



2010 ANNUAL REPORT

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Chairman's report

Dear Minister

The fires of 2009 changed Victoria and CFA forever. Affected communities have been deeply scarred, and we continue to share the pain and grieve with those who lost family, friends and colleagues. We'll never forget the tragic loss of life and wide-scale destruction of property.

CFA has learned many hard lessons from the fires of 2009. We've made many improvements since then and we are determined to keep changing and improving. February 2009 was a catalyst for change in the way that CFA, together with Government, other emergency services and communities, prepares for, responds to and recovers from fire in the future. The priority of CFA is, first and foremost, saving lives.

We were more prepared for the 2009–10 fire season than ever before. Thankfully, conditions were better than expected. However it was still a busy year for CFA with brigades responding to almost 35,000 incidents including fires and explosions, road accidents or rescues and hazardous materials incidents.

The pace of change in CFA over the past year has been rapid, and that work will continue. We moved quickly to implement recommendations in the 2009 Victorian Bushfires Royal Commission Interim Report.

The State Government committed substantial resources in 2009–10 to help us improve our incident management capability and increase community bushfire preparedness. A major success has been the multi-million dollar upgrade of Incident Control Centres across the State – they now meet new higher standards and have increased specialist capabilities. We have also recruited and trained additional field personnel and upgraded software applications to improve operational decision making and community warnings.

CFA has adopted the State Regional Boundaries to most effectively implement the Emergency Management Command and Control arrangements revised by the Chief Commissioner of Victoria Police. This is also in line with the Government's direction that Departments align to standard boundaries defined by *A Fairer Victoria*¹, to achieve greater alignment and integration of agencies at a regional level and to get the best outcomes for communities. We have begun the transition to the new boundaries and thank our brigades and teams for supporting the change.

CFA believes partnerships, especially between agencies, are crucial in ensuring the future delivery of fire and emergency services matches the State's growth in the years ahead. We continue to build on our relationships with other emergency services providers, while extending and strengthening CFA engagement in the broader community, government and business sectors.

We recognise there is more work to do and it's a challenge we embrace. CFA is a very different organisation today compared with what it was before February 2009 and we'll be even more prepared for the fire season ahead.

We must continue to inform, educate and empower the community on bushfire preparation and response. This continues to be a high priority.

¹ Department of Premier and Cabinet (2005), *A Fairer Victoria: Creating opportunity and addressing disadvantage*

In the past year CFA was one of the principal agencies in the delivery of the Government's first Bushfire Preparedness Program (BFPP). CFA introduced 26 projects in BFPP, many of them addressing the recommendations of the Royal Commission's Interim Report.

Under the BFPP more than 65,000 people attended Fire Ready Victoria meetings and 420,000 information kits were distributed to Victorian householders, and this was just a small part of the program.

In the next stage of BFPP CFA will be focusing on community response readiness, and helping inform individual choices and preparedness. Notwithstanding this work, CFA will take account of any changes to policy or initiatives that stem from the recommendations of the Victorian Bushfires Royal Commission.

The unprecedented ferocity of the February 2009 fires was the hallmark of years of drought coupled with extreme weather conditions. In an era of such environmental change, much of which is not fully understood, CFA is embracing new procedures and initiatives. One such program has been the Victorian Government and Myer Foundation sponsored installation of more than 600 water tanks into CFA stations. This initiative makes brigades self-sufficient in water use and ends reliance on other precious community water supplies.

Volunteers again have provided outstanding and devoted service to the organisation. Our volunteers are on call 24 hours a day, seven days a week to provide support and assistance to their communities, and they have done a fantastic job in the past year to protect lives and property. The Board recognises volunteerism is crucial to the future delivery of emergency services to Victoria. Volunteerism in CFA also brings wider benefits including building social cohesion, particularly in small rural communities.

Former Chief Officer Russell Rees resigned from CFA in June 2009 following more than 40 years' service to the organisation. On behalf of all CFA members and the Board, I would like to thank former Chief Officer Rees for his service and leadership.

On behalf of the CFA Board, I would like to thank all departing Board members and acknowledge Sandie Jeffcoat who sadly passed away in late 2009. Lyn Gunter and Kevin Erwin retired during the year after making a significant contribution over many years of service and dedication to CFA.

Finally, I wish to thank all CFA members - volunteers and career staff alike - for their work and also acknowledge the enduring support of their partners and families, without whom CFA could not continue.



Kerry A Murphy PSM AFSM
Chairman

CFA Overview

Victoria is one of the most bushfire prone regions in the world and CFA is responsible for an area that is home to more than half the State's population. The tragic fires of 7 February 2009 set a new benchmark for the worst bushfire conditions we have ever experienced in Victoria and represent the most significant natural disaster in the history of Australia.

WHO WE ARE

CFA is a community based emergency service organisation that provides a diverse range of risk reduction and fire suppression services to minimise the impact of fires and other emergencies on the community.

CFA has a membership of approximately 60,000 people. CFA's operations rely on the skills of an integrated force of volunteer and career personnel. This integrated operation has evolved to become one of the world's largest community based organisations. CFA people are dispersed throughout Victoria, united through a commitment to create safe communities and to protect life and property. CFA volunteers contribute an estimated \$880 million annually to the Victorian economy².

WHO WE SERVE

CFA serves a population of approximately 3.3 million people and protects more than one million dwellings in a geographical area that includes the rural, provincial, and metropolitan communities of Victoria outside the district served by the Metropolitan Fire and Emergency Services Board (MFB) and outside the areas of publicly owned land managed by the Department of Sustainability and Environment (DSE). CFA assists DSE in the suppression of fires on public land and has a mutual aid arrangement with MFB.

CFA provides fire and emergency management services to some of the State's most significant commercial centres, industries, critical infrastructure, recreational and tourist attractions. This protection encompasses some of Victoria's critical infrastructure including the power industry in the Latrobe Valley, gas production facilities at Longford in Gippsland, and the oil refinery facilities at Geelong. CFA's service area includes Victoria's growth corridors, which are among the fastest developing regions in Australia.

