoria and Gippsland campaign fires and subsequent recovery activities have significantly impacted on our ability to complete many major programs with an operational impact. These include a number of projects emanating from the findings of the Coronial Inquiry into the Linton fires and the Safer Firefighting program. Nevertheless, significant progress has been made with many important projects that are continuing to improve the effectiveness of CFA as we evolve as an integrated emergency management agency. These are summarised below:

#### **Operational audits:**

During the year we completed Regional and Regional Emergency Coordination Centre preparedness audits. Procedures and checklists for the Real Time Performance Monitoring project were agreed with DSE, and were implemented at seven incidents including the Big Desert and North East Victoria and Gippsland campaign fires.

In addition, an operational analysis was conducted on the Arthur's Seat Chairlift collapse and, in conjunction with DSE, 'near miss' investigations into seven incidents during the campaign fires.

The final project report on assessment of brigade operational efficiency was completed and development of technology systems to support the process has commenced.

#### **Review of Groups:**

The future role of Groups is being progressively implemented. Extensive briefings with brigades and Groups have been held and mapping and planning tools are currently being developed.

#### **Review of use of private appliances:**

We have engaged a project officer for this review and a legal position and interim guidelines are now being developed.

**State Operational Plans and Standards:**

Functional roles of appliances and operational specifications are being developed, and incident management standards are being defined and reviewed as part of the State Operations Management Plan (StOMP). We have completed and implemented the Escalation and Readiness Plan format and are currently establishing an information technology system to link brigades, Groups and Regions to the State Emergency Control Centre (SECC) database.

**Introduction of fireground Safety Adviser:**

This project involves an ongoing review of managing safety in the workplace and consultation with DSE. Commitments by both agencies during the campaign fires and in post-fire activities has delayed further progress which will be resumed during 2003/04.

**Resource Management and Information System:**

The resource tracking system was developed and is being implemented progressively. Operational requirements have been defined and standards and specifications have been completed.

**Skills maintenance for command and control personnel:**

This project is now complete. We developed an RPL process for role evaluation for personnel involved in the 2002/03 fire danger period activities, and Levels 2 and 3 Incident Management Team (IMT) personnel training has been completed at Regional level.

**Vehicle spray protection system:**

Phase 3 of this project is now complete. Findings on an earlier spray system has been validated and design modified for final tests. Fit-out of a test vehicle has been completed and tested. A validation site has been selected in NSW and its preparation has been completed in readiness for large-scale field experiments which are scheduled for January 2004.

**State Aircraft Unit (SAU):**

The SAU was extensively used during the 2002/03 summer fire season. An operational review and refinements to its operations are being implemented. An audit of aviation specialist personnel is currently being conducted to identify training requirements.

**Class A Foam program:**

We have completed consultation on a draft policy for Class A foam and agricultural land. Information cards have been developed for use by brigades and property owners.

**Service delivery planning**

The Service Delivery (Brigade) Planning Tool has been developed to assist brigades in identifying and delivering enhanced service levels to their communities. It was originally developed for the Brigade Community Support Program and was intended primarily to support planning at brigade and Area level.

The introduction of this planning and reporting tool involves significant work at Area level to assist brigades to introduce a risk-based planning process and it is anticipated that full introduction of this process will take a number of years.

The data captured at brigade level will form a critical basis for determining and evaluating service delivery and the efficiency of this delivery. The data will also provide important information on demand management, risk treatment at brigade level and benchmarking across CFA.

The service delivery planning model is a critical component of our corporate planning process, and it will be a key activity in our annual planning for the next three years. It also supports the Auditor General's report which recommended that CFA proceed with this business tool as soon as possible.

The process is being piloted in the Barwon/Corangamite Area and, following completion of this trial, a standard process will be developed for use across the State. Critical to and concurrent with this pilot program is the identification of CFA activities in accordance with the PPRR output model in the new corporate planning process.

Involvement of staff in the summer fire season and particularly the campaign fires, has delayed commencement of the planning process for 2003/04. However, we are intending that by June 2004 all Areas and Directorates will have a generic, integrated business tool (database) and an associated brigade planning process, and that a minimum of three Areas will be using the business tool. We also intend that all Areas and Directorates will be trained and engaged in the brigade planning process during 2004/05 and that by 2005/06 all Areas will have produced plans for their brigades using the new planning process and tool.

## Community safety

CFA places considerable emphasis on risk management planning and we believe that prevention can be more effective in reducing community risk. For several years, our approach has been to engage the communities we serve in a range of diverse programs that include multicultural communities, youths and high risk groups such as the isolated elderly and intellectually disabled. We are also actively involved in assisting local government with municipal fire prevention planning. Our major community safety activities focus around the identification of fire risk and fire prevention on a seasonal basis.

### Community engagement during the campaign fires

The level of community engagement and community action that occurred in partnership with CFA personnel was a key factor in limiting the damage of the campaign fires. The success of community involvement is the result of many years of community and fire preparedness programs that have connected communities and individuals with CFA. It is also testament to the importance placed on community preparedness as well as operational response and has resulted in a model that will mature further following the experiences with these fires.

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Community engagement had a number of components: accurate and timely information, involvement in operational planning, preparedness for the fire and assistance with asset protection. IMTs undertook many briefings of communities that were threatened by fire. These briefings were very successful, with community participation and positive input achieving a high level of community engagement. Through these briefings, communities understood the potential threat of the fires and the actions they should take when threatened.

Community briefings were supplemented with the engagement of firefighting crews that supported communities under potential threat. The firefighting crews were tasked to work with these communities to develop tactical plans. When activated, the community, with predetermined plans, worked in tandem with the response phase.

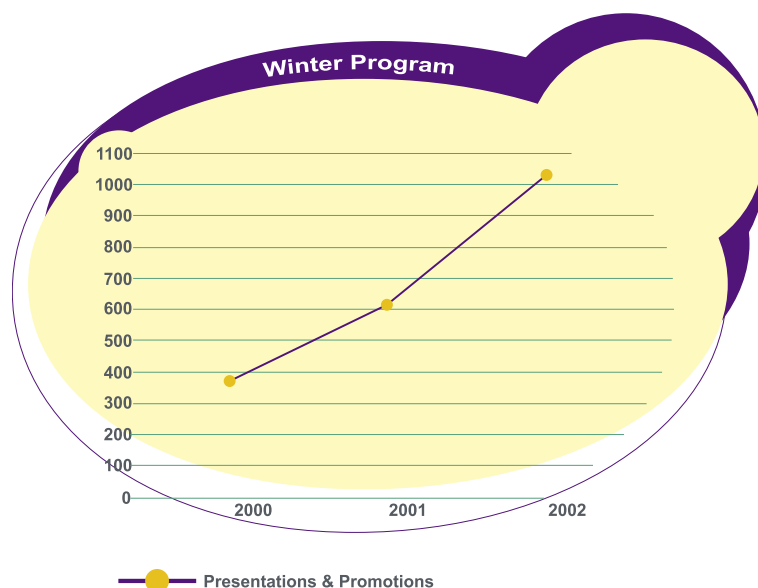
A survey of residents in North East Victoria and East Gippsland after the fires indicated the overall success of community preparedness with 75.6% stating that their household was either 'well prepared' or 'very well prepared' to deal with a bushfire before the 2002/03 summer fire season. In addition, almost all respondents (96.3%) felt that they were either 'well prepared' or 'very well prepared' by the time the fire was a threat to their property.

The fires did, however, demonstrate shortfalls with emergency planning processes. These shortfalls have been analysed and recommendations have been made to the State Government's Bushfire Inquiry on potential remedies that could improve community readiness on a State wide basis.

### Winter program

The joint CFA-MFESB winter program has increased awareness of residential fires and prevention over recent years with a program of residential fire safety programs. These are supported by an extensive media campaign which incorporates the 'Change your smoke alarm battery' message.

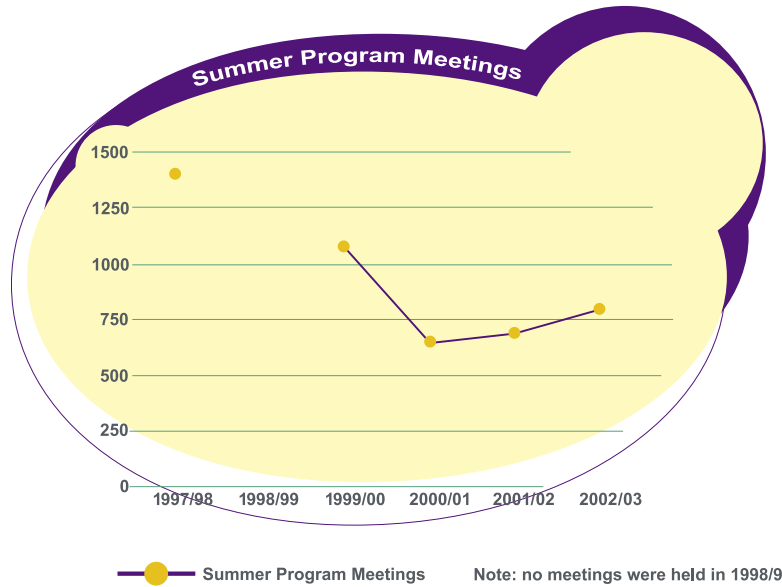
The funding of casual presenters has, in particular, made this increase in service delivery possible.



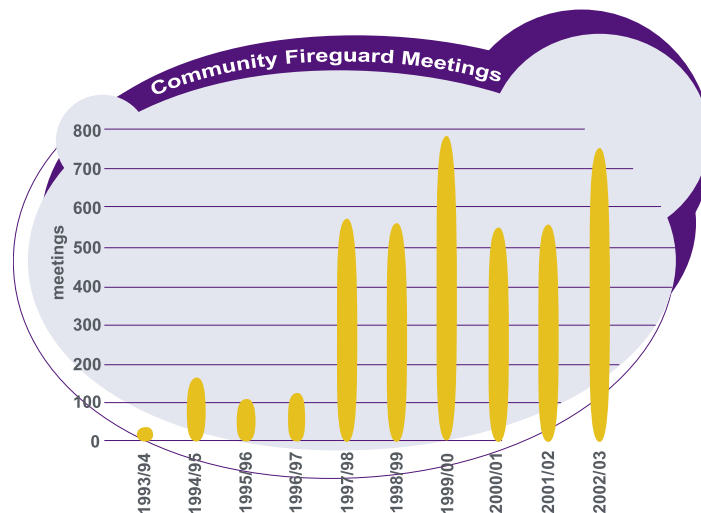
**Summer program**

The summer program has been conducted each year since 1997/98 and in most years comprises Community Fireguard, Bushfire Blitz and a media campaign. It involves the delivery of a large number of information sessions by trained presenters. The role of Area Community Education Coordinators in planning and coordinating delivery of this program has been critical to its success.

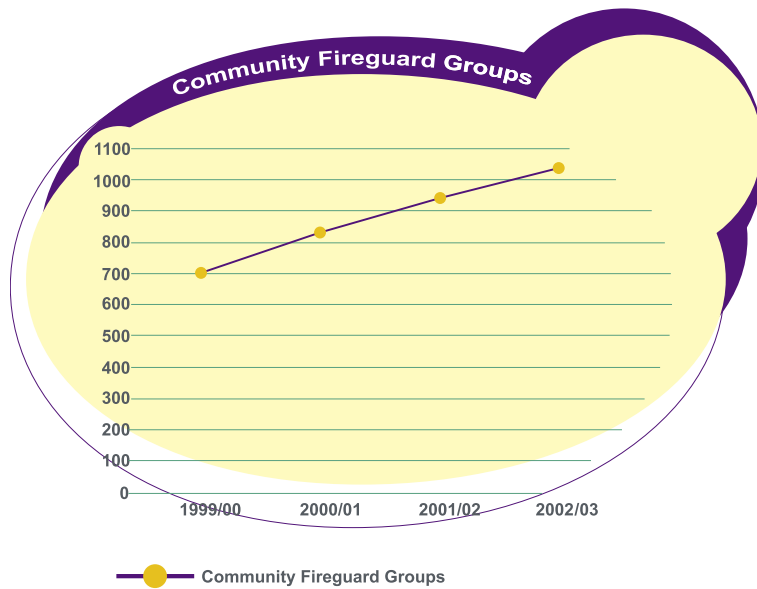
The campaign fires in North East Victoria and East Gippsland generated considerable interest in the program with large numbers of residents in fire-affected areas attending public briefings. Over the period of the major fires, 82 meetings were held in fire-affected areas and an additional 172 Bushfire Blitz meetings were held in non-fire affected areas. During the entire 2002/03 summer period a total of 801 Bushfire Blitz and public meetings were held throughout the State.



The Community Fireguard activity has continued to grow steadily. The program is, to a large extent, driven by community desire to become involved and hence there is some annual variation in activity levels that reflects seasonal conditions or occurrence of major fires that stimulate community concern. A total of 752 meetings were conducted across the State during the 2002/03 summer fire period.