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

HOW WE SERVE

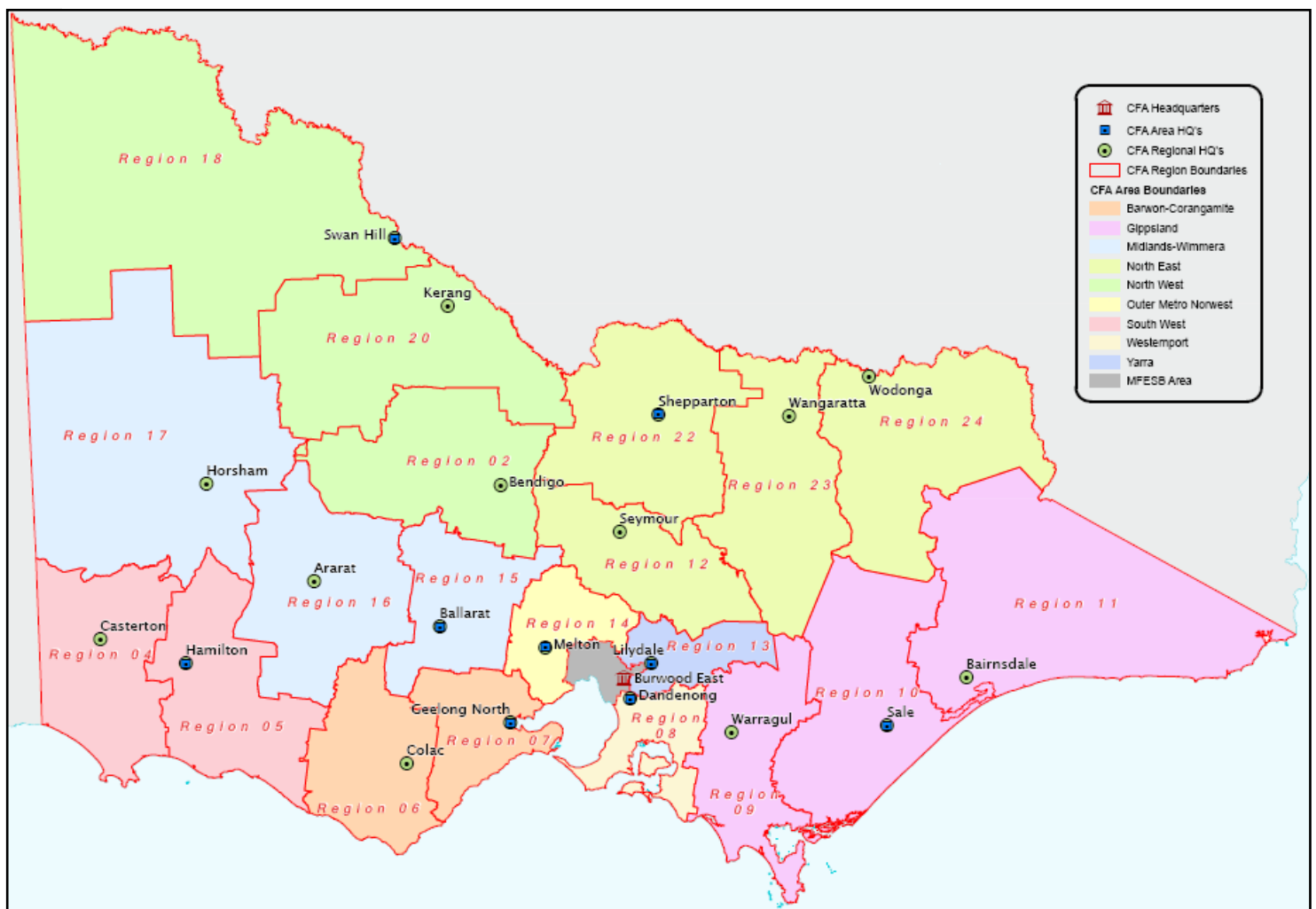
CFA has 1,222 fire brigades that respond to a range of emergency incidents including bushfires, house fires, industrial fires, road accidents and rescues. CFA also provides substantial support to other emergency agencies that have responsibility for regional parks and State forests.

CFA conducts one of Australia's largest community education programs, including fire prevention and safety. Volunteers assist staff in delivering this increasingly important part of CFA business.

² Handmer, J., Ganewatta, G. (2008), *Comparison of approaches for valuing fire and emergency services volunteers*, RMIT Centre for Risk and Community Safety, 1 March 2008 - adjusted for Melbourne Consumer Price Index per Australian Bureau of Statistics Catalogue Number 6401.0 March 2010

CFA's services are based on the internationally adopted comprehensive approach to emergency services (prevention, preparedness, response and recovery) used to classify the key functions in managing emergency events, as described by the Productivity Commission's annual Report on Government Services. To support and complement brigades in the delivery of these services, CFA had offices serving the Areas and Regions identified in Figure 1. From 1 July 2010, CFA's regional boundaries will be realigned to match the State Regional Boundaries.

Figure 1. CFA service locations - Areas, Regions and principal offices as at 30 June 2010



Nature and Range of Services Provided

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

- fire and emergency incident management, including:
 - bushfire and structural fire suppression
 - transport-related fire suppression and road accident rescue
 - industrial and commercial fire suppression
 - technical rescue, trench and mine operations
 - flood assistance and support to other emergency operations
- fire prevention planning, community awareness, education and safety programs

- warnings and advice to the community on bushfires
- technical services including building code-related inspections and post incident investigations.

OBJECTIVES, FUNCTIONS, POWERS AND DUTIES

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

Manner of Establishment and the Relevant Minister

CFA is a statutory authority which reports to the Minister for Police and Emergency Services, The Honourable Bob Cameron MP. It is funded through contributions by insurance companies (77.5 per cent) and by the Victorian State Government (22.5 per cent).

Patron

CFA's patron is Professor David de Kretser AC, Governor of Victoria.

Report on CFA Operations 2009–10

Response to 2009 Victorian Bushfires Royal Commission

The 2009 Victorian Bushfires Royal Commission was established on 16 February 2009 to investigate the causes and responses to the devastating bushfires that swept through parts of Victoria in late January and February 2009. The Commission delivered its Interim Report on 17 August 2009 with a Final Report due by 31 July 2010³.

CFA established a 2009 Fires Task Force in early 2009 to coordinate the overall organisational support for the Royal Commission and any other matters arising from the 2009 fires such as Coronial Inquests, criminal prosecutions and civil actions. A special committee of the CFA Board was established to oversee the operations of the Task Force.

CFA's support for the Royal Commission involved:

- 106 witnesses
- more than 110 CFA witness statements
- response to 40 summonses for documents
- more than 1,500 requests for information received from parties other than the Royal Commission
- 70,000 documents collected initially, with over 150,000 documents collected in total
- more than 100 staff directly involved at varying times in information gathering and analysis
- 12 fireground tours arranged by CFA and DSE for legal counsel.

2009–10 Bushfire Preparedness

CFA recognised that planning for the 2009–10 fire season needed to start well before the interim report of the Royal Commission was released, to allow time for consultation and review of policies and communication of changes to CFA's workforce and the community. With early direction coming from the Royal Commission and strong support from the Government and partner agencies, together with lessons learned from operational debriefs, CFA planned for an ambitious 2009–10 Bushfire Preparedness Program (BFPP).

In its submission to the Royal Commission in July 2009 the Government outlined more than \$50 million of new initiatives that included the BFPP. Progress against these initiatives was closely scrutinised, including a review by the Royal Commission after the fire season.

Led by high level cross-departmental collaboration, the program placed renewed emphasis on preparedness and education as a result of the fires of February 2009.

IMPROVEMENTS TO COMMUNITY BUSHFIRE PREPAREDNESS

Victorian Fire Risk Register

CFA developed the Victorian Fire Risk Register (VFRR), as a systematic process to identify assets at bushfire risk. It was rolled out across 22 municipalities identified as high risk. The benefits of its collaborative approach are now recognised by municipalities and other emergency services organisations, in particular its high level of multi-agency and community

³ 2009 Victorian Bushfires Royal Commission (2010), *About the Royal Commission*, <http://www.royalcommission.vic.gov.au/About-Us>, accessed 2 August 2010

involvement. The VFRR is now the standard bushfire risk identification tool used by CFA to assess the level of risk and the range of treatments.

Township Protection Plans

Improvements were made in township bushfire preparation through a focus on Township Protection Plans (TPPs) which were developed for the 52 Victorian communities identified as being most at risk from bushfire, and a number of other locations. A total of 68 TPPs were completed in consultation with residents, local government, the Municipal Association of Victoria and partnering agencies including emergency services (DSE, MFB, Victoria State Emergency Service and Victoria Police) and relief and recovery agencies.

TPPs are used by CFA and agency partners to provide residents and visitors with local information to help them make informed decisions for bushfire survival planning. The community information section of each approved TPP was made available to the public on the CFA website.

Neighbourhood Safer Places – Places of Last Resort

Key components of the TPPs are Neighbourhood Safer Places – Places of Last Resort. These are places where people can go when their bushfire survival plans have failed. CFA worked with local government to locate potential places in a number of municipalities, prioritising areas located in the 52 communities most at risk of bushfire.

One Source One Message

The Royal Commission identified a need for communities to be provided with more timely and accurate information regarding fire activities and incidents. The One Source One Message capability was established to provide Victorian emergency services organisations with a single tool to communicate emergency warnings and alerts. CFA, in partnership with DSE, delivered this capability in time for the 2009–10 Fire Danger Period.

CFA and DSE incident information can now be sent simultaneously to the websites of both agencies as well as multiple media outlets, the Victorian Bushfire Information Line, Incident Control Centres and the State Control Centre.

Household Bushfire Self-Assessment Tool

The online Household Bushfire Self Assessment tool is a new service provided by CFA that allows community members to make decisions about their bushfire plans. The tool is designed to help residents assess the defendability of their property and their level of household preparedness.

Since its release in October 2009 the self-assessment web page has been visited more than 55,000 times. The tool was also produced in CD ROM format and 1,000 copies were distributed to community groups.

Sirens

Discussion about the use of sirens to alert communities has increased in the past year. As a result, a State-wide policy for community alerting systems, including CFA sirens, has been developed by the Office of the Emergency Services Commissioner to provide guidelines for community alerting systems.

Vegetation management

CFA's role in vegetation management is continually increasing with brigade members conducting 344 separate treatments on more than 2,200 kilometres of roadside during this year. The introduction of regionally based Fuel Management Facilitators decreased the

administrative burden previously faced by brigades to comply with current legislation, as well as providing technical expertise with environmental issues.

IMPROVEMENTS TO COMMUNITY EDUCATION

In its Interim Report, the Royal Commission recommended a greater emphasis on leaving early rather than staying and actively defending, as well as more direct language when communicating with the community. These changes were incorporated into revised media campaigns, publications and community education sessions conducted in all areas.

Media Campaigns

The 2009–10 summer fire awareness campaign “Making Victoria FireReady” was a joint approach between emergency services agencies and the Victorian Government, aimed at initiating behavioural change in the community.

CFA assisted with the planning and delivery of Fire Action Week in October 2009.

FireReady Kit

The FireReady Kit is an educational tool to help people understand their fire risk, prepare their property and develop a Bushfire Survival Plan. It is intended to help people determine whether to stay to defend their home or to leave early, well before bushfire threatens.

More than 420,000 FireReady Kits were printed, of which 265,000 were directly mailed to residents in 52 high-risk locations.

Brigade Summer Information Kit and Community Safety Pocket Guide

The 2009–10 Brigade Summer Information Kit was created to provide every brigade with updated community safety information and key messages to be disseminated across the community.

In addition, CFA produced 62,000 copies of the 2009–10 Community Safety Pocket Guide, a quick reference for key community bushfire safety information. The guide was distributed to all CFA volunteers and mailed to brigades along with the Brigade Summer Information Kit.

Bushfire Safety Information for Culturally and Linguistically Diverse Audiences

Bushfire information has been produced in more accessible formats to meet the needs of Victoria’s culturally and linguistically diverse communities.

A range of community safety publications is available online in 32 languages and in a digital talking book format. Fact sheets are available in CD audio, mp3 and plain text format.

Information for Tourists

CFA, in collaboration with Tourism Victoria, produced publications and a DVD to cater for people travelling throughout Victoria during the fire season.

FireReady Victoria meetings

The FireReady Victoria (FRV) program has been delivered State-wide since 2003. Trained presenters deliver scripted presentations of up to 90 minutes at meetings that are held from October through to January with the aim of providing basic preparedness information about bushfires.

The presentation and supporting materials were enhanced to ensure that FRV presentations reflected the most current information to the community.

Community Fireguard

CFA's Community Fireguard Group program encourages residents to work together in small neighbourhood groups to prepare for bushfire. The program is based on a series of educational sessions on bushfire preparation and planning, and facilitated by a trained Community Fireguard presenter. The program was revised and delivered with significant increases in attendance over the previous year.

BFPP AT A GLANCE

	2009–10	2008–09
FireReady Victoria:		
• FireReady Victoria meetings held	2,197	1,102
• attendance at FireReady Victoria meetings	67,760	69,224
• FireReady Kits printed	420,000	
Community Fireguard:		
• new Community Fireguard groups established	337	132
• Community Fireguard refresher meetings	887	587
Advice to Property Owners:		
• visits to households	320	
• responses to phone or email enquiries	977	
Household Bushfire Self-Assessment Tool:		
• page visits	56,419	
• CD ROMs sent to community groups	1,000	
• hard copy versions supplied to community members	2,441	
Township Protection Plans completed:	68	
Neighbourhood Safer Places – Places of Last Resort:		
• sites assessed	626	
• compliant sites assessed	303	
• non-compliant sites	231	
• sites designated by council	89	
• sites awaiting council designation	187	
Municipalities that have completed Victorian Fire Risk Registers:	37	

IMPROVEMENTS TO INCIDENT MANAGEMENT CAPABILITY

Control of Major Emergencies

Victoria's arrangements for command and control of major emergencies were significantly revised leading into the 2009–10 fire season. These arrangements address principal areas of responsibility for preparing for and managing the response to major incidents across the State. The key changes included:

- appointment of a single State Fire Controller with control over readiness and response activities at the State level including control over all agencies responding to major fires in the State
- Victoria was divided into a number of nominal Areas of Operations
- introduction of Area Fire Controllers, reporting directly to the State Fire Controller, with responsibility for the direction and support of Incident Controllers at major fires within each Area of Operations.

Incident Control Centres

A Level 3 Incident Control Centre (ICC) is a facility used by the multi-agency, multi-functional Incident Management Team during preparation for, or response to, a large or complex incident.

As part of BFPP, CFA and DSE elevated the capability and capacity of Level 3 ICCs across the State to a minimum standard. This addressed operational needs, office facilities and technology. The agreed minimum ICC standard was jointly approved by the Chief Officers of DSE and CFA on 15 September 2009.

Project works and inspections were completed to ensure all ICCs, including 17 CFA managed sites, met the minimum standards by 30 June 2010.

Intelligence Gathering

A series of initiatives improved the collection and analysis of operational bushfire information. Updated training was delivered across the State to provide key roles with the skills to collect tactical information and undertake initial fire predictions. Mobile technology was upgraded to include a new laptop computer, mapping software and a camera with Global Positioning System.

Additional functionality was delivered by CFA's Mapper application, developed for tactical incident mapping and sharing spatial information. It has a user-friendly mapping interface that requires little training. Mapper is installed on all computers in CFA and DSE incident management locations.

- CFA's Mapper won the People and Community category at the 5th Annual Victorian Spatial Excellence Awards as well as the Asia Pacific Spatial Excellence Awards 2009. The application was presented with a Special Achievement Award for Exceptional Application of Geography Technology at the ESRI International User Conference.

Operational Doctrine

The introduction of the new command and control arrangements required the revision of a number of Chief Officer's Standing Orders and Standard Operating Procedures (SOPs). The CFA/DSE Joint SOPs were also revised as a result of these changes. These documents will become the key documents driving incident management for CFA.

Traffic Management Points Guidelines

CFA and DSE, in conjunction with Victoria Police, revised the Traffic Management Points Guidelines following the Royal Commission Interim Report, to provide police with more flexibility to allow entry by:

- residents returning to their homes
- people delivering relief and aid to residents and animals
- essential services crews

- accelerated access for people whose identity has been established.

Pre Season Update and Regional Briefings

Prior to each fire season CFA, in conjunction with DSE, produces a Pre Season Update to inform members of the key changes for the upcoming fire season. The level of change resulting from the fires on 7 February 2009 and the subsequent Royal Commission required the production of two separate Updates prior to the 2009–10 fire season.

A number of the key issues from the Pre Season Updates were also distributed to all CFA members on a DVD, included in the summer edition of *Brigade* magazine. The video was also made available on CFA Connect and CFA TV.

WELFARE SUPPORT AND RECOVERY

In February 2009 CFA established a Welfare Support and Recovery Plan 2009–11 aimed at providing a range of support measures for those CFA members adversely affected by the events and aftermath of Black Saturday. Implementation of the program continued throughout 2009–10.