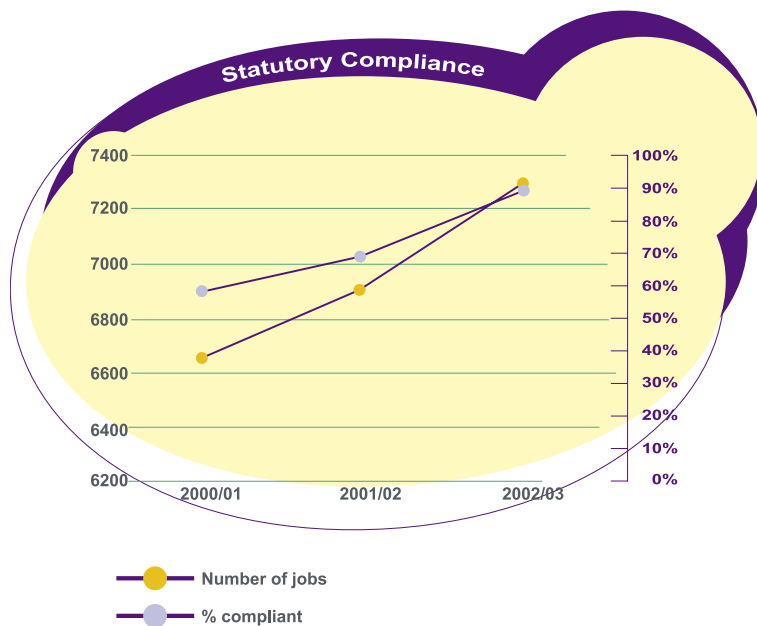




**Statutory compliance**

CFA provides fire safety input to land use planning, structural fire protection and the handling of dangerous goods and acts as a referral authority in accordance with a range of legislation. Over the past three years, these referrals have increased by over 10% from 6,620 to 7,300. In past years, the demand on CFA to meet statutory compliance requirements has impacted dramatically on available resource capacity. In response, Area Fire Safety Officers have been appointed to meet this demand. Despite a significant commitment of personnel to the major campaign fires, we have generally been able to sustain service delivery levels.

Statutory compliance demand is expected to continue to rise in line with an expected population increase of 20% over the next 25 years.



**Environmental management**

CFA's Environment Policy was approved by the Board in May 2003. This policy will assist us to manage environmental issues while maintaining safety, effectiveness and efficiency.

The policy follows development of a draft environment strategy which will ensure that environmental improvement is sustainable throughout all our operations. Developed by a cross-section of CFA people, this draft strategy is in its final stages of consultation and will be submitted to the Board for approval in late 2003.

## Capital works

Considerable progress continues to be made with our capital works program. During the year investment in land and buildings and firefighting appliances, totalled \$25 million, compared with \$18 million for the previous year.

### Land and buildings

A total of 20 new fire stations were completed and modifications to 13 existing fire stations were completed or commenced. At 30 June 2003 there were eight major new fire stations and 10 smaller stations under construction, with a further seven stations committed.

#### New fire stations completed 2002/03

Baileston	Ferntree Gully	Maiden Gully	Sandy Point
Ballan	Gormandale	Melton South	Sassafras
Balmattum	Harrietville	Nulla Vale	Somerville
Cobden	Katunga	Pastoria	Strathfieldsaye
Doreen	Lardner	Pomborneit	Sunbury Satellite

#### Modifications to fire stations completed or commenced 2002/03

Chelsea	Mildura	Romsey	Warrnambool
Eltham	Morwell	Traralgon	Wodonga
Gisborne	Murchison	Wangaratta	Yea
Heathcote			

#### Projects under construction or committed

Ballarat	Diamond Creek	Greenvale	South Morang
Bendigo	Doveton/Hallam	Hoppers Crossing	Sunbury
Chirnside Park	Drouin	Morwell	Torquay
Cranbourne	Eaglehawk	Nhill	Wangaratta South
Craigieburn	Eltham	Point Cook	
Creswick	Geelong City	Rokewood	

In addition to these works, documentation has commenced for the replacement of cooling towers at Bendigo, Ballarat, Dandenong and Fiskville, and for the refurbishment of the tower at Frankston.

The Rural Fire Station Enhancement Program has also progressed with all projects from the previous year completed and the ten final projects scheduled to be completed shortly.

These are Broadwater, Hazelwood North, Heywood, Maude, Pigeon Ponds, Spring Creek, Tintalra, Vasey, Waubra and Wemen.

### Review of standard fire station design

A review of current fire station planning, design, construction and maintenance methods has commenced to ensure that a combination of both contemporary and potential future innovative design, building materials and technology are used in the most cost and energy effective, practical, and operationally efficient manner. As building and upgrading of fire stations represents a major capital investment, the objective of this project is to ensure fire station design supports our long term service delivery requirements.

### Firefighting appliances program

The firefighting appliances program is on target to achieve completion of all previous years projects as well as most of the 2003/04 program. This will see over 100 appliances delivered during the current year. It is estimated that savings in excess of \$400,000 have been achieved through early placement of cab chassis, pump sets and the extension of contracts for bodies; these savings are equivalent to two 3.4D tankers or one medium tanker.

Production of vehicles approved under the third and final round of the Government's Community Safety Emergency Support Program (CSESP) will commence in September 2003. Four 1500 litre tankers are planned to be completed by end October, by which time eight tanker rebuilds will have commenced.

### Fiskville capital works improvements

Improvements have been made to our major training complex at Fiskville near Ballarat. A new classroom has been installed to facilitate increased training activity.

The new LP Gas House has been completed and is now fully functional. Standard Operating Procedures have been developed and these are undergoing a final risk analysis and safety check prior to operational use of the facility.

Work is also currently underway on realignment and stabilisation of access roads and the upgrading of car park areas.

### **Other capital works**

Other capital works during the year included completion of the SAP finance system and the Aged Protective Equipment Replacement program, along with minor capital projects such as the sale of transport vehicles.

### **Review of capital works program**

During the year a review of the capital works program has resulted in significant improvements in the management of capital works, especially the monitoring and reporting of the capital works program. A key issue identified in the review was the need to develop the capital evaluation model in order to more accurately forecast land and building expenditure associated with increasing demand for our services over multi-year periods. As part of this improvement process, the three-year rolling capital works program is now more closely aligned to planning and budgeting associated with development of our annual and corporate plans. Planning for capital works beyond three years has also become an organisational priority. These improvements support the broader government funding environment in which agencies are required to develop multi-year infrastructure strategies.

Given the forecast growth associated with DSE's Melbourne 2030 planning vision, our capital works program will continue to be a key multi-year strategic initiative to support our service delivery strategy. Accordingly, further improvements will be made to management of capital works programs, including a multi-year approach to vehicles, personal protective equipment and clothing, information, communications and technology, and minor capital works.

### **Personal protective clothing program**

Despite a number of industrial disruptions, the structural firefighter protective clothing project has continued to compile research data, including the completion of Wollongong University research into heat storage in firefighting protective ensembles. CFA and MFESB jointly scoped this research using the facilities of the Faculty of Health and Behavioural Sciences.

The full consultative committee has received the final report and the first draft of the ensemble 'performance' requirements has been prepared with a number of potential variations now under consideration.

Tenders and performance options have been completed, short-listed design options and field consultation has commenced. Field trials and final specifications are expected to be completed by the end of the current financial year.

Field trials for wildfire gloves have also commenced, with samples sent to selected volunteer members. Field trials are expected to be completed by October 2003.

### **Communications**

During the year, the Board approved development of a Call Taking Centre and system to provide call taking services in country Victoria. There are seven phases for the rollout of the country call taking system across the State, with Phase One due for cut over in late October 2003.

CFA and Emergency Communications Victoria (ECV) are now processing a variation to the existing contract for call taking in the BEST CAD area. In accordance with this contract, ECV has issued an impact analysis which will form part of the overall submission to the CAD Contract Management Group (CADCMG). The functional baseline documents for design of the system were approved by CFA in June 2003 and this involved nine system changes to better meet the operational requirements of regional and rural Victorian brigades.

Assignment areas and response data for brigades included in Phase One of the program are now complete. Phase One involves the Buninyong Group only, which will have its emergency calls taken by the centre later this year. Scenario testing of the system is scheduled to commence in October 2003, and will involve members of the User Reference Group which includes representatives of the VRFB, VUFBA, UFU and other stakeholders.

## CFA People

At 30 June 2003, CFA was served by 60,311 members, of which comprised 59,136 (or 98%) volunteers, 425 career firefighters and officers and 750 other staff.

Overall volunteer numbers have increased by 2% compared with last year. Volunteer numbers fluctuate seasonally and peak during the higher activity levels of the summer fire seasons. While in past years we have experienced a gradual decline in volunteer numbers, we believe the prolonged 2002/03 summer fire season and the extent and duration of the campaign fires contributed to the increase in active volunteer numbers at 30 June.

We continue to monitor the general trend in volunteer attrition and the potential this has to impact on the workload of active volunteers. In response, we continue to provide brigade support and recruitment activities.

During the year, we recruited an additional 56 career firefighters to support volunteer brigades in meeting increasing demands for our services, particularly in Melbourne's outer-metropolitan growth corridors and major regional centres.

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

Job type	2000	2001	2002	2003
Volunteers	64,340	61,657	57,985	59,136
Career firefighters	313	357	405	425
Career support & administration	525	698	724	750
<b>Total</b>	<b>65,178</b>	<b>62,712</b>	<b>59,114</b>	<b>60,311</b>

### Total CFA personnel: five-year comparison (at 30 June)

	Total	change
2000	64,340	- 2.5%
2001	61,657	- 4.4%
2002	57,985	- 6.4%
2003	60,311	+ 4.0%

### Total brigades (at 30 June 2003)

Staffing	Urban	Rural	Total
Permanent only	0	0	0
Permanent & volunteers	24	0	24
Volunteer only	202	958	1,160
Other (included FIB)	0	56	56
<b>Total</b>	<b>226</b>	<b>1,014</b>	<b>1,240</b>

## Equity and diversity

We are now into the third year of our five-year Equity and Diversity strategy which will allow us to capitalise on the talents, skills and knowledge of all CFA members and ensure we meet our legislative obligations under Equal Opportunity (EO) legislation.

Our activities during the year continued to focus on increasing EO awareness. EO awareness training was conducted across all areas of the State, with 385 participants trained during the year.

We now have 46 Contact Officers located throughout the State to provide support and information to CFA members who may have discrimination or harassment concerns.

## Training

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

Due to involvement of key training personnel during the summer fire season, particularly the campaign fires, progress on completing our training objectives was delayed. Although substantial work had been completed prior to the fires, this is being further updated, including financial and resource considerations. Minimum Skills training targets aligned to brigade risk profiles are being reconfirmed.

Substantial work on external benchmarking and standardisation of design and delivery processes has been completed. Standardised processes and procedures have been developed for integration with overall training policy and improved implementation.

The national Public Safety Training Package (PSTP) is fundamental to the integrity and external recognition of our training program. Existing training modules have been translated into the PSTP in line with the Australian National Training Authority (ANTA) requirements, and are awaiting endorsement by the UFU.

During the year, a preliminary strategy and project implementation plan was developed for succession planning.

Although the fires have delayed progress with our training program, we have made considerable progress in implementation of some of the Minimum Skills and operational leadership training programs. Although behind our target for 'wildfire with structure' and 'structure with wildfire' qualifications, we have implemented some initiatives to address this and anticipate improvement in the current year as emphasis shifts from wildfire training to other qualification profiles.

<b>Progress with Minimum Skills and Operational Leadership Roles (2002/03)</b>			
<b>Qualification</b>	<b>Target 2002/03</b>	<b>Actual 2002/03</b>	<b>Total 2002/03</b>
Wildfire qualified firefighters	20,588	20,845	21,673
Wildfire with low structural qualified firefighters	10,195	7,205	7,402
Wildfire with structural qualified firefighters	4,885	434	447
Structural with wildfire qualified firefighters	1,170	115	121
Crew leader qualified	150	2,151	2,170
Strike Team leader qualified	35	358	362
Sector Commander qualified	38	45	45

*Note: Actual refers to numbers trained who are still members of CFA. Total refers to total numbers of members trained. All numbers are cumulative.*

The initial success of the Minimum Skills program was evident throughout the summer fire season, particularly during the campaign fires when skills learnt were applied effectively and safely in demanding conditions.

### **Occupational Health and Safety**

We continue to record positive improvements in our overall safety performance. This is supported by a significant reduction in compensation claims and a commensurate reduction in the WorkCover initial premium for 2003/04.

In 2002/03 we received a total of 314 compensation claims, representing an increase of 4.6% over the previous year. Of these claims, 228 were made by volunteers, reflecting an increase of 11.7% compared to 2001/02 but a decrease of 2.0% over the five-year average. Despite increases in the numbers of career firefighters, staff claims totalled 86, a decrease of 10.4% compared to 2001/02, and a decrease of 12.9% over the five-year average.

We experienced a 55% increase in the number of claims during January and February 2003 (45 claims more than the five-year average for this period) due to the commitment of volunteer and career personnel to the campaign fires. It is this increase in claims that has negatively impacted in the overall positive performance for 2002/03. This trend also reflects an increased safety awareness by members, resulting in a greater willingness and recognition of the need to report incidents and register claims.

Significant progress has continued to be made on the implementation of our Safety First program. Major activities during the year include:

- Provision of specialist support for the campaign fires, including monitoring of the welfare and hydration of firefighters;
- A broad range of safety related training including manual handling, recruit firefighter courses and development of safety modules for the Diploma of Business;
- Coordination of the WorkSafe Focus 100 program through out CFA;
- Development of manual handling aids to reduce the risk to firefighting personnel;
- Progressive implementation of legislative compliance programs including manual handling, plant and hazardous substances risk assessments, through to the provision of chemical registers for key locations; and
- Development of procedures to meet the requirements of the OHS Management System (AS 4801).

The proposed WorkCover premium for the 2003/04 has continued to reduce compared to 2002/03 and 2001/02. Due to the increasing CFA remuneration base, these premiums have been shown as a percentage of remuneration for more meaningful comparison with previous years.

#### **WorkCover premiums**

(as percentage of remuneration)

2003/04	1.337%
2002/03	1.661%
2001/02	1.935%

#### **Industrial relations**

The Enterprise Bargaining Agreement (EBA) with the UFU for career firefighters was certified by the Australian Industrial Relations Commission on 15 December 2002. This concluded a period of intensive negotiations which commenced in June 2002. Implementation of this EBA is being managed by an Enterprise Bargaining Implementation Committee which comprises UFU members of CFA and CFA management. CFA and the UFU are continuing discussions through this committee on implementation of certain requirements of the Certified Agreement, including the deployment of permanent career staff in outer metropolitan growth areas.

Negotiations for collective agreements for Operations Officers and Operations Manager, and Managers Community Safety were concluded during the year.

We are currently negotiating collective agreements with the relevant unions for 503 non-operational employees, comprising administrative, professional, technical and scientific staff. We are hopeful that this process will be completed during 2003/04.

## **Finance and Administration**

### **Development of a 10-year financial model**

Work has commenced on development of a 10-year financial model, incorporating cash flow and sensitivity analysis, budget benchmarking and a focus on the outputs described in our annual and corporate plans. The tender process for developing this model has been completed and a consultant appointed to assist in developing this model as well as a 30-year strategic planning model.

### **Improved budget process**

We have also continued development of a long-term rigorous budget process that supports our corporate planning process. This process provides financial statements for the annual, corporate and strategic plans in a manner that optimises the use of CFA's limited financial resources and allows the reporting of these resources in the form of PPRR outputs approved by the Board. The 2003/04 budget is the first year of a three-year integrated planning and budgeting improvement plan.

The outputs of this process will provide an improved understanding of the use of CFA's existing resource base and associated activities.

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### **Improved financial reporting**

In addition, we have implemented improved Board and departmental financial reporting, using Systems Applications Processes (SAP) as CFA's single, corporate financial management system. Board recurrent financial reports are now produced from SAP on a monthly basis and are consistent with accrual accounting principles.

### **GIMS asset management system**

The Government Infrastructure Management System (GIMS) is a Department of Justice pilot project for the State Government. Its objectives are to standardise the categorisation and reporting of assets and provide an information technology system designed to assist 'total lifecycle asset management'. The GIMS system will become the primary system for project management, incorporating the full PPRR output-based planning framework.

Implementation of the project has experienced minor delays due to availability of staff and protracted negotiations regarding the interface into the SAP finance system. The system interface between SAP and GIMS has now been finalised; we expect initial roll-out to start in October 2003 and to be completed in March 2004.

### **Activity based costing**

Following a review of the available options for activity based costing (ABC), it has been decided that CFA's requirements will be met through the GIMS asset management system. ABC functionality will be implemented progressively during 2003/04.

### **Information management strategy**

Work on development of a five-year information management strategy was completed during the year.

## **Community perceptions of CFA**

For many years we have collected annual baseline information on community perceptions of CFA and our service provision. Each year, public response demonstrates a positive perception of CFA with 99.5% of those surveyed believing that CFA provided excellent service, 93.2% believing all CFA members were highly skilled and competent to fight fires, and 97.2% expressing confidence in calling CFA in the event of a fire.

Community perception research is now being redesigned to allow benchmark measurement of community attitudes and flexibility for annual adjustment according to current areas of public or CFA concern. It will also provide a useful performance benchmark for measuring the effectiveness of our annual and corporate plans. However, due to a reallocation of priorities associated with the campaign fires and their aftermath, the next survey will be conducted later in 2003.



## Corporate governance

It is the Authority's intention to achieve high standards on Corporate Governance issues and provide leadership for the achievement of high standards of accountability throughout CFA.

### The Board

The Board is responsible to the Minister for Police and Emergency Services and comprises twelve members. The position of Chairman of the Board is held by Mr Len Foster.

The other Board members are also non-executive positions. Some of these appointments are nominated by key interest bodies in accordance with the *Country Fire Authority Act 1958*. The current nominating bodies are: the Minister for Environment and Conservation; the Victorian Rural Fire Brigades' Association Inc (VRFBA); the Victorian Urban Fire Brigades' Association Inc (VUFBA); and the Municipal Association of Victoria (MAV). They are each required to nominate not less than four names, from which two members are appointed. Appointments are made by the Governor-in-Council for terms of a maximum of three years. The Insurance Council of Australia has declined to nominate members as entitled under the Act. These positions therefore were filled by the Governor-in-Council from otherwise eligible persons.

The remuneration of the Chairman and members of the Board is determined by the Governor-in-Council.

Board members may seek independent legal advice, at CFA's expense, in pursuit of their duties.

### Board's role

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

The Board is:

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

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

### Strategic planning approach

CFA's strategic management and planning process is a continual cycle involving analysis of internal and external environments, strategy development and planning, service delivery and the monitoring and evaluation of performance. There is a direct link between the corporate direction and planning and action on the ground. There is a single pathway between:

- the three-year Corporate Plan that outlines CFA's vision and provides a broad statement on longer term direction;
- the related Annual Plans that identify the organisational priorities and targets for the year;
- local Area/department business plans that are linked to the above plans and allow local decisions to be made about how specific outcomes will be achieved and the extent of work that will be done, taking into account local priorities and resource capabilities;
- project plans; and
- individual performance and development plans.

## Ethical standards

CFA operates under the Code of Conduct for the Victorian Public Sector, which provides guidance for addressing ethical issues such as conflicts of interest.

The members of the Board and senior CFA staff have met the requirements of declaring pecuniary interests.

## Board Committees

To reflect strategic imperatives and the dynamics of change, a number of Board Committees have been established.

Membership of Board Committees is as follows:

<b>Audit</b>	<b>Remuneration &amp; Appointments</b>	<b>Service Delivery</b>	<b>People Strategy</b>
Clif Lang (Chair)	Len Foster (Chair)	Max Maher (Chair)	Anne Fairhall (Chair)
Len Foster	Peter Bishop	Peter Bishop	Jan Boynton
Ken King	Jan Boynton	Robyn Hale	Robyn Hale
Rick Hill	Sue Heron	Frank Zeigler	Rick Hill
	Clif Lang		Frank Zeigler

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## Audit Committee

The Audit Committee's responsibilities embrace oversight of the corporate governance, compliance and risk management processes, including external audit and internal audit functions. The role of the Committee is to assist the Board to fulfill its responsibilities in relation to the:

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

The Committee is required to meet not less than four times a year and report to the Board on its recommendations.

The Board notes the advice from the Auditor General regarding external financial auditing arrangements. The Auditor General is an independent officer of the Parliament with sole responsibility for signing and issuing all audit opinions on financial statements. The Auditor General undertook the external financial audit for the 2002/03 year.

Currently CFA's internal audit function is contracted to PricewaterhouseCoopers. The responsible PricewaterhouseCoopers partner reports to the Audit Committee on a regular basis on internal audits undertaken against the approved internal audit plan. The internal audit team is augmented by a CFA staff member.

The Director Finance and Administration can attend Committee meetings by standing invitation.

## Remuneration & Appointments Committee

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

Members of the Committee have:

- no personal financial interest in the Committee's decisions;
- a good knowledge of CFA and its senior executives, a keen interest in its progress and a full understanding of the Government's interests and directions for the organisation; and
- a good understanding of the areas of Remuneration and Appointments Committee business, enhanced as necessary by appropriate training or access to expert advice.

The Committee may invite other people with appropriate expertise to attend meetings as required.

## Service Delivery Committee

The Service Delivery Committee's responsibilities encompass oversight of the development and implementation of plans for the effective, efficient and economic delivery of CFA operations.

Its role includes:

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

The Director of Operations/Chief Officer attends Committee meetings by standing invitation.

## People Strategy Committee

The People Strategy Committee is established to assist the Board to fulfill its responsibilities to have people in place who are:

- appropriate in number and of the right skills mix;
- adequately trained;
- efficiently organised and integrated; and
- operating in a culture of safety, equity and equal opportunity.

The role of the Committee includes:

- Occupational Health & Safety issues;
- Equity and Equal Opportunity (EEO) issues;
- Codes of Ethics and Conduct;
- management succession;
- compliance;
- disciplinary issues;
- CEO performance assessment;
- volunteer issues;
- industrial relations; and
- general human resource issues.

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The Committee is required to meet not less than four times each year and the Director Human Resources attends Committee meetings by standing invitation.

### Attendances by Board members

	Board Meetings	Special Meetings	Committee Meetings			
			Audit	Remuneration and Appointments	Service Delivery	People Strategy
<b>Number of meetings 2002/03</b>	<b>12</b>	<b>2</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>3</b>
Len Foster	12	2	4	4	2	1
Sue Heron	7	-	3	2	-	-
Peter Bishop	12	1	-	4	1	-
Jan Boynton	11	-	-	3	-	-
Bill Davies <sup>1</sup>	6	-	2	-	-	1
Anne Fairhall	12	-	-	-	-	3
Robyn Hale	11	-	-	-	1	3
Rick Hill <sup>2</sup>	3	-	1	-	-	-
Ken King <sup>3</sup>	-	-	-	-	-	-
Clif Lang	8	2	-	3	-	-
Rob MacLennan <sup>4</sup>	6	2	3	-	2	-
Max Maher	11	-	-	-	4	-
Helen McGowan	9	-	-	-	3	-
Frank Zeigler	12	2	-	-	1	3

<sup>1</sup> Retired 31 December 2002.

<sup>2</sup> Appointed 15 April 2003

<sup>3</sup> Appointed 1 July 2003

<sup>4</sup> Passed away 28 May 2003

## Board members



**Len Foster** LLB, BA, BEd

CHAIRMAN

*First appointed: 1991*

*Board Committees: Audit; Remuneration and Appointments (Chair)*

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

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**Sue Heron** BEc, Dip App Sc

DEPUTY CHAIRMAN

*First appointed: 1998*

*Board Committees: Audit; Remuneration and Appointments*

Has extensive management experience across diverse industry sectors including medical, shipping, finance and higher education. She is currently on a number of boards, including Museum Victoria and the Australian Institute of Management.



**Peter Bishop**

*First appointed: 1994*

*Board Committees: Remuneration and Appointments; Service Delivery*

Joined CFA as a volunteer with Mildura Junior Fire Brigade in 1960 and still serves with the Mildura Fire Brigade. Delegate to the Great Midlands Fire Brigades Association. Brigade delegate for 33 years to the Victorian Urban Fire Brigades Association Inc, serving as Region 18 Executive Member on the governing body since 1984. Has served as President and Vice-President of the VUFBA at various times, and as a representative on a wide range of CFA committees. Awarded Brigade Life Membership in 1992.



**Jan Boynton** BTRP, FPIA, FAICD

*First appointed: 2001*

*Board Committees: Remuneration and Appointments; People Strategy*

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



**Anne Fairhall** MAICD, MAHRI

*First appointed: 1998*

*Board Committees: People Strategy (Chair)*

Managing Director of Worksmart Solutions and Health and Safety consultant. Has extensive executive management, consulting and voluntary community service experience. Formerly Board member of the Victorian Accident Rehabilitation Council; National Health and Safety Manager for Coles Myer/Myer Grace Bros; and a member of the Ministerial Advisory Committee for Nursing.



**Robyn Hale** FAICD, GradCert (eBusiness & Communication)

*First appointed: 2001*

*Board Committees: People Strategy, Service Delivery*

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

**Rick Hill**

*First appointed: 2003*

*Board Committees: Audit; People Strategy*

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

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**Ken King** BForSc (Hons), DipFor (Creswick)