- During the twelve months following the 2009 fires CFA provided over 230 functions to enable social reconnection amongst members and over 600 information and education sessions. Approximately 25,000 letters were sent to members directly, informing them of the availability of welfare support. Consulting psychologists have provided over 2,000 hours of support and Chaplains have provided 3,900 hours of pastoral care. Peers have provided approximately 4,500 hours of support to members and their families.
- A telephone survey of approximately 1,100 members was conducted to request feedback on the effectiveness of Welfare Services following 7 February 2009. CFA also used pre-fire season wellbeing sessions to assess the welfare of members.
- Support was provided to members required to participate in the 2009 Victorian Bushfires Royal Commission to ensure that welfare needs of the member and their family were met. This role has been extended to support members required to give evidence at various committal hearings and other court hearings associated with the fires.

2009–10 Response Activity

2009–10 FIRE SEASON

The 2009–10 summer fire season was notable for a significant decrease in the activity from the previous season. In total 11 Total Fire Ban (TFB) days were declared, one of which was a whole of State declaration (11 January 2010). Table 1 provides details of the TFBs declared in 2009–10. Table 2 provides comparative data for TFBs for the period 2005 to 2010.

Fire Danger Period declarations were progressively implemented at municipal level across the State from 1 November 2009, with all restrictions concluding by 1 May 2010.

Table 1. Days of Total Fire Ban 2009–10

Date	Total Fire Ban District
19 November 2009	North Western, North Eastern and Central
20 November 2009	North Eastern
16 December 2009	North Western, North Eastern, South Western and Central
17 December 2009	North Eastern
24 December 2009	North Western and North Eastern
11 January 2010	Whole State
12 January 2010	North Western, North Eastern, Central and Eastern
21 January 2010	North Western
22 January 2010	North Western and North Eastern
26 January 2010	North Eastern
31 January 2010	South Western and Central

Table 2. Number of Total Fire Ban Days declared (2005 to 2010)

Declaration	2005–06	2006–07	2007–08	2008–09	2009–10
Whole of State	2	9	2	11	1
Partial	10	11	8	7	10
Total	12	20	10	18	11

2009–10 INCIDENT ACTIVITY

CFA urban and rural response activity during 2009–10 remained close to usual levels and saw CFA crews respond to a diverse range of incidents. CFA attended 36,773 incidents in the period 1 July 2009 to 30 June 2010 resulting in 67,734 brigade responses. Tables 3 and 4 below provide further details of these incidents and comparison with previous years.

Table 3. Total Number of Incidents 2005 to 2010

Incident Type	2005–06	2006–07	2007–08	2008–09	2009–10
Fire and explosion	11,358	16,862	15,774	16,369	13,589
MVA, rescue, EMS calls	2,928	3,738	3,780	3,868	3,806
Hazardous condition	2,986	3,650	2,963	3,057	3,125
Overpressure rupture	37	62	73	56	37

Incident Type	2005–06	2006–07	2007–08	2008–09	2009–10
Service calls	2,097	2,773	2,787	2,853	2,822
Good intent calls	4,509	5,745	5,400	6,129	5,552
False alarms and false calls	6,024	7,588	7,506	7,011	6,927
Other situations	161	256	192	188	166
Undetermined	276	254	258	200	174
Missing	6156	190	127	182	575
Grand Total	36,532	41,118	38,860	39,913	36,773

Table 4. Total Number of Turnouts by CFA Brigades 2005 to 2010

Turnout Type	2005–06	2006–07	2007–08	2008–09	2009–10
Primary	36,532	41,118	38,860	39,913	36,773
Support	31,993	37,246	32,047	35,051	30,961
Total Turnouts	68,525	78,364	70,907	74,964	67,734

MAJOR INCIDENTS

Structure fires and hazardous materials incidents dominated the major incidents in 2009–10 summarised at Table 5.

Major structural fires resulted in significant losses at:

- Inghams Chicken Processing Plant, Somerville
- The Criterion Hotel, Sale
- K&H Surface Technologies, Dandenong South
- Isle of Wight Hotel, Cowes

Industrial hazardous material incidents occurred at:

- Panel Tech Industries, Bayswater
- Note Printing Australia, Craigieburn
- Thales Industries, Benalla

CFA also supported Victoria State Emergency Service (VicSES) during a number of storm events, with wild weather and hail impacting areas across Victoria.

Table 5. Summary of Major Incidents 2009–10

Date	Incident Type	Location	CFA appliances	Incident Size (hectares) or Cost
11 July 2009	Structure fire	Doveton	13	Dis-used Doveton Secondary College assembly hall (30m x 50m) totally destroyed. Damage approximately \$100,000.
16 August 2009	Structure fire	Clifton Springs	6	4 children and mother from one family perished in fire. The father with burns was transported to hospital. Large impact on local community.
August – September 2009	Various	Springvale	multiple	Multiple structure and non-structure suspicious fires in the Springvale area. 21-year-old charged by police with 10 counts of damage by fire.

Date	Incident Type	Location	CFA appliances	Incident Size (hectares) or Cost
9 September 2009	Structure fire	Mornington	12	Mechanical shed fire. Damage of approximately \$300,000.
26 November 2009	Building collapse	Narre Warren	4	Fountain Gate Shopping Centre - multiple roof collapse. Centre temporarily closed as a result of a storm.
1 December 2009	Hazmat	Bayswater	47	Panel Tech Industries. Chemicals Involved: Diphenylmethane Diisoyanate & Polyol DP1439R. 20 patients with respiratory complaints.
31 December 2009	Grass and scrub fire	Mount Clear	47	31 hectares.
4 January 2010	Grass fire	Chesney Vale	42	800 hectares.
4 January 2010	Hazmat	Craigieburn	5	27,000 litre leak of Ethyl Methyl Ketone (SIN 1193) at Note Printing Australia. 200 People evacuated.
4 January 2010	Structure fire	Sale	10	St Columba's Community Kindergarten and Hall. 50 percent loss of buildings. Damage of approximately \$300,000.
11 January 2010	Structure fire	Somerville	50	Factory fire at Inghams Chicken Processing Plant. Staff evacuated. Community warning issued.
31 January 2010	Bushfire	Emerald	49	5 hectares. Heavily populated area. Emergency Warnings issued.
15 February 2010	Hazmat	Benalla	8	Chemical spill at Thales Industries. 1,000 litre nitric acid.
21 February 2010	Factory fire / Hazmat	Dandenong South	32	Australian Chemicals and Coatings (ACC). Nitric acid leak.
21 February 2010	Structure fire	Warrnambool	16	Criterion Hotel (unoccupied). Fire destroyed several rooms on top storey. Damage approximately \$400,000.
5 March 2010	MVA	Simpson	13	Truck rollover causing 1,600 litres aviation fuel leak. Residents evacuated, road blocks set up.
6 March 2010	Support to VicSES – hail storm	Regions 13, 14 and 22		Field and emergency management support with major structural damage in several locations.
16 March 2010	Grass fire	Rainbow	3	Windmill accident. 2 fatalities.
4 May 2010	Incident	Roxburgh Park	4	Rail collision two trains. Large oil leak. 8 injured (5 hospitalised).
4 May 2010	Structure fire	Dandenong South	24	Factory fire at K&H Surface Technologies. Mixing plant workers evacuated. Damage of approximately \$4 million.
22 May 2010	Structure fire	Cowes	34	Isle of Wight historic hotel destroyed. Large community impact. Warning issued to the residents of Cowes due to risk of asbestos dust. Approximately \$10 million damage.

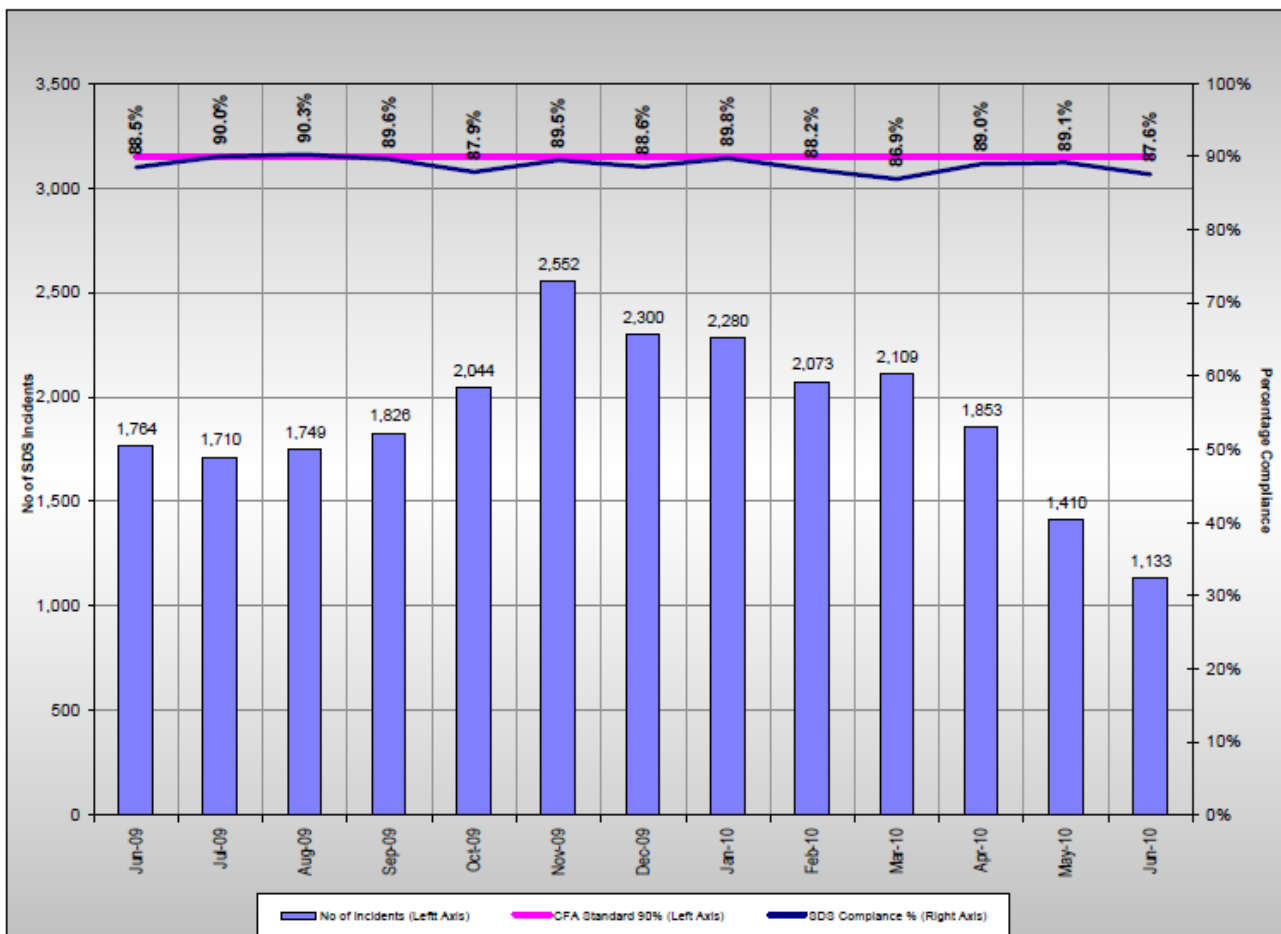
OPERATIONS PERFORMANCE ANALYSIS

Data extracted from the Fire and Incident Reporting System allow for analysis and reporting on indicators of the timeliness and quality of CFA’s service delivery.

Service Delivery Standards

CFA attended 23,039 incidents which were classified as emergency incidents for measurement of Service Delivery Standards purposes. Of these, 20,476 incidents (88.9 per cent) met the required response time standard for the type of hazard attended with a further 1,009 incidents (4.4 per cent) missing compliance by less than 60 seconds. Figure 2 below shows a summary of performance for the year.

Figure 2. State-wide Service Delivery Compliance to 30 June 2010*



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

Dollar Loss (from Structure Fire) Report

Table 6 shows total and median dollar loss for structure fires attended. The data are extracted from estimates included in completed primary fire reports by individual brigades.

Table 6. Estimated Dollar Loss from Structure Fires 2009–10

CFA Area	Number of Structure Fires	Structure Fires with Estimated Loss Value*	Total Dollar Loss	Median Dollar Loss
Barwon-Corangamite	275	157	\$7,145,320	\$7,000
Gippsland	353	136	\$9,343,600	\$10,000
Midlands-Wimmera	285	111	\$6,413,850	\$7,000
North East	320	150	\$7,321,455	\$5,000
North West	284	137	\$12,054,240	\$10,000
Outer Metro Norwest	343	169	\$8,494,340	\$5,000
South West	116	54	\$2,458,650	\$6,250
Westernport	822	432	\$113,479,720	\$5,000
Yarra	338	197	\$10,856,615	\$6,000
Total	3,136	1,543	\$177,567,790	\$5,200

*Note: Not all brigades provided an estimate of loss against structure fires.

Containment to Room of Origin (Structure Fire) Report

Table 7 shows the total number of structure fires per area and the percentage where flame damage was confined to the room of origin by responding firefighters.

Table 7. Structure Fire Containment to Room of Origin 2009–10

CFA Area	Number of Structure Fires*	% Confined to Room of Origin
Barwon-Corangamite	209	57%
Gippsland	214	50%
Midlands-Wimmera	199	53%
North East	218	52%
North West	201	52%
Outer Metro Norwest	254	69%
South West	80	65%
Westernport	641	69%
Yarra	243	53%
Total	2,259	60%

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

RESIDENTIAL FIRE SAFETY

Death, injury and property loss from residential fires are major concerns for CFA, especially during the winter months. Residential Fire Safety activities to address these concerns include advocacy to raise the profile of fire safety amongst mental health professionals, and work on issues related to juvenile fire setters and hoarders. A national competency-based training package saw all community care workers receive home fire safety training information.

In collaboration with MFB and private sector partners, two promotional campaigns aimed at the general public were delivered via mass media. These were 'Change Your Clock, Change Your Smoke Alarm' and a residential safety campaign focussing on kitchen fires.

Organisational Support

CFA BOUNDARY ALIGNMENT

During 2009–10, CFA undertook analysis and preliminary work to prepare for the realignment of its regional boundaries with State Government boundaries and also with municipal boundaries in order to most effectively implement the Emergency Management Command and Control arrangements revised by the Chief Commissioner of Victoria Police. From 1 July 2010, CFA will begin transition to the new boundaries for planning, operational and administrative purposes. The new boundaries will be reflected in CFA's 2010–11 Annual Report.

CFA PEOPLE

As at 30 June 2010, CFA had a total of 60,816 members, comprising 59,180 volunteers, 552 career firefighters and 1,084 staff and officers, based on Full Time Equivalent (FTE) rather than actual headcount.

Table 8 provides comparative data for CFA's workforce over the period 2006 to 2010.

Table 8. CFA Workforce Data for Current and Previous Reporting Periods

Type	2006	2007	2008	2009	2010
Volunteer operational firefighters	34,299	35,114	35,127	36,004	36,736
Total volunteers	58,849	59,509	* 58,362	58,943	59,180
Career firefighters (FTE)	464	494	498	495	552
Support and administration staff (FTE)	837	837	900	986	1,084
Total CFA Workforce	60,150	60,840	59,760	60,424	60,816
Change from previous year	+0.41%	+1.15%	-1.78%	+1.11%	+0.64%

* State-wide Junior volunteer database clean up was conducted

Diversity within CFA

CFA is committed to creating an environment where the principles of equal opportunity and diversity are valued and where all members are treated with dignity and respect. Key achievements in this reporting period were:

- diversity initiatives have resulted in female membership continuing on an upward trend by 3.4 per cent since last year to a total of 11,762 (19.8 per cent)
- development of CFA's first Disability Action Plan has continued, with the plan anticipated to be published in 2010–11
- CFA continued to promote awareness of rights and responsibilities with respect to equity and diversity through delivery of Equal Opportunity Awareness and Relationship and Diversity workshops
- grant funding opportunities and initiatives were developed to support membership and community viability in drought affected communities in the North West and Midlands-Wimmera, e.g. skills/qualification upgrade and rural health programs.