*First appointed 2003*

*Board Committees: Audit*

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

**Clif Lang** FAII

*First appointed: 1991*

*Board Committees: Audit (Chair); Remuneration and Appointments*

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

**Max Maher** AFSM

*First appointed: 1998*

*Board Committees: Service Delivery (Chair)*

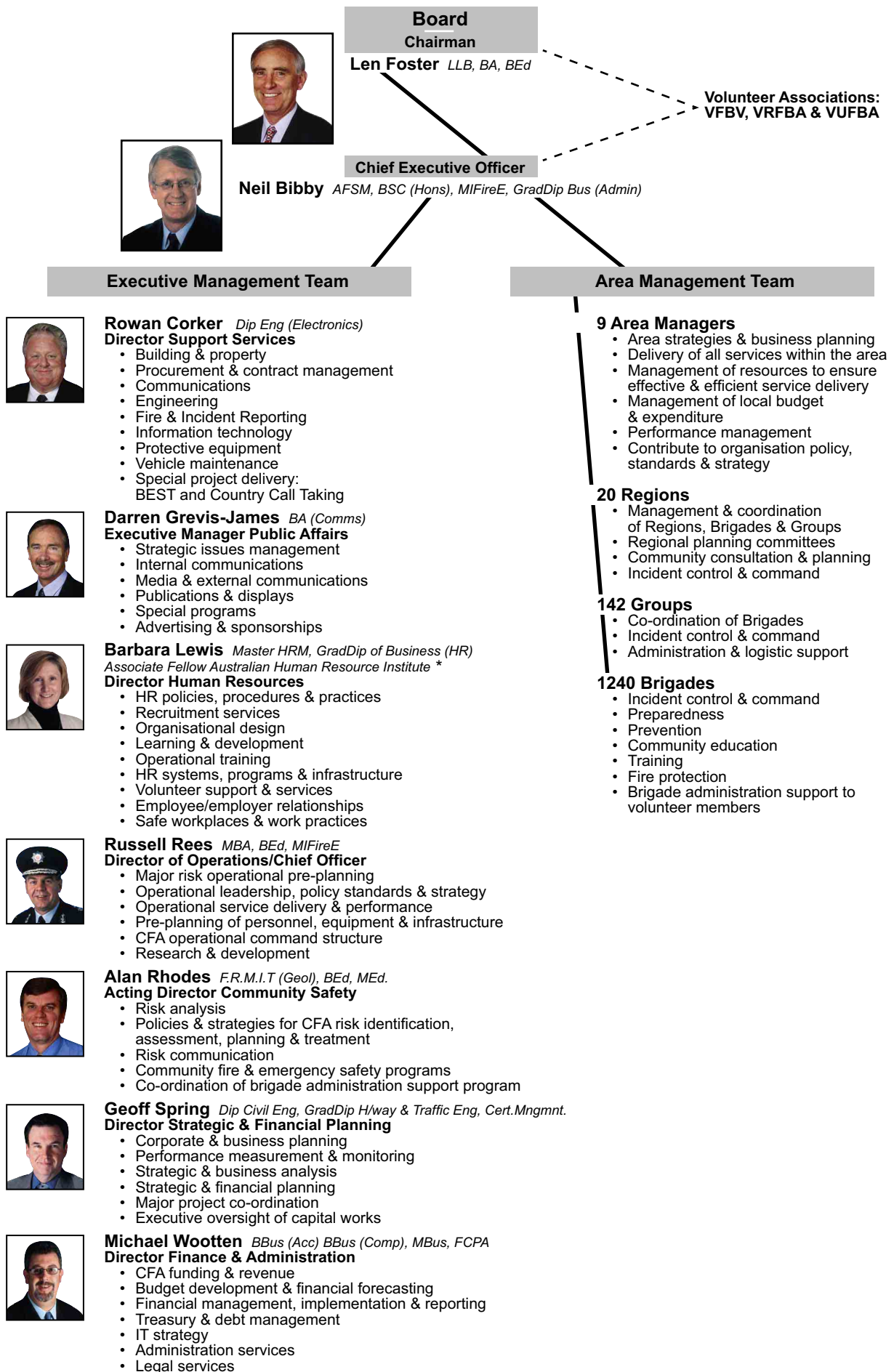
Joined Lubeck Fire Brigade in 1957. Member of the Victorian Rural Fire Brigades Association Inc and member of the Joint Fire Prevention, Training and Equipment Review Committees. Also a member of various working parties involved with training and volunteer support. Member of Consultative Group, Wimmera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

**Frank Zeigler** VA, G.Dip.OHS, GradDip (Disaster Mgt)

*First appointed: 1997*

*Board Committees: Service Delivery; People Strategy*

Managing Director of Hyperbaric Technologies Australia, and a member of Confined Space Recommendations Committee. Victorian Course Director of National Association of Underwater Instructors and Examiners, Royal Lifesaving Society – Victoria. Councillor with Glenelg Shire. Twenty-seven years experience in emergency services.



\* commenced 2 June 2003



# CFA Area map

## CFA Headquarters

8 Lakeside Drive  
East Burwood 3151










Main switch T: 9262 8444  
Mail room F: 9264 6200

### Postal Address:

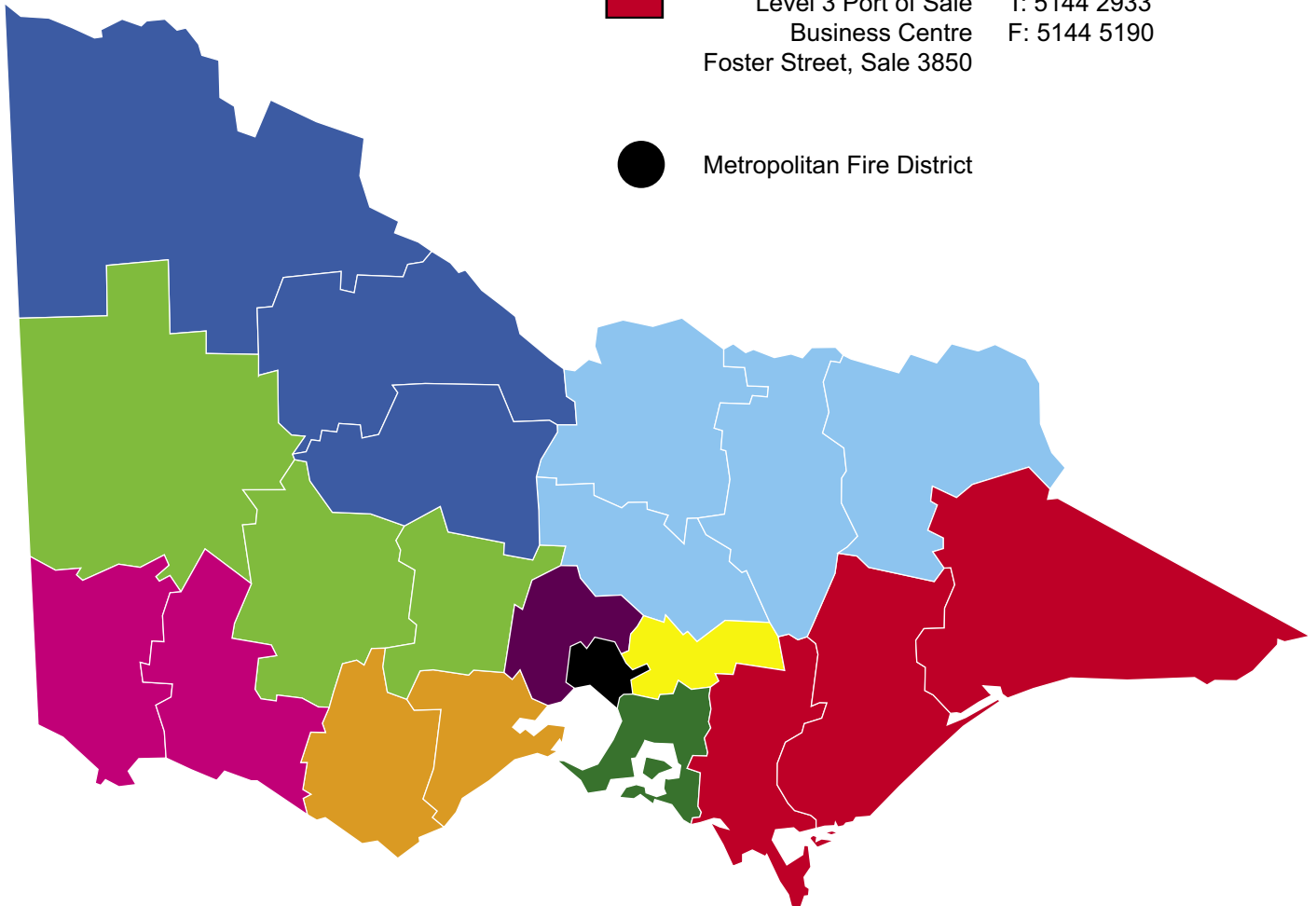
PO Box 701  
Mt Waverley, 3149

Total Fire Ban and  
Fire Restrictions info line T: 13 15 99

Web Address: [www.cfa.vic.gov.au](http://www.cfa.vic.gov.au)

<p> <b>South West</b> 182 Mt Bainbridge Road Hamilton 3300 T: 5572 3122 F: 5572 1625</p>	<p> <b>Barwon/Corangamite</b> 61 Separation Street North Geelong 3215 T: 5277 1499 F: 5277 1515</p>
<p> <b>Westernport</b> 120-122 Princes Highway Dandenong 3175 T: 9793 4088 F: 9793 1623</p>	<p> <b>North West</b> 120 Curlewis Street Swan Hill 3585 T: 5033 1884 F: 5032 2902</p>
<p> <b>North East</b> 1 Ely Street Wangaratta 3677 T: 5721 4122 F: 5721 3497</p>	<p> <b>Yarra</b> 18-22 Lakeview Drive Lilydale 3140 T: 9735 0511 F: 9735 5985</p>
<p> <b>Outer Metro Norwest</b> 15 Melton Valley Drive Melton 3337 T: 9747 6014 F: 9743 1387</p>	<p> <b>Midlands-Wimmera</b> 1120 Sturt Street Ballarat 3350 T: 5331 7966 F: 5331 5509</p>
	<p> <b>Gippsland</b> Level 3 Port of Sale Business Centre Foster Street, Sale 3850 T: 5144 2933 F: 5144 5190</p>

 Metropolitan Fire District



# Financial Statements and Appendices

for the year ended 30 June 2003

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## Summary of financial results (with comparatives for four preceding years)

(\$m – as at 30 June)

	2003	2002	2001	2000	1999
Revenue	196.1	171.9	156.0	141.5	108.9
Less expenses	171.0	149.4	142.5	114.8	102.4
Net result	25.1	22.5	13.5	26.7	6.5
Increase in asset revaluation reserve	18.2	9.6	41.9	-	-
Total change in equity	43.2	32.0	55.4	26.7	6.5

# Statement of Financial Performance

for the year ended 30 June 2003

	NOTES	2003 \$'000	2002 \$'000
<b>Revenue from Ordinary Activities</b>			
<b>Revenue from Operating Activities</b>			
Statutory Contributions	2	165,536	160,189
Supplementary Funding	2	18,106	1,440
Sales of Goods and Services	3	2,860	3,093
Other revenue	4	8,386	6,831
<b>Total Revenue from Operating Activities</b>		<b>194,888</b>	<b>171,553</b>
<b>Revenue from Non-operating Activities</b>			
Interest		1,191	387
		<b>196,079</b>	<b>171,940</b>
<b>Expenses from Ordinary Activities</b>			
Employee Benefits	5	80,372	72,098
Depreciation and amortisation	7(i),11(c)	20,222	19,056
Other expenses from ordinary activities	7(ii)	69,892	57,575
Borrowing costs	8	543	725
		<b>171,029</b>	<b>149,454</b>
<b>Net Result from Ordinary Activities</b>		<b>25,050</b>	<b>22,486</b>
Net Increase in asset revaluation reserve	15(b)	18,480	9,551
Adjustment resulting from change in accounting policy (note 1(g))	15(c)	(303)	-
<b>Total expense and valuation adjustments recognised directly in equity</b>		<b>18,177</b>	<b>9,551</b>
<b>Total changes in equity other than those resulting from transactions with the Victorian State Government in its capacity as owner.</b>	15(d)	<b>43,227</b>	<b>32,037</b>

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

# Statement of Financial Position

as at 30 June 2003

	NOTES	2003 \$'000	2002 \$'000
<b>Current Assets</b>			
Cash Assets	20,21	9,831	1,152
Receivables	9,20	11,514	5,524
Inventories	10	5,032	4,904
Prepayments		508	184
Deposits - Land Acquisitions		2,307	-
<b>Total Current Assets</b>		<u>29,192</u>	<u>11,764</u>
<b>Non Current Assets</b>			
Property, plant and equipment	11	373,316	343,762
<b>Total Assets</b>		<u>402,508</u>	<u>355,526</u>
<b>Current Liabilities</b>			
Payables	12,20	21,613	15,876
Interest bearing liabilities	13,20	0	2,500
Provisions	14	12,201	9,681
<b>Total Current Liabilities</b>		<u>33,814</u>	<u>28,057</u>
<b>Non Current Liabilities</b>			
Interest bearing liabilities	13,20	2,000	6,000
Provisions	14	16,626	14,628
<b>Total Non Current Liabilities</b>		<u>18,626</u>	<u>20,628</u>
<b>Total Liabilities</b>		<u>52,440</u>	<u>48,685</u>
<b>Net Assets</b>		<u>350,068</u>	<u>306,841</u>
<b>Equity</b>			
Contributed Capital	15(a),1(m)	182,003	182,003
Asset Revaluation Reserve	15(b)	120,832	102,352
Accumulated Surplus	15(c)	47,233	22,486
<b>Total Equity</b>	15(d)	<u>350,068</u>	<u>306,841</u>

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

# Statement of Cash Flows

for the year ended 30 June 2003

	NOTES	2003 \$'000 Inflows (Outflows)	2002 \$'000 Inflows (Outflows)
<b>Cash flows from Operating Activities</b>			
Receipts :			
Insurance Company Contributions		130,408	125,069
State Government Contributions		49,961	36,560
Customer Sales and Service Fees		2,816	1,769
Interest		1,134	391
Other		5,601	3,380
		<u>189,920</u>	<u>167,169</u>
Payments :			
Salaries and Employee Support		(76,612)	(66,398)
Suppliers		(65,176)	(56,947)
Borrowing costs		(626)	(782)
		<u>(142,414)</u>	<u>(124,127)</u>
<i>Net Cash Provided by Operating Activities</i>	<b>21</b>	<u>47,506</u>	<u>43,042</u>
<b>Cash flows from Investing Activities</b>			
Payments :			
Assets (Purchased, Constructed or Under Construction)		(35,068)	(26,452)
Deposits - Land Acquisitions		(2,307)	-
Proceeds :			
Sale of Property, Plant and Equipment		5,048	2,991
<i>Net Cash Used in Investing Activities</i>		<u>(32,327)</u>	<u>(23,461)</u>
<b>Cash flows from Financing Activities</b>			
Payments :			
Repayment of Borrowings		(7,000)	(63,500)
Proceeds :			
Borrowings		500	44,500
<i>Net Cash Used in Financing Activities</i>		<u>(6,500)</u>	<u>(19,000)</u>
<b>Net increase/(decrease) in cash held</b>		8,679	581
Cash at 1st July		1,152	571
<b>Cash at 30th June</b>	<b>21</b>	<u>9,831</u>	<u>1,152</u>

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

# Notes to the Financial Statements

for the year ended 30 June 2003

## 1 Summary of Significant Accounting Policies

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

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

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### (a) Recognition of Revenue

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

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

#### (ii) *Sales of Goods or Services Revenue*

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

#### (iii) *Interest Income*

Interest income is recognised as it accrues.

### (b) Receivables

Trade receivables, including GST Input Tax credits, are due within 30 days or other negotiated business terms and are carried at nominal amounts due less any provision for doubtful debts. The collectibility of debts is assessed at balance date and a specific provision is made for any doubtful amounts.

### (c) Inventories

All inventories and consumable stores were physically counted and valued as at 30th June 2003 at the lower of cost and net realisable value. Second-hand stores have been included at net realisable value.

Consumable Stores are not held for resale, but to provide a service to the volunteer brigades and ensure equipment etc. is readily available.

### (d) Property, Plant and Equipment

#### (i) *Acquisition of Assets*

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

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

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

#### (ii) *Revaluations of Non-current Assets*

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

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

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

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

## Land & Buildings

The Authority has embarked on a three year revaluation program. Commencing in the year 2000/2001 valuations have been undertaken annually by the Valuer-General Victoria using a combination of sampling and indexation based on previous assessments. The methodology used is in accordance with the Victorian Government Policy, *Revaluation of Non-Current Physical Assets*.

## Volunteer Brigade Land and Buildings

The Authority acknowledges the significant contributions made by Volunteer Brigades to the capital value of their fire stations. It has over 1,200 Volunteer Brigades and many of these have made substantial improvements to their fire stations and property over a number of decades. The value of these improvements is taken into account when the three yearly Valuer General's valuation occurs and the aggregate amount is then included in future financial statements. Where practical the value of major community funded projects is taken up at fair value when the improvement is carried out.

## Brigade Owned Vehicles

The Authority fully recognises the major community contribution by bringing to account at cost fire fighting vehicles acquired by volunteer brigades (Brigade Owned Vehicles). Brigade Owned Vehicles are defined as any fire fighting or support vehicles, including transport vehicles owned by a registered brigade or group which comes under the control of the Authority for operational purposes.

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## Other Non Current Assets

All other non-current assets appear at original cost less accumulated depreciation. See also note 1(i)

### (iii) Depreciation

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

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

### (iv) Leasehold Improvements

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

## (e) Trade and Other Creditors

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

## (f) Interest Bearing Liabilities

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

## (g) Employee Benefits

### (i) Wages and salaries

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

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

In the reporting periods prior to 30 June 2003, provisions for employee benefits (annual leave) were measured using remuneration rates current at reporting date. For the period ended 30 June 2003, the Authority is required by AASB 1028 'Employee Benefits' to measure provisions for employee benefits at remuneration rates expected to apply when the obligation is settled, including the expected future increase in remuneration rates. The transitional arrangements of AASB 1028 on adoption at 1 July 2002 give rise to an adjustment to opening annual leave liabilities and a corresponding change to accumulated surplus/(deficit).

The impact of this change is:-

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



### (ii) Long service leave

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

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

### (iii) Superannuation

The amount charged to the statement of financial performance in respect of superannuation represents the contributions made by the Authority to the superannuation funds (also refer note 6).

### (h) Goods and Services tax.

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

### (i) Volunteer Compensation

The Provision for Volunteer Compensation is the accrued liability after allowing for anticipated recovery from insurance in respect of all outstanding registered Volunteer Compensation claims at 30 June 2003. The portion of the liability which is expected to be paid later than 12 months after balance date has been classified as Non Current. The amount of the provision has been calculated using the principles established by independent actuarial review and on the same basis as at 30th June 2002.

### (j) Joint Venture Operation

The Joint Agreement between the Country Fire Authority and the Metropolitan Fire and Emergency Services Board (MFESB) to jointly use and manage the facilities at the South Eastern Training Ground, involves CFA retaining legal ownership of the asset and MFESB retaining a right to hold property with CFA as tenants in common. The agreement is in the nature of a Joint Venture Operation and has been accounted for accordingly. Details of the Joint Venture Operation are set out in Note 17.

### (k) Contributed Capital

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

### (l) Rounding of amounts

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

### (m) Comparatives

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

## 2 Statutory Contributions

Under Section 76 of the *Country Fire Authority Act 1958*, the net annual estimated expenditure of the Authority is funded 22.5% from the State Government and 77.5% from the insurance companies insuring against fire in respect of property situated within the country area of Victoria. Where a property in the country area of Victoria is insured against fire with a company other than a company referred to above which is required to make a return under Section 77, that Company is required to contribute to the Authority a portion of the insurance premium collected as calculated under Section 80A of the *Country Fire Authority Act 1958*.

In summary, contributions were :

	2003 \$'000	2002 \$'000
State Government Contribution	35,128	35,120
Insurance Companies Contributions	120,998	120,971
Companies Contributing under Section 80A	9,410	4,098
Total Statutory Contributions	<u>165,536</u>	<u>160,189</u>
State Government Supplementary Funding	<u>18,106</u>	<u>1,440</u>
Total Funding	<u>183,642</u>	<u>161,629</u>
Total Funding can be subdivided as follows;		
General Funding	137,920	126,529
State Government Special Resource Initiative	19,467	35,100
Emergency Alerting System	11,422	-
North East Fire Reimbursement	14,833	-
	<u>183,642</u>	<u>161,629</u>



	<b>2003</b>	<b>2002</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>3 Sales of Goods and Services</b>		
Provision of External Training Services	1,129	1,090
Other Goods and Services	1,731	2,003
	<u>2,860</u>	<u>3,093</u>
<b>4 Other Revenues</b>		
Commonwealth Government	385	330
Transport Accident Commission	1,211	1,192
Firefighting costs reimbursed - NSWRFSS	1,701	-
Other	2,710	1,698
Brigade owned vehicles recognised*	2,379	3,611
	<u>8,386</u>	<u>6,831</u>

\* Year end 2003 includes \$728K Government Grants (2002, \$1,646K) received for the building of fire fighting vehicles under the Community Safety Emergency Support Program (CSESP).

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### 5 Employee Benefits

Salaries	69,965	61,866
Superannuation : (See also note 6)		
Employer Contribution to Superannuation	1,849	1,520
State Superannuation Fund - Unfunded Liability	627	(18)
Payroll Tax	3,268	2,647
Workcover Premium	339	1,590
Employee Support	4,324	4,493
	<u>80,372</u>	<u>72,098</u>

### 6 Superannuation

As at 30 June 2003, the number of active members (employees) who belong to the following schemes :-

	<b>No. of Members 30th June 2003</b>	<b>No. of Members 30th June 2002</b>
<b>Defined Benefits Schemes</b>		
State Superannuation Fund (SSF)	4	2
Emergency Services Superannuation (ESSS)	745	676
<b>Accumulation Schemes</b>		
Emergency Services Superannuation Plan (ESS Plan)	652	639
Other	4	3

This note should not be taken to refer to the total number of CFA employees, because a) a person can be a member of more than one scheme and b) this table includes all current employees including casual staff on whose behalf contributions were made.

Contributions payable by CFA towards each scheme are based on the following rates.

		<b>Rate 2003</b>	<b>Rate 2002</b>
State Superannuation Fund	- New Scheme	9% - 9.5%	8.5%
	- Revised Scheme	15.5%	15.5%
ESSS		0.0%	0.0%
All Accumulation Schemes (as above)		9.0%	8.0%
		<b>2003</b>	<b>2002</b>
		<b>\$'000</b>	<b>\$'000</b>

Employer contributions paid to each scheme were as follows :

State Superannuation Fund	34	11
Emergency Services Superannuation - ESSS*	0	0
All Accumulation Schemes	1,815	1,509
	<u>1,849</u>	<u>1,520</u>

\* During the year there were no employer contributions to the ESSS defined benefits scheme as it is in a surplus position.



**2003**      **2002**  
**\$'000**      **\$'000**

Actuarial Assessment - Defined Benefits Schemes

**Emergency Services Superannuation (ESSS)**

Net Assets	153,377	152,551
Accrued Benefit Liabilities	(135,420)	(118,010)
<b>Surplus</b>	17,957	34,541

**State Superannuation Fund**

Net Assets	931	417
Accrued Benefit Liabilities	(2,354)	(1,212)
Contributions to Consolidated Fund	263	262
<b>Net Unfunded Liability</b>	(1,160)	(533)

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In accordance with requirements of the Financial Management Act 1994 the liability for unfunded superannuation has been included in the statement of financial position.

**7 Result from Ordinary Activities**

**(i) Depreciation**

Buildings at Cost	290	76
Buildings at Valuation	2,753	2,531
Leasehold Improvements	506	493
Vehicles		
Firefighting	9,499	8,959
Firefighting - BOV	1,843	1,698
Transport	1,151	1,112
Plant, Machinery and Equipment, Communications Equipment	3,067	2,853
Computer Hardware/Software	1,113	1,334
	20,222	19,056

**(ii) Other Expenses**

Buildings Operating and Maintenance	4,354	4,446
Motor Vehicle	7,166	4,677
Cost of Goods Sold / Services Provided	952	1,514
Operating Lease payments	2,149	1,897
Other Operating and Maintenance	8,124	7,622
Communications and Alarms	7,896	7,768
Volunteer Compensation and Insurance	3,747	4,733
Training and Skills Maintenance	3,316	3,374
Uniforms and Equipment	5,760	6,677
Other Volunteer and Brigade Support	2,401	2,646
Audit Fees (note 19)	289	187
Bad Debts	(12)	3
Consultants Fees	341	209
Aircraft Hire	9,461	2,864
Hire Fees - Other	1,185	185
Legal Fees	1,496	1,158
CFA Share of Commissioner of Emergency Services	1,319	1,048
Grants to Volunteer Associations	90	81
Printing and Stationery	1,284	1,489
Publicity/Advertising	1,093	1,274
General Expenses	6,606	2,491
Loss on Disposal of Fixed Assets - see also Note 11(b)	875	1,232
	69,892	57,575

**8 Borrowing Costs**

Interest paid to :		
- Treasury Corporation of Victoria (TCV)	543	725
	543	725

	<b>2003</b>	<b>2002</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>9 Receivables</b>		
<b>Current:</b>		
Trade Debtors	3,195	3,125
Less: Provision for Doubtful Debts	(36)	(59)
	<u>3,159</u>	<u>3,066</u>
Other Debtors	4,205	1,477
Net GST Recoverable	4,150	981
	<u>11,514</u>	<u>5,524</u>
<b>10 Inventories</b>		
Inventory - at lower of cost and net realisable value	5,061	4,947
Provision for Obsolete Stock	(29)	(43)
	<u>5,032</u>	<u>4,904</u>
<b>11 Property, plant and equipment</b>		
<b>(a) Value and Depreciation</b>		
<b>Freehold Land</b>		
At cost	1,816	1,793
At independent valuation 2001	26,624	27,335
At independent valuation 2002	8,205	8,306
At independent valuation 2003	8,935	-
Total	<u>45,580</u>	<u>37,434</u>
<b>Buildings</b>		
At cost	19,586	12,267
Less: Accumulated Depreciation	(346)	(76)
At independent valuation 2001	89,712	90,706
Less: Accumulated Depreciation	(3,409)	(1,690)
At independent valuation 2002	55,635	54,991
Less: Accumulated Depreciation	(1,040)	-
At independent valuation 2003	9,546	-
Total	<u>169,684</u>	<u>156,198</u>
<b>Leasehold Improvements - at cost</b>	9,675	9,614
Less: Accumulated amortisation	(4,802)	(4,296)
Total	<u>4,873</u>	<u>5,318</u>
<b>Vehicles</b>		
At cost	170,054	165,148
Less: Accumulated Depreciation	(84,311)	(76,178)
Brigade Owned Vehicles - at Cost	19,784	18,443
Less: Accumulated Depreciation	(2,977)	(1,457)
Total	<u>102,550</u>	<u>105,956</u>
<b>Plant, Machinery &amp; Equipment - at cost</b>	50,665	44,373
Less: Accumulated Depreciation	(27,952)	(22,988)
Total	<u>22,713</u>	<u>21,385</u>
<b>Capital Work in Progress</b>	27,916	17,471
<b>Total Property, plant and equipment</b>	<u>373,316</u>	<u>343,762</u>
<b>(b) Profit/(Loss) on disposal of property, plant and equipment</b>		
Gross Proceeds from the disposal of property, plant and equipment	5,013	3,128
Written-down value of disposals*	5,888	4,360
<b>Net gain/(loss) on disposal of property, plant and equipment</b>	<u>(875)</u>	<u>(1,232)</u>

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\* Includes Written-down value of Brigade Owned Vehicles disposed of by brigades however the gross proceeds are retained by the brigades.