Safety and Wellbeing

The Safety First System project is nearing completion with the Area Occupational Health and Safety (OHS) Officers providing significant support in implementing the systems and procedures. An external system audit report highlighted a number of gaps which have been addressed. Other OHS achievements during 2009–10 included:

- the first stage of the OHS business system was implemented incorporating an online injury and hazard management tool
- the internationally recognised Incident Cause Analysis Method was selected for CFA safety investigation and control process with training programs being delivered by the accredited provider
- support was provided to members injured as a result of the February 2009 fires
- 91 brigades participated in the Volunteer Health and Wellbeing program and 333 Healthy for Life sessions were delivered as part of the staff program
- injury claims continued to trend downwards, excluding February 2009, contributing to the lower indicative WorkSafe premium.

Compensation

Table 9 shows the positive compensation claim trends for 2009–10.

Table 9. Compensation Claims (based on injury date)

Claims	2005–06	2006–07	2007–08	2008–09	2009–10	5-year average
Volunteers	222	217	143	246	128	191
Employees	114	105	129	127	114	118

The WorkSafe premiums are shown in Table 10 as a percentage of remuneration to enable a comparison with previous periods.

Table 10. WorkSafe Premiums

Year	2005–06	2006–07	2007–08	2008–09	2009–10	2010–11*
WorkSafe Premium	1.33%	1.20%	1.09%	1.28%	1.49%	1.16%

* Indicative premium

CFA ASSETS

Land and Buildings Program

This year saw record levels of construction in CFA's Land and Buildings Program with \$20.5 million expended on a total of 29 completed projects by the end of the financial year. This was accomplished in a challenging tendering environment and with rising building costs in regional areas.

Under CFA's capital works programs, including those provided with special funding by the Government, the following new or refurbished fire stations were completed:

Rutherglen	Macclesfield	South Lillimur
Robinvale	Emerald	Traralgon East
Whanregarwen	Licola	Dinyarrak
Swan Hill (modifications)	Frankston (modifications)	Belmont (modifications)

Portland (modifications stage 1)	Omeo (co-location with Ambulance Victoria)	Ballarat Emergency Management Facility
Mooroolbark Office	Geelong City	Halls Gap (co-location with Ambulance Victoria)
Mitta Mitta (co-location with VicSES)	Bonegilla (co-location with Volunteer Coast Guard Australia)	Ellerslie
Whiteheads Creek	Yea – Limestone	Talgarno
Sandy Creek	Toolondo	Winiam
Mitre	Miga Lake	

CFA also concluded the rollout of the Myer Foundation Water Tanks Program to 483 fire stations. This program was generously funded by a grant of \$2 million from the Myer Foundation. Work has commenced on similar water conservation measures at another 296 fire stations funded by a similar amount from a Government Community Support Fund Grant.

A major asset management strategic plan was prepared for all field training grounds and a master plan has now been completed for future development of the Fiskville Training College.

Fleet Appliance Programs

The \$47.6 million appliance manufacturing program delivered the following vehicles:

- 71 Tankers
- 48 Pumpers
- 14 Medium Pumper Tankers
- 5 Specialist Vehicles
- 3 Aerial Appliances
- 39 Tankers and one Slip-on Unit for the Community Safety Emergency Support Program (CSESP).

As part of the program, the opportunity was taken to develop a number of improved designs.

- Heavy Concept Tanker - utilising three remote control monitors, ultra high pressure pump and enhanced fire knockdown capability, this model is planned to form the basis of future tanker production.
- Aerial Pumper - utilising a 20 metre articulated water tower on an enhanced Heavy Pumper cab chassis to provide elevated fire fighting without the need for crew at the head of the tower.
- Ultra Light Concept Tanker - on a cab chassis which provides enhanced reliability and operational characteristics.
- Heavy Pumper - features enhanced maintenance access facilities by the use of slide away rear locker modules.

A substantial donation from Toll Holdings enabled the upgrade of eight mechanical service vans and provision of an additional large service van to the Geelong workshop. Land has been secured in Seymour to replace the existing District Mechanical Workshop.

Radio Communications

In its second year the Radio Replacement Program, which aims to replace all CFA radio terminals, reached contract execution stage with rollout to brigades to begin in the second quarter of the 2010–11 financial year. The program is expected to run until the end of June 2012.

The Regional Radio Dispatch Program is another major program which will provide voice radio services between CFA's 16 rural districts back to the Emergency Services Telecommunications Authority Mt Helen call-taking and dispatch centre in Ballarat. The project has completed an Expressions-of-Interest stage with Requests for Tender to be issued during the first quarter of 2010–11.

Personal Protective Clothing

Year three of the Personal Protective Clothing Structural Apparel Program saw 6,000 ensembles rolled out to structural firefighters bringing the total number delivered to date to 8,800 ensembles. The program will continue through 2010–11.

CFA FINANCES

CFA and Brigades Donations Trust Fund

CFA provided regular and accurate reports of the Trust's operations and financial status to the satisfaction of the Trustees. A total of 1,169 brigades were registered with the Trust at 30 June 2010.

The Trust received \$7.144 million during the 2009–10 financial year deposited to the account, compared with \$8.711 million during 2008–09.

The 30 June 2010 Trust bank balance was \$1.337 million compared with \$2.034 million on 30 June 2009.

ENVIRONMENTAL MANAGEMENT

CFA's Green Office project has been implemented in major offices and training grounds. Green Office aims to reduce impacts of office-based activities through engaging staff in environmentally responsible actions. Improved environmental outcomes have been achieved through:

- implementing water and energy efficiency measures
- adopting waste management strategies – minimising waste production and maximising recycling rates
- employing environmentally responsible purchasing practices and
- providing sustainable transport options.

Environmental initiatives and highlights for 2009–10 within CFA included:

- monitoring of environmental key performance indicators progressed with energy use, paper use and waste generation being tracked in all major offices and training grounds
- in readiness for future Government reporting requirements, CFA commissioned a Carbon Footprint Assessment. CFA currently purchases 15 per cent 'Green' energy and offsets carbon emissions for air and pool car travel
- CFA continued to be an active participant in the Victorian Fire Ecology Program led by DSE, addressing the need for science-based advice to support delivery of CFA's

vegetation management services and tools to assist compliance with environmental legislation

- CFA Environment Grants continued to be popular with brigades. During the year almost \$12,000 was provided for 13 projects for vegetation management and to help brigades save energy and water.

Corporate Governance

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

CFA Board

The Board of the Authority is constituted under the CFA Act.

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

The CFA Act provides for a Board of 12, consisting of the Chairman and 11 other members, appointed by the Governor-in-Council for up to three years. The CFA Act prescribes those bodies that can nominate people for consideration by Government for appointment to the Board. The current nominating bodies include the Minister for Sustainability and Environment, Insurance Council of Australia, Volunteer Fire Brigades Victoria (VFBV) and the Municipal Association of Victoria (MAV).

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

BOARD ROLE

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

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

The Board's primary role involves:

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

BOARD MEMBERSHIP

Board members during 2009–10 were:

- Kerry Murphy PSM AFSM (Chair) - re-appointed 1 April 2010
- Claire Higgins (Deputy Chair) - re-appointed 2 October 2009
- Ross Coyle - appointed 25 March 2010
- Kevin Erwin - term expired 24 March 2010
- David Gibbs AFSM

- Lyn Gunter - term expired 30 December 2009
- Peter Harmsworth AO - re-appointed 26 June 2010
- Ken King - re-appointed 13 October 2009
- Sandie Jeffcoat - resigned 29 November 2009
- Reid Mather - appointed 31 December 2009
- Tunde Meikle
- John Peberdy - appointed 22 September 2009
- Robert Spencer
- Michael Tudball - re-appointed 31 December 2009.