### (c) Reconciliations

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

	Freehold Land	Buildings	Leasehold Improve'ts	Vehicles	Plant, Mach. & Equipment	Work in Progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2003</b>							
Carrying amount at the start of year	37,434	156,198	5,318	105,956	21,385	17,471	343,762
Additions	0	0	0	31	0	34,772	34,803
Disposals	(812)	(793)	0	(4,276)	(5)	0	(5,886)
Revaluation Increments (Note 15(b))	8,935	9,545	0	0	0	0	18,480
Transfers to Fixed Assets	23	7,778	61	10,952	5,513	(24,327)	0
Brigade Owned Vehicles Recognised (Note 4)	0	0	0	2,379	0	0	2,379
Depreciation/amortisation expense (Note 7)	0	(3,044)	(506)	(12,492)	(4,180)	0	(20,222)
<b>Carrying amount at the end of year</b>	<b>45,580</b>	<b>169,684</b>	<b>4,873</b>	<b>102,550</b>	<b>22,713</b>	<b>27,916</b>	<b>373,316</b>

	2003 \$'000	2002 \$'000
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### 12 Payables

Trade Creditors	13,098	9,099
Other Creditors and Accruals	8,515	6,777
	<u>21,613</u>	<u>15,876</u>

### 13 Interest-Bearing Liabilities

#### Current

##### Secured\*

Treasury Corporation of Victoria Loans	0	2,500
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#### Non Current

##### Secured\*

Treasury Corporation of Victoria Loans	2,000	6,000
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#### Total Interest-Bearing Liabilities

	<u>2,000</u>	<u>8,500</u>
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#### Repayment Analysis

Not later than 1 year	0	2,500
Later than 1 year not later than 2 years	0	1,500
Later than 2 years not later than 5 years	2,000	4,500
Later than 5 years	0	0
	<u>2,000</u>	<u>8,500</u>

\* In accordance with Section 82(3) of the Country Fire Authority Act 1958, the amounts borrowed by the Authority with interest thereon shall be a first charge upon all property and revenue, of the Authority, whether accrued or to accrue.

### 14 Provisions

#### Current

Employee Benefits	10,876	8,639
Volunteer Compensation	1,325	1,042
	<u>12,201</u>	<u>9,681</u>

#### Non Current

Employee Benefits	12,829	11,067
Volunteer Compensation	3,797	3,561
	<u>16,626</u>	<u>14,628</u>

#### Aggregate carrying amount of provisions

Employee Benefits	23,705	19,706
Volunteer Compensation	5,122	4,603
	<u>28,827</u>	<u>24,309</u>

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

	2003	2002
Long Service Leave		
Weighted average rates of increase in annual employee benefits to settlement of the liabilities	4.75%	6.90%
Weighted average discount rates	4.72%	5.65%
Weighted average terms to settlement of the liabilities	12 years	12 years

	2003 \$'000	2002 \$'000
<b>15 Equity and movements in equity</b>		
<b>(a) Contributed Capital</b>		
Balance 1 July	182,003	0
Amount transferred from Accumulated Surplus (note 1(m))	0	181,992
Contribution from Victorian Government	0	11
Balance 30 June	<u>182,003</u>	<u>182,003</u>
<b>(b) Reserve</b>		
Asset Revaluation Reserve	<u>120,832</u>	<u>102,352</u>
<b>Movements</b>		
Asset revaluation reserve		
Balance 1 July	102,352	92,801
Net Increment on revaluation of freehold land and buildings during the year.	18,480	9,551
Balance 30 June	<u>120,832</u>	<u>102,352</u>
<b>Nature and purpose of reserve</b>		
Asset revaluation reserve		
The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in accounting policy note 1(d).		
<b>(c) Accumulated Surplus</b>		
Accumulated Surplus at the beginning of the financial year	22,486	181,992
Amount transferred to Contributed Capital Opening Balance (note 1(m))	0	(181,992)
Adjustment resulting from change in accounting policy (note 1 (g))	(303)	0
Adjusted beginning Balance	<u>22,183</u>	<u>0</u>
Net Result from Ordinary Activities	25,050	22,486
Accumulated surplus at the end of the financial year	<u>47,233</u>	<u>22,486</u>
<b>(d) Change in Equity</b>		
Total equity at the beginning of the financial year	306,841	274,793
Total changes in equity recognised in the statement of financial performance	43,227	32,037
Contributions of equity (note 15(a))	0	11
Total equity at the end of the financial year	<u>350,068</u>	<u>306,841</u>

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## 16 Commitments for expenditure and Contingent Liabilities

### Capital commitments

Contracts in excess of \$100,000 for the acquisition of plant and equipment committed to at 30 June 2003 but not recognised as liabilities, payable:

Not later than 1 year	11,742	5,101
Later than 1 year, not later than 5 years	0	0
	<u>11,742</u>	<u>5,101</u>

### Lease commitments

Commitments for minimum lease payments in relation to non-cancellable operating leases contracted for at 30 June 2003 but not recognised as liabilities, payable:

Not later than 1 year	2,071	1,894
Later than 1 year not later than 5 years	6,465	4,502
Later than 5 years	2,560	4,213
	<u>11,096</u>	<u>10,609</u>

### Other commitments

Contracts in excess of \$100,000 in relation to other recurrent expenditure committed to at 30 June 2003 but not recognised as liabilities, payable:

Not later than 1 year	2,153	384
Later than 1 year, not later than 5 years	8,011	0
	<u>10,164</u>	<u>384</u>

### Contingencies

In the context of CFA's business and recognising the Authority's existing insurance arrangements, there are some matters which may be subject to judicial process. None of those items are considered likely to have a material effect on the financial statements at 30 June 2003.

## 17 Joint Venture Operation

CFA is involved in a Joint Venture Operation with the Metropolitan Fire and Emergency Services Board (MFESB) at the South Eastern Training Ground - Carrum Downs. The joint venture operation involves resource sharing between the CFA and MFESB, primarily to provide core training needs to operational personnel of both agencies and CFA volunteers. Each agency had an equal interest in the output of the Joint Venture Operation during the year ended 30 June 2003.

The following current assets and non-current assets, which are included in Property, Plant and Equipment at Note 11, arise from CFA's share in each of the items employed in the Joint Venture Operation.

	2003 \$'000	2002 \$'000
<b>Current assets</b>		
Cash	93	74
Other	117	109
Total current assets	<u>210</u>	<u>183</u>
<b>Non-current assets</b>		
Land & Buildings - at Cost	714	94
- at Valuation 2001	816	816
Less Accumulated Depreciation	(42)	(16)
Vehicles	60	12
Less: Accumulated depreciation	(31)	(3)
Plant, Machinery & Equipment	786	770
Less: Accumulated depreciation	(408)	(321)
Work in Progress	2	525
Total Non-current assets	<u>1,897</u>	<u>1,877</u>
Share of assets employed in Joint Venture	<u><u>2,107</u></u>	<u><u>2,060</u></u>

At balance date, there are no significant commitments for expenditure and contingent liabilities.

## 18 Responsible Persons (as defined in the *Financial Management Act 1994*)

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

### Responsible Minister

Minister for Police and Emergency Services      The Hon. A Haermeyer MP

### Authority Members

L R Foster (Chairman)  
 S P Heron (Deputy Chairman)  
 P R Bishop  
 J E Boynton  
 W E Davies (Tenure expired - 31/12/02)  
 E A Fairhall  
 R J Hale  
 R W Hill (Commenced 15/4/03)  
 G C Lang  
 R J MacLennan (Deceased 28/5/03)  
 B M Maher  
 H McGowan (Tenure expired - 31/3/03)  
 F P Zeigler

### Accountable Officer

R G Seiffert (To 8/10/02)      N G Bibby (From 9/10/02)

### Remuneration of Responsible Persons (other than the Responsible Minister)

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

Income Band	2003 No.	2002 No.
\$0 - \$9,999	6	3
\$10,000 - \$19,999	6	8
\$30,000 - \$39,999	1	1
<b>Total Numbers</b>	<u>13</u>	<u>12</u>
<b>Total Amount \$'000</b>	<u>142</u>	<u>140</u>

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

## Remuneration of Executive Officers

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

Income Band	2003 No.	2002 No.
\$100,000 - \$109,999	7	2
\$110,000 - \$119,999	1	3
\$120,000 - \$129,999*	6	2
\$130,000 - \$139,999	-	-
\$140,000 - \$149,999	4	3
\$150,000 - \$159,999	-	2
\$160,000 - \$169,999	1	-
\$170,000 - \$179,999	1	-
\$180,000 - \$189,999	-	1
<b>Total Numbers**</b>	20	13
<b>Total Amount \$'000</b>	2,512	1,742

\*2003 figures include payments for accumulated leave and other entitlements upon resignation.

\*\* The increase in Executive Officers is attributable to the changed classification of existing Area Manager positions.

## 19 Remuneration of auditors

Audit fees paid or payable to the Victorian Auditor-General's Office for audit of the Authority's financial statements pursuant to the Audit Act 1994.

	2003 \$'000	2002 \$'000
Paid as at 30 June 2003	37	0
Payable as at 30 June 2003	35	64
 Audit fees - Internal Audit : Paid as at 30 June 2003	 217	 123

## 20 Financial Instruments

### (a) Terms, conditions and accounting policies

The Authority's accounting policies, including the terms and conditions of each class of financial asset and financial liability, at the balance date, are as follows:

Recognised Financial Instruments	Notes	Accounting Policies	Terms and Conditions
<i>(i) Financial assets</i>			
Receivables	9	Trade receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection of the full nominal amount is no longer probable. Receivables includes accrued interest calculated on bank deposits at balance date.	Credit sales are on 30 day terms.
Cash and Term Deposits		Cash and Term Deposits are carried at the principal amount.	Cash is invested as funds permit.
<i>(ii) Financial liabilities</i>			
Payables	1(d) 12	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not invoiced to the Authority.	Trade Liabilities are generally settled within 30 days.
Interest bearing	13	Loans are carried at the principal amount. Interest is charged as it accrues	Non-Current loans are due 15 October 2006 to 15 October 2007. Interest is charged every 6 months at rates varying between 5.21% and 6.20%.

**(b) Interest rate risk**

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

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

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Financial Instruments	Floating Interest Rate	Fixed interest rate maturing in			Non-interest bearing	Total carrying amount as per balance sheet	Weighted average effective interest rate
		one year or less	Over 1 to 5 years	More than 5 years			
<b>2002</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
<b>(i) Financial assets</b>							
Cash and Term Deposits		1,137			15	1,152	3.70
Receivables					5,524	5,524	N/A
<b>Total financial assets</b>	0	1,137	0	0	5,539	6,676	-
<b>(ii) Financial liabilities</b>							
Trade creditors and accruals					15,876	15,876	N/A
Interest bearing liabilities - Current		2,500				2,500	6.11
Interest bearing liabilities - Non-current			6,000			6,000	6.81
<b>Total financial liabilities</b>	0	2,500	6,000	0	15,876	24,376	-

**(c) Net fair values**

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

	<b>2003</b>	<b>2002</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Financial assets</b>		
Cash and Term Deposits	9,831	1,152
Receivables	11,514	5,524
<b>Total financial assets</b>	21,345	6,676
<b>Financial liabilities</b>		
Trade creditors and accruals	21,613	15,876
Interest bearing liabilities - Current	0	2,500
Interest bearing liabilities - Non-current	2,098	6,230
<b>Total financial liabilities</b>	23,711	24,606

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

**Recognised financial instruments**

Cash and cash equivalents:	The carrying amount approximates fair value because of their short-term to maturity.
Trade receivables and payables:	The carrying amount approximates fair value.
Non-current investments:	The carrying amount approximates fair value.
Short-term borrowings:	The carrying amount approximates fair value because of their short-term to maturity.
Long-term borrowings:	The net fair value of long-term borrowings are at their quoted market price.

**(d) Credit risk exposures**

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



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

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

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

## 21 Notes to the Statement of Cash Flows

### Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at banks and short term investments. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2003 \$'000	2002 \$'000
Cash at Bank and on Hand.	(169)	1,152
Short Term Investments.	10,000	-
	<u>9,831</u>	<u>1,152</u>

### Reconciliation of net result from ordinary activities to net cash provided by operating activities

<b>Net Result from Ordinary Activities</b>	25,050	22,486
Adjustments to reconcile the net result to net cash provided by Operating Activities :-		
Depreciation and Amortisation	20,222	19,056
Brigade Owned Vehicles Recognised	(2,379)	(3,611)
Provision for Doubtful Debts and obsolete stock	(65)	-
Resources received free of charge	-	5
(Gain) / Loss on sale of non-current assets	875	1,232
Changes in Assets and Liabilities		
(Increase) Decrease in Receivables and Prepayments	(6,316)	(1,492)
(Increase) Decrease in Inventory	31	(121)
(Decrease) Increase in Payables	5,873	274
(Decrease) Increase in Employee Entitlements	3,696	2,621
(Decrease) Increase in Volunteer Compensation	519	2,592
Total Adjustments	<u>22,456</u>	<u>20,556</u>
Net Cash provided by operating activities	<u>47,506</u>	<u>43,042</u>

## 22 Subsequent Events

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

## Certification of Accounts

In accordance with a duly recorded resolution of the Members of the Country Fire Authority we state that in our opinion :

(a) the information set out in the statement of financial performance, statement of financial position, statement of cash flows and the accompanying notes, presents fairly the financial transactions during the year ended 30 June 2003 and financial position of the Authority as at 30th June 2003;

(b) the Financial Statements have been prepared in accordance with Part 9 of the Directions of the Minister for Finance under the Financial Management Act 1994, applicable Australian Accounting Standards and other mandatory professional reporting requirements;

(c) at the date of signing these statements we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

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Chairman  
L R Foster

27 August 2003



Chief Executive Officer  
N G Bibby

27 August 2003



Director Finance & Administration  
M J Wootten

27 August 2003



## AUDITOR GENERAL VICTORIA

### AUDITOR-GENERAL'S REPORT

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

#### **Matters relating to the electronic presentation of the Audited Financial Report**

This audit report relates to the financial report of the Country Fire Authority for the financial year ended 30 June 2003 included on the Country Fire Authority's web site. The Chief Executive Officer is responsible for the integrity of the Country Fire Authority's web site. I have not been engaged to report on the integrity of the Country Fire Authority's web site. The audit report refers only to the statements named below. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

#### **Audit Scope**

The accompanying financial report of the Country Fire Authority for the financial year ended 30 June 2003, comprising a statement of financial performance, statement of financial position, statement of cash flows and notes to the financial statements, has been audited. The Members of the Authority are responsible for the preparation and presentation of the financial report and the information it contains. An independent audit of the financial report has been carried out in order to express an opinion on it to the Members of the Parliament of Victoria, responsible Ministers and Members of the Authority as required by the *Audit Act 1994*.