BOARD COMMITTEES

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

Audit and Risk Committee

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

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

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

Membership:

- Michael Tudball (Chair)
- Claire Higgins
- Ken King
- Robert Spencer
- Clif Lang (external member)

Remuneration and Appointments Committee

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

Membership:

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

Industrial Relations Committee

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

Membership:

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

2009 Fires Task Force Committee

2009 Fires Task Force Committee's role is to assist the Board to monitor and contribute to the overall organisational response to the 2009 Victorian Bushfires Royal Commission and any other matters arising.

Membership:

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

Bushfire Preparedness Program Monitoring Committee

The Bushfire Preparedness Program Monitoring Committee was established to assist the Board to monitor and contribute to the overall organisational response and implementation of initiatives announced following the 2009 Victorian Bushfires.

The Committee monitored the progress of these initiatives at Program and Project level against target deliverables to ensure both timely and qualitative delivery of initiatives and was subsumed into the 2009 Fires Task Force Committee at the end of the year.

Membership:

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

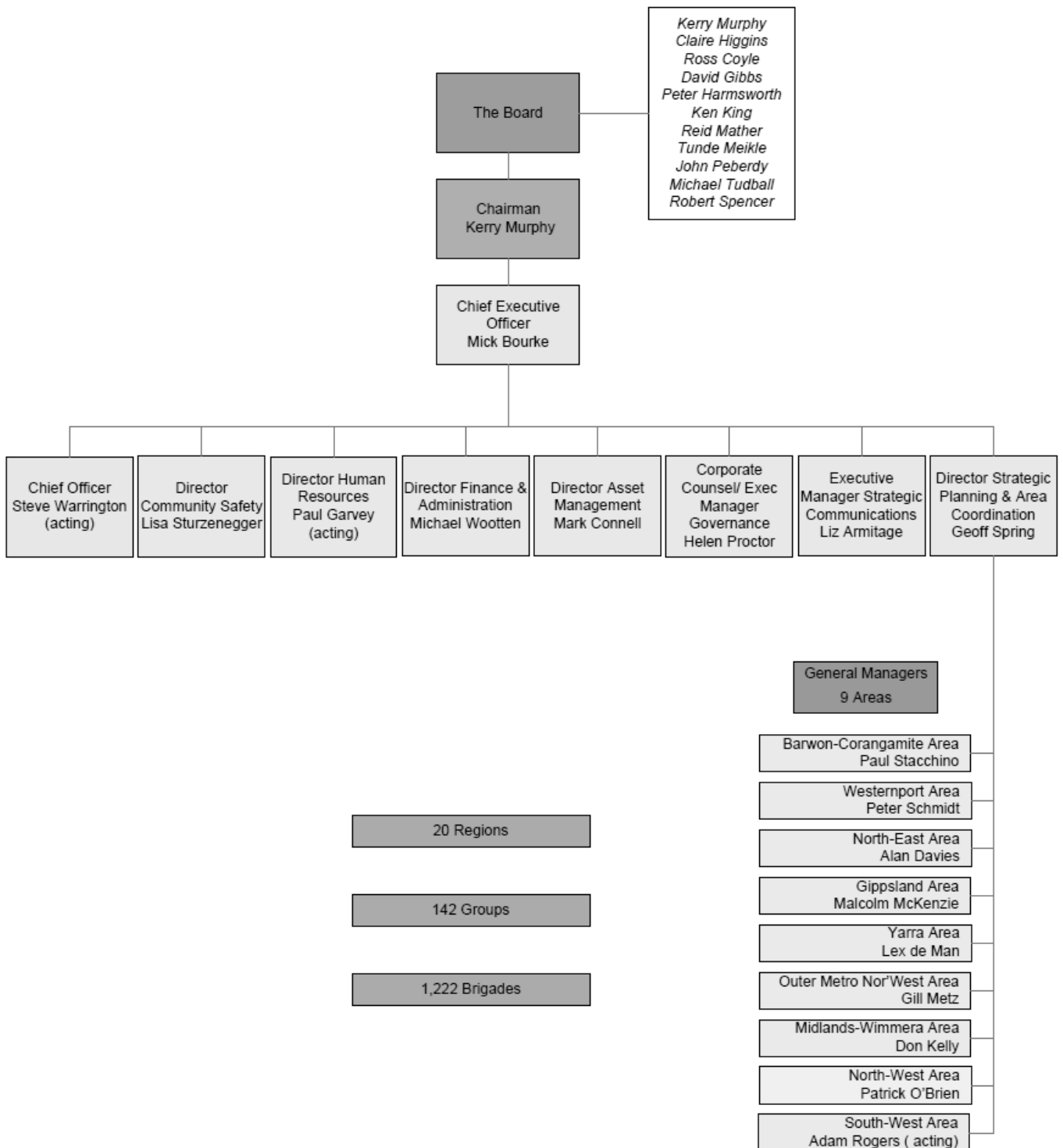
Attendance at Meetings

Board members' attendance at Board and committee meetings is detailed in Table 11 below.

Table 11. Attendance at Board and Committee Meetings

	Board Meetings	Audit and Risk	Remuneration and Appointments	Industrial Relations	2009 Fires Task Force Committee	Bushfire Preparedness Program Monitoring Committee
Number of meetings to 30 June 2010	14	5	4	1	22	4
Kerry Murphy	14	-	4	1	16	1
Ross Coyle	4	-	-	-	-	-
Kevin Erwin	10	-	-	-	-	-
David Gibbs	13	-	3	0	19	3
Lyn Gunter	6	-	-	-	-	-
Peter Harmsworth	13	-	3	0	19	3
Claire Higgins	12	4	4	1	19	4
Ken King	8	5	-	-	-	-
Sandie Jeffcoat	3	-	-	-	-	-
Reid Mather	6	-	-	-	-	-
Tunde Meikle	12	-	1	-	-	-
John Peberdy	7	-	-	-	-	-
Robert Spencer	14	5	-	-	-	-
Michael Tudball	14	5	-	1	3	2
Clif Lang	-	5	-	-	-	-

CFA Organisation Chart as at 30 June 2010

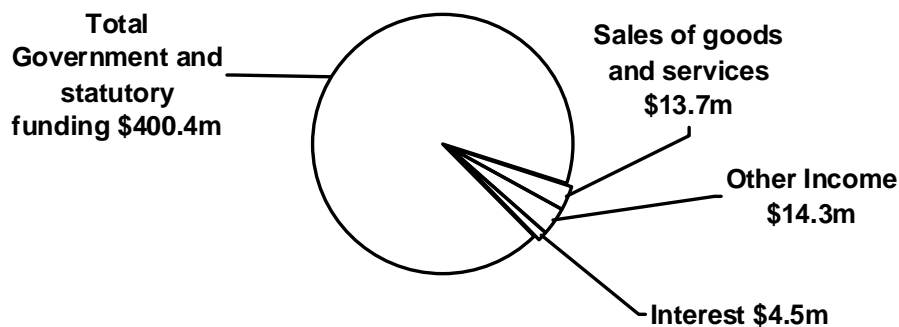


Financial Summary

Discussion and Analysis – Comprehensive Operating Statement

INCOME

Total Income: \$432.9m



Income

Total income for the 2009–10 year was \$432.9 million, which is a decrease of \$18.8 million over the previous year's total of \$451.7 million. The reasons for this variation are: an increase of \$97.2 million in government and insurance contributions, a decrease in major incident funding of \$107.6 million (mostly attributable to funding received for the costs of the 2009 Bushfires), a decrease in other income of \$9.3 million, a decrease in Sales of Goods and Services of \$0.8 million and an increase in interest income of \$1.7 million. The Comprehensive Operating Statement and note 2(d) disclose the movement in brigade cash and deposits over the financial period.