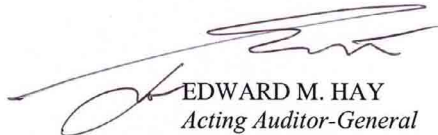
The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. The audit procedures included an examination, on a test basis, of evidence supporting the amounts and other disclosures in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

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

#### **Audit Opinion**

In my opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Financial Management Act 1994*, the financial position of the Country Fire Authority as at 30 June 2003 and its financial performance and cash flows for the year then ended.

MELBOURNE  
1 September 2003

  
EDWARD M. HAY  
Acting Auditor-General

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

Auditing in the Public Interest



# Appendices

## Compliance index

The Annual Report of the CFA is prepared in accordance with the *Financial Management Act 1994* and the Directions of the Minister for Finance. This index facilitates identification of CFA's compliance with the Directions of the Minister for Finance by listing references to disclosures in this financial report.

Clause	Requirement	Page reference
<b>Report of Operations</b>		
<i>Charter and purpose</i>		
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9.1.3(i)(b)	Objectives, functions, powers and duties	2; 4
9.1.3(i)(c)	Nature and range of services provided	4
<i>Management and structure</i>		
9.1.3(i)(d)(i)	Name of Chief Executive Officer	12; 34
9.1.3(i)(d)(ii)	Names of senior office holders and brief description of responsibility	32-34
9.1.3(i)(d)(iii)	Organisational structure	34
<i>Financial and other information</i>		
9.1.3(i)(e)	Statement of workforce data and merit and equity	24
9.1.3(ii)(a)	Summary of the financial results for the year	8-10; 36
9.1.3(ii)(b)	Significant changes in financial position during the year	8-10
9.1.3(ii)(c)	Operational and budgetary objectives and performance against objectives	13-27
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9.1.3(ii)(k)	Statement on National Competition Policy	58
9.1.3(ii)(f)	Details of consultancies over \$100,000	55
9.1.3(ii)(g)	Details of consultancies under \$100,000	55
9.6.2(i)(iv)	Disclosure of major contracts	N/A
9.1.3(ii)(i)	Statement of availability of other information	58
9.1.3(ii)(j)	Compliance index	54
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9.10.3(i)	Budget Portfolio Outcomes	N/A
<b>Financial Statements</b>		
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9.2.2(iii)	Rounding of amounts	42
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9.2.3(ii)(c)	Other material revenue, including disposal of non current assets	42-43; 45
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9.2.3(ii)(g)	Financing costs	44; 49-50
9.2.3(ii)(h)	Net increment or decrement on revaluation recognised in the statement of financial performance	40
9.2.3(ii)(i)	Audit expense	49
9.7.2(i)(ii)	Motor vehicle lease commitments	N/A
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9.2.2(i)(b)	Statement of financial position	38
9.2.3(iii)(a)(i)	Cash at bank and funds held in trust	51
9.2.3(iii)(a)(ii)	Inventories by class	45
9.2.3(iii)(a)(iii)	Receivables, including trade debtors, loans and other debtors	45
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Clause	Requirement	Page reference
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9.2.3(iii)(a)(vii)	Intangible assets	N/A
9.2.3(iii)(b)(i)	Overdrafts	N/A
9.2.3(iii)(b)(ii)	Other loans	46
9.2.3(iii)(b)(iii)	Trade and other creditors	46
9.2.3(iii)(b)(iv)	Finance lease charges	N/A
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9.2.3(iv)(b)	Contingent liabilities	47
9.2.3(iv)(c)	Commitments for expenditure	47
9.2.3(iv)(d)	Government grants received or receivable	42; 43
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9.2.3(iv)(f)	Assets received without adequate consideration	N/A
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## Consultancies

During 2002/03 a total of 22 approved consultancies were undertaken at a combined cost of \$341,000. Of these, no consultancies were greater in value than \$100,000.

## Freedom of Information

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

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

### Making a Request

A request generally falls into one of two categories:

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

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

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

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

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

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

### Fees and Charges

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

## Further Information

Further information regarding the FOI Act may be obtained from:

- the FOI Act and regulations under the FOI Act; and
- [www.foi.vic.gov.au](http://www.foi.vic.gov.au)

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

Information Victoria  
356 Collins Street  
Melbourne Vic 3000  
Tel: 1300 366 356  
Website: [www.information.vic.gov.au](http://www.information.vic.gov.au)

## Freedom of Information Contacts

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

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## Record-keeping systems

### Accounting records

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

### Personnel records filing system

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

### Agency records management filing

This system contains general files, including FOI files. Current and recent files are held at CFA Headquarters at 8 Lakeside Drive, East Burwood and at CFA's Area and Region Headquarters across the State. Older files are stored in offsite storage facilities.

## Overseas travel

The following overseas travel was undertaken by CFA officers during 2002/03:

Officer	Position	Country visited	Purpose
Len Foster	Chairman	Fiji	Review Memorandum Of Understanding between CFA and Fiji Fire Service

## Contributing insurance companies

for the year ended 30 June 2003

Ace Insurance Ltd  
American Home Assurance Co  
AIOI Insurance Co Ltd  
Allianz Australia Insurance Limited  
American Re-Insurance Company  
AMP General Insurance Limited  
Aon Risk Services Australia Ltd  
Armbro Insurance Brokers Pty Ltd  
Australian Alliance Insurance Limited  
Australian Associated Motor Insurers Ltd  
Ausnet Underwriting Agency Pty Ltd  
Australian International Insurance Limited  
Australian Unity General Insurance Ltd  
Axis Underwriting Services Pty Ltd  
BHP Billiton Marine & General Insurance Pty Ltd  
Booker International Pty Ltd  
Boral Insurance Ltd  
Catholic Church Insurances Ltd  
CGU  
CGU-VACC Insurance Limited  
Chubb Insurance Co of Australia Ltd  
Commonwealth Insurance Ltd  
Continental Insurance Company  
Corrvas Insurance Pty Ltd  
Cumis Insurance Society Inc  
Defence Service Homes Insurance Scheme  
Eig-Ansvar Australia Insurance Ltd

Elders Insurance Ltd  
 Encompass Insurance Agency Pty Ltd  
 Farmers Mutual Insurance Limited  
 F.M. Insurance Company Ltd  
 Gerling Australia Insurance Co Pty Ltd  
 GIO General Ltd  
 Global Underwriting Services Pty Ltd  
 Guild Insurance Co Ltd  
 Hallmark General Insurance Company Ltd  
 Heath Lambert Australia Pty Ltd  
 HLG Australasia Pty Ltd  
 HW Wood Australia Pty Ltd  
 Insurance Manufacturers of Aust. Pty Ltd  
 InterPacific Underwriting Pty Limited  
 Jardine Lloyd Thompson Pty Ltd  
 JMD Ross Insurance Brokers Pty Limited  
 JUA Underwriting Agency Pty Ltd  
 Liberty International Underwriters  
 Lowe Lippmann Bott Pty Ltd  
 Lumley General Insurance Ltd  
 Mansions of Australia Ltd  
 Marsh Pty Ltd  
 Mercantile Mutual Insurance (Aust) Ltd  
 Mitsui Sumitomo Insurance Company Ltd  
 Mutual Community General Insurance Pty Ltd  
 Nipponkoa Insurance Company Ltd  
 NZI Insurance Australia Ltd  
 Orica Insurance Pty Ltd  
 Ovoid Insurance Pty Limited  
 Q.B.E. Insurance Limited  
 QBE Insurance (International) Limited  
 QBE Mercantile Mutual Ltd  
 Reward Insurance  
 Royal & Sun Alliance Insurance Australia Ltd  
 Suncorp Metway Insurance Ltd  
 Sportscover Australia Pty Ltd  
 Stirling Risk Services  
 St Paul International Insurance Company Ltd  
 The Hollard Insurance Company Pty Ltd  
 The Sumitomo Marine & Fire Insurance Co Ltd  
 Territory Insurance Office  
 Tokio Marine & Fire Insurance Co Ltd  
 Transport Industries Insurance Co Ltd  
 Underwriting Solutions  
 Universal Underwriting Services Pty Ltd  
 Western QBE Insurance Limited  
 Westpac General Insurance Limited  
 Westfarmers Federation Insurance Ltd  
 Willis Australia Ltd  
 XL Insurance Company Ltd  
 Zurich Australian Insurance Limited

## Contributions by owners and brokers under Section 80A

for the year ended 30 June 2003

Amcor Limited	Industrial & Commercial Insurance Brokers Ltd
Aon Risk Services	Marsh Pty Ltd
BHP Billiton Limited	Mobil Oil Australia Pty Ltd
BMW Australia Finance Limited	Ricegrowers Co-operative Limited
Cargill Australia Limited	Rosemaur Properties Pty Ltd
Coles Myer Ltd	Rural & General Insurance Broking Pty Ltd
East Victoria Plantation Forest Company of Australia	Shell Australia Limited
Esso Australia Pty Ltd	Strathearn Insurance Brokers
Ford Motor Company of Australia Limited	Unilever Australasia
Green Triangle Plantation Forest Company of Australia Pty Ltd	Unimutual Insurance Limited
Gresham Underwriting Pty Ltd	Watchtower Bible and Tract Society of Australia
Guardian Underwriting Services Pty Ltd	Wesfarmers Limited
Heath Lambert Australia Pty Ltd	Willis Australia Ltd

## Legislation

### Legislative changes

*Country Fire Authority (Volunteer Protection and Community Safety) Act 2003*, No.17 of 2003.

The operation of the Country Fire Authority Regulations 1992 was extended to 31 January 2004 by Subordinate Legislation (Country Fire Authority Regulations 1992 – Extension of Operation) Regulations 2002. SR110/2002.

### **Building Act 1993**

In November 1994 the Minister for Finance issued guidelines pursuant to Section 220 of the *Building Act 1993* to promote conformity in building standards for buildings owned by public authorities. CFA maintains a high extent of compliance with building standards and regulations. During the year, all new building works were undertaken in accordance with the relevant standards.

### **Financial Management Act 1994**

Information applicable to the report of the financial year is retained by CFA in accordance with Part 9.1.3(iv) of the Directions of the Minister for Finance under the *Financial Management Act 1994*. The relevant information is available to the Minister for Police and Emergency Services, the Parliament of Victoria, and the public on application to the accountable officer: Chief Executive Officer.

### **Whistleblowers Protection Act 2001**

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CFA has established Whistleblowers Protection Act procedures in accordance with Part 6 of the *Whistleblowers Protection Act 2001*. A copy of these procedures is included with this report. From 1 July 2002, CFA received no disclosures which satisfied the test of a protected disclosure and were referred by CFA to the Ombudsman for determination as to whether it was a public interest disclosure. No other disclosed matters were referred to the Ombudsman for investigation or otherwise. No investigations of disclosed matters were taken over by the Ombudsman from CFA under section 75, nor did CFA decline to investigate any disclosed matters. During the year, no disclosed matters were substantiated on investigation and action taken on completion of the investigation.

### **National Competition Policy**

CFA has, in recent years, implemented changes to comply with this policy.

## Affiliations

### Emergency groups

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

### Key industry bodies

Adult Multicultural Education Service  
Association of Risk and Insurance Management of Australia Ltd  
Australian Industry Group  
Australian Institute of Management  
Council for Equal Opportunity in Employment  
Deakin University  
Department of Education  
Fire Protection Association of Australia  
Government Infrastructure Management System (GIMS) Steering Committee  
Monash University (Mount Eliza)  
Powerline Clearance Consultative Committee  
Public Administration and Community Safety Training Board  
Records Management Association of Australia  
Swinburne University of Technology  
University of Ballarat  
University of Melbourne  
Victoria University of Technology  
Victorian Employers' Chamber of Commerce and Industry

### Volunteer Associations

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



# Whistleblowers Protection Act 2001

## Procedures

### 1.0 Statement of support to whistleblowers

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

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

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

### 2.0 Purpose of these procedures

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

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

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

### 3.0 Objects of the Act

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

### 4.0 Definitions of key terms

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

#### 4.1 Improper conduct

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

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

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

#### Examples

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

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

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

#### 4.2 Corrupt conduct

Corrupt conduct means:

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

#### Examples

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

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

A public officer sells confidential information.

#### 4.3 Detrimental action

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

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

#### Examples

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

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

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

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

#### 4.4 CFA and State Ombudsman

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

#### 4.5 CFA Personnel

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

## 5.0 The reporting system

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

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

### 5.1 Contact persons within CFA

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

- Protected Disclosure Officers in CFA Areas

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

- Protected Disclosure Officer at CFA Headquarters

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

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

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

## 5.2 Alternative contact persons

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

The Ombudsman Victoria  
Level 22, 459 Collins Street  
Melbourne Victoria 3000  
(DX 210174)  
Internet: www.ombudsman.vic.gov.au  
Email: ombudvic@ombudsman.vic.gov.au  
Telephone: 9613 6222  
Toll Free: 1800 806 314

State Ombudsman: Dr Barry Perry Telephone: 9613 6202

### Disclosures not about CFA

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

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

## 6.0 Roles and responsibilities

### 6.1 Employees and Members of Brigades

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

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

### 6.2 Protected Disclosure Officers

Protected Disclosure Officers will:

- Be a contact point for general advice about the operation of the Act for any person wishing to make a disclosure about improper conduct or detrimental action;
- Make arrangements for a disclosure to be made privately and discreetly, and if necessary, away from the workplace;
- Receive any disclosure made orally or in writing (from internal and external whistleblowers);
- Record in writing any disclosure made orally;
- Impartially assess the allegation, based upon verification of the facts, and determine whether it is a disclosure made in accordance with Part 2 of the Act (ie "a protected disclosure");
- Take all necessary steps to ensure that the identity of the whistleblower and the identity of the person who is subject of the disclosure are kept confidential; and
- Forward all disclosures and supporting evidence to the Protected Disclosure Coordinator.

### 6.3 Protected Disclosure Coordinator

The Protected Disclosure Coordinator has a central "clearinghouse" and coordination role in the management of the disclosures. He will:

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

### 6.4 Investigator

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

### 6.5 Welfare Manager

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

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

## 7.0 Confidentiality

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

The Whistleblowers Protection Act requires any person who receives information due to the handling or investigation of a protected disclosure, not to disclose that information except in certain limited circumstances. Disclosure of information in breach of section 22 of the Act constitutes an offence that is punishable by a maximum fine of 60 penalty units (\$6,000) or 6 months imprisonment or both.

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

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

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

CFA will ensure that all files that might identify the whistleblower or the person who is the subject of the disclosure, whether paper or electronic, are kept securely and are accessed only by the Protected Disclosure Coordinator, a Protected Disclosure Officer, investigator or welfare manager. All such printed material will be kept in files which are clearly marked as a Whistleblower Protection Act matter and which warn of the criminal penalties that apply to any

unauthorised divulging of information concerning a protected disclosure. All such electronic files will be produced and stored on a stand-alone computer and be given password protection. Back up files will be kept on floppy disc. All materials relevant to an investigation, such as tapes from interviews, will also be stored securely with the whistleblower files.

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

Be aware: CFA cannot guarantee the confidentiality of information transmitted by e-mail or fax

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

## 8.0 Collating and publishing statistics

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

The register will contain the following information:

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

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## 9.0 Receiving and assessing disclosures

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

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

#### 9.1.1 Has the disclosure been made to the appropriate person?

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

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

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

- Did a natural person (ie an individual person rather than a corporation) make the disclosure?
- Does the disclosure relate to conduct of a public body or public officer acting in their official capacity?
- Is the alleged conduct either improper conduct or detrimental action taken against a person in reprisal for making a protected disclosure?
- Does the person making a disclosure have reasonable grounds for believing that the alleged conduct has occurred?

Where a disclosure is assessed to be a "protected disclosure" it is referred to the Protected Disclosure Coordinator. The Protected Disclosure Coordinator will determine whether the disclosure is a "public interest disclosure".

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

#### 9.2 Is the disclosure a "public interest disclosure"?

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

In reaching a conclusion as to whether a protected disclosure is a "public interest disclosure", the Protected Disclosure Coordinator will consider whether the disclosure shows or tends to show that the public officer to whom the disclosure relates:

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

Where the Protected Disclosure Coordinator concludes that the disclosure amounts to a "public interest disclosure", he or she will:

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

Where the Protected Disclosure Coordinator concludes that the disclosure is not a "public interest disclosure", he will:

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

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

## 10.0 Investigations

### 10.1 Introduction

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

The objectives of an investigation will be:

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

### 10.2 Terms of reference

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

### 10.3 Investigation plan

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

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

The investigator will notify the whistleblower that he or she has been appointed to conduct the investigation. The whistleblower will be asked to clarify any matters or provide any additional material he or she might have. The investigator will be sensitive to the whistleblower's possible fear of reprisals and will be aware of the statutory protections provided to the whistleblower.



#### 10.4 Natural Justice

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

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

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

#### 10.5 Conduct of the investigation

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

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

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

#### 10.6 Referral of an investigation to the State Ombudsman

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

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

#### 10.7 Reporting requirements

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

The Protected Disclosure Coordinator will report to the State Ombudsman about the progress of an investigation.

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

#### 11.0 Action taken after an investigation

##### 11.1 Investigator's final report

At the conclusion of the investigation, the investigator will submit a written report of his or her findings to the Protected Disclosure Coordinator.

The report will contain:

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

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

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

The report will be accompanied by:

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

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

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

##### 11.2 Action to be taken

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

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

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

#### 12.0 Managing the welfare of the whistleblower

##### 12.1 Commitment to protecting whistleblowers

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

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

- Examine the immediate welfare and protection needs of a whistleblower who has made a disclosure and where the whistleblower is an employee, seek to foster a supportive work environment whilst still maintaining confidentiality;
- Advise the whistleblower of the legislative and administrative protections available to him or her;
- Listen and respond to any concerns of harassment, intimidation or victimisation in reprisal for making disclosure;
- Keep a contemporaneous record of all aspects of the case management of the whistleblower including all contact and follow up action; and to
- Ensure that the expectations of the whistleblower are realistic.

All employees and members of brigades will be advised that it is an offence for a person to take detrimental action in reprisal for a protected disclosure. The maximum penalty is a fine of 240 penalty units (\$24,000) or 2 years imprisonment or both.

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

Detrimental action includes:

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

### 12.2 Keeping the whistleblower informed

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

### 12.3 Occurrence of detrimental action

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

- Record details of the incident
- Advise the whistleblower of his or her rights under the Act

AND

- Advise the Protected Disclosure Coordinator or Chief Executive Officer of the detrimental action.

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

### 12.4 Whistleblowers implicated in improper conduct

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

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

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

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

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

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

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

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

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

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

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

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

### 14.0 Criminal Offences

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

1. It is an offence for a person to take detrimental action against a person in reprisal for a protected disclosure being made. The Act provides a maximum penalty of a fine of 240 penalty units (\$24,000) or 2 years imprisonment or both.
2. It is an offence for a person to divulge information obtained as a result of the handling or investigation of a protected disclosure without legislative authority. The Act provides a maximum penalty of 60 penalty units (\$6,000) or 6 months imprisonment or both.
3. It is an offence for a person to obstruct the State Ombudsman in performing his responsibilities under the Act. The Act provides a maximum penalty of 240 penalty units (\$24,000) or 2 years imprisonment or both.
4. It is an offence for a person to knowingly provide false information under the Act with the intention that it be acted on as a disclosed matter. The Act provides a maximum penalty of 240 penalty units (\$24,000) or 2 years imprisonment or both.

### 15.0 Review

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

### CFA's Protected Disclosure Officers and Coordinator Protected Disclosure Officers in Areas

<b>South West Area</b> Mr J Rowe Area Manager 182 Mt Baimbridge Road Hamilton 3300 P.O. Box 389 Hamilton 3300 Phone 5572 3122	<b>North East Area</b> Mr A Davies Area Manager 270 Maude Street Shepparton 3630 P.O. Box 932 Shepparton 3630 Phone 5831 4075	<b>Westernport Area</b> Mr A Ford Area Manager 120 Princes Hwy Dandenong 3175 Phone 9793 4088	<b>Midlands-Wimmera Area</b> Mr D Kelly Area Manager 1120 Sturt Street Ballarat 3350 Phone 5331 7966	<b>Barwon/Corangamite Area</b> Mr P Stacchino Area Manager 61 Separation Street North Geelong 3215 P.O. Box 586 North Geelong 3215 Phone 5277 1499
<b>North West Area</b> Mr P O'Brien Area Manager 120 Curlewis Street Swan Hill 3585 P.O. Box 558 Swan Hill 3585 Phone 5033 1884	<b>Yarra Area</b> Mr T White Area Manager 18-22 Lakeview Drive Lilydale 3140 Phone 9735 0511	<b>Outer Metro Norwest Area</b> Mr L De Man Area Manager 15 Melton Valley Drive Melton 3337 PO Box 50 Melton 3337 Phone 9747 6014	<b>Gippsland Area</b> Mr I Symons Area Manager Level 3 Port of Sale Business Centre Foster Street, Sale 3850 P.O. Box 1212 Sale 3853 Phone 5144 2933	

### Protected Disclosure Officers at CFA Headquarters

Mr T. Kempton-Hall and Ms A. Burton, 8 Lakeside Drive, Burwood East, P.O. Box 701, Mt Waverley 3149, Phone 9262 8444

### The Protected Disclosure Coordinator

Mr K. J. Maynes, CFA Ombudsman 8 Lakeside Drive, Burwood East, P.O. Box 701, Mt Waverley 3149, Phone 9262 8444



## Glossary

<b>AFAC</b>	Australasian Fire Authorities Council
<b>ABC</b>	Activity Based Costing
<b>AIRS</b>	Australasian Incident Reporting System
<b>ANTA</b>	Australian National Training Authority
<b>BEST</b>	Bureau of Emergency Services Telecommunications
<b>CAD</b>	Multi-agency computer aided call taking and dispatch system.
<b>CADCMG</b>	CAD Contract Management Group
<b>CFA Act</b>	Country Fire Authority Act 1958
<b>64 Community Fireguard</b>	A Statewide community education program to help communities for bushfires. Information is provided to Community Fireguard groups on high bushfire risk days.
<b>CSESP</b>	Community Safety Emergency Support Program
<b>DNRE</b>	Former Department of Natural Resources and Environment; now known as the Department of Sustainability and Environment
<b>DPI</b>	Department of Primary Industry
<b>DSE</b>	Department of Sustainability and Environment (formerly Department of Natural Resources and Environment – DNRE)
<b>EBA</b>	Enterprise Bargaining Agreement
<b>ECV</b>	Emergency Communications Victoria
<b>EO</b>	Equal Opportunity
<b>ERC</b>	Victoria Government Expenditure Review Committee
<b>ERS</b>	Emergency Reporting System
<b>FIRS</b>	Fire Incident Reporting System
<b>GIMS</b>	Government Infrastructure Management System
<b>ICC</b>	Incident Control Centre
<b>IMT</b>	Incident Management Team
<b>MFESB</b>	Metropolitan Fire and Emergency Services Board
<b>OHS</b>	Occupational Health and Safety
<b>PPRR</b>	Prevention, Preparation, Response and Recovery – the emergency management continuum
<b>PSTP</b>	National Public Safety Training Package
<b>PV</b>	Parks Victoria
<b>SAP</b>	Systems Applications Processes
<b>SAU</b>	State Aircraft Unit
<b>SDS</b>	Service Delivery Standards
<b>SECC</b>	State Emergency Control Centre
<b>SES</b>	State Emergency Service
<b>SIPSaCS</b>	Statewide Integrated Public Safety Communications Strategy
<b>SRI</b>	The State Government's Strategic Resource Initiative – funding provided for special projects to improve CFA's operational preparedness, skills enhancement and volunteer support
<b>StOMP</b>	State Operations Management Plan
<b>TFB</b>	Total Fire Ban (days)
<b>UFU</b>	United Firefighters' Union
<b>VRFBFA</b>	Victorian Rural Fire Brigades' Association Inc
<b>VUFBA</b>	Victorian Urban Fire Brigades' Association Inc



## Principal locations

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### **CFA Headquarters**

8 Lakeside Drive  
East Burwood 3151

Main switch T: 9262 8444

Mail room F: 9264 6200

#### **Postal Address:**

PO Box 701  
Mt Waverley, 3149

Total Fire Ban and

Fire Restrictions info line: 13 15 99

Web Address: [www.cfa.vic.gov.au](http://www.cfa.vic.gov.au)

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### **Principal state-wide locations**

#### **South West**

182 Mt Bainbridge Road  
Hamilton 3300

T: 5572 3122

F: 5572 1625

#### **Westernport**

120-122 Princes Highway  
Dandenong 3175

T: 9793 4088

F: 9793 1623

#### **North East**

1 Ely Street  
Wangaratta 3677

T: 5721 4122

F: 5721 3497

#### **Outer Metro Norwest**

15 Melton Valley Drive  
Melton 3337

T: 9747 6014

F: 9743 1387

#### **Barwon/Corangamite**

61 Separation Street  
North Geelong 3215

T: 5277 1499

F: 5277 1515

#### **North West**

120 Curlewis Street  
Swan Hill 3585

T: 5033 1884

F: 5032 2902

#### **Yarra**

18-22 Lakeview Drive  
Lilydale 3140

T: 9735 0511

F: 9735 5985

#### **Midlands-Wimmera**

1120 Sturt Street  
Ballarat 3350

T: 5331 7966

F: 5331 5509

#### **Gippsland**

Level 3 Port of Sale Business Centre  
Foster Street, Sale 3850

T: 5144 2933

F: 5144 5190