Government and statutory funding

CFA received contributions from Government and other sources amounting to \$400.4 million (2008–09 \$410.8 million). Under the CFA Act, CFA receives funding of annual expenditure from the State Government (22.5 per cent), insurance contributions (77.5 per cent), and from other companies under Section 80A of the CFA Act (which relates to property located in Victoria but insured offshore). During 2009–10, statutory contributions totalled \$400.4 million, comprising \$75.9 million from the State Government (of which \$16.5 million was treated as contributed capital), \$0.6 million from the Commonwealth Government, \$303.2 million from insurance companies, and \$20.7 million from other companies.

Sales of goods and services

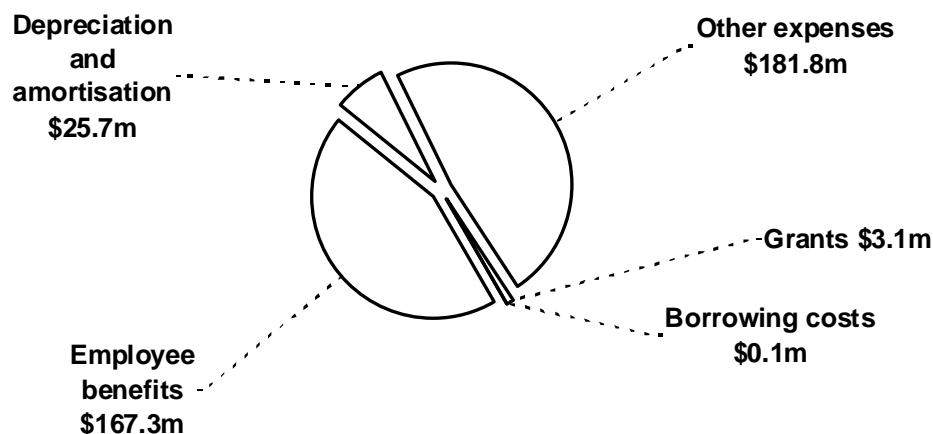
CFA received \$13.7 million during the year from the provision of goods and services to external bodies (2008–09 \$14.5 million). These include the provision of external training services, fire protection fees, alarm monitoring, dangerous goods inspections, and hazardous materials incidents.

Other income and interest

Other income during the year totalled \$14.3 million from a number of sources including the Transport Accident Commission, public donations and recognition of additional brigade assets. Interest income for the year totalled \$4.5 million.

EXPENSES

Total Expenses \$378.0m



Expenses

Total expenses for the 2009–10 year were \$378.0 million compared to \$400.3 million for 2008–09. This decrease of \$22.3 million can be attributed mainly to reduced costs relating to operational activity during 2009–10.

Employee benefits

During 2009–10, \$167.3 million (2008–09 \$161.0 million) was spent on salaries and other employee expenses such as superannuation, payroll tax, WorkCover premiums and employee support activities.

Depreciation and amortisation

The written down value of CFA's assets at cost or valuation, including land, buildings, leasehold improvements, vehicles, plant and machinery totalled \$648.0 million (2008–09 \$598.5 million). Depreciation expense totalled \$25.7 million during 2009–10, which is consistent with the corresponding 2008–09 figure.

Borrowing costs

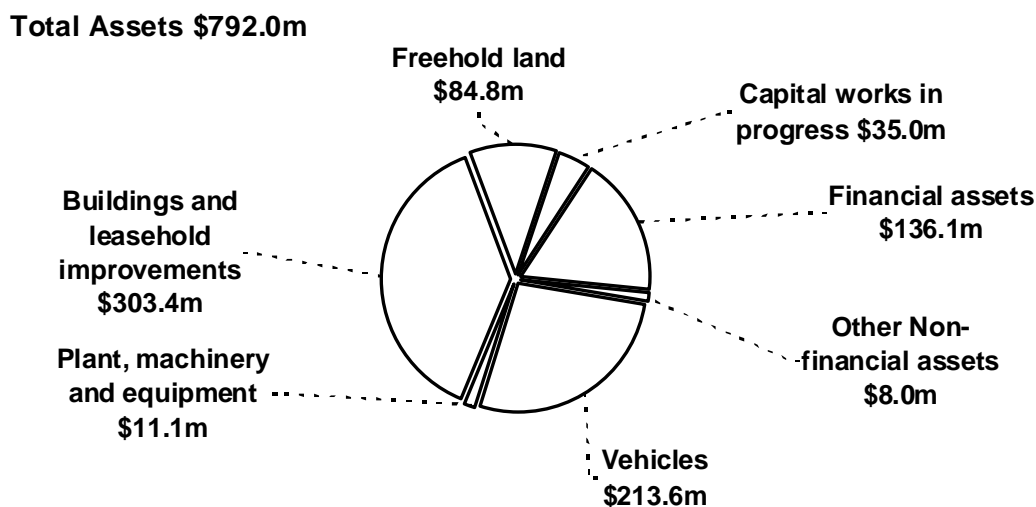
CFA incurred borrowing costs during 2009–10 of \$0.1 million (2008–09 \$0.1 million).

Other expenses

CFA spent \$181.8 million on general operating costs and other expenses during 2009–10. This was a decrease of \$27.9 million over the previous year which was mostly related to lower operational activity costs during 2009–10.

Discussion and Analysis - Balance Sheet

ASSETS



Total Assets

Total assets at 30 June 2010 were \$792.0 million compared to the 2008–09 total of \$721.3 million. The major elements of the year on year variation (\$70.7 million) were movements in financial assets (\$25.6 million), an increase in the value of buildings (\$11.8 million), a decrease in plant and equipment (\$2.1 million) and the acquisition of new emergency response and transport vehicles (\$36.5 million).

Financial assets

Financial assets totalled \$136.1 million (2008–09 \$110.5 million) and included money owed to CFA (\$6.9 million), and cash at bank and deposits (\$129.2 million).

Cash reserves which include brigade cash holdings are generally held for specific purposes and include initiatives such as Structural Personal Protective Clothing, Radio Replacement, and capital commitments for land, buildings, and firefighting appliance projects.

Non-financial assets

Non-financial assets totalled \$655.9 million (2008–09 \$610.7 million) and included inventories and goods held in store (\$6.3 million), non-financial assets held for sale (\$0.1 million), prepayments made by CFA (\$1.5 million), and property, plant and equipment (\$648.0 million).

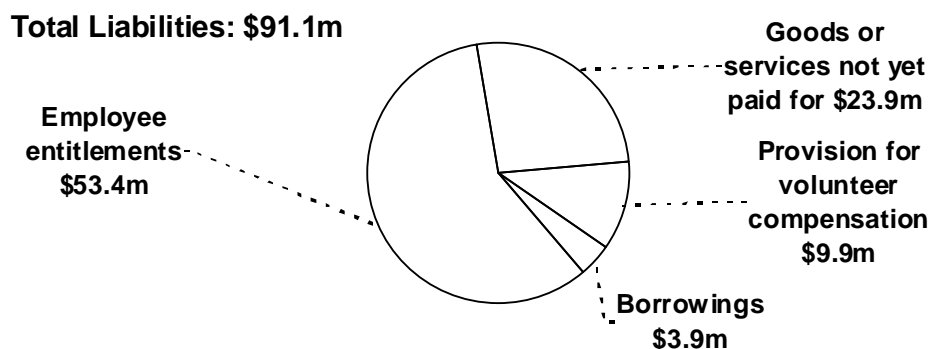
Plant and equipment

This includes computer hardware, general plant and communications equipment to a total value of \$11.1 million (2008–09 \$13.2 million).

Capital works in progress

At the end of the year, the value of expenditure on capital works such as buildings, emergency response vehicles, and plant and equipment which were not yet completed, totalled \$35.0 million (2008–09 \$33.6 million).

LIABILITIES



Total Liabilities

Total liabilities at 30 June 2010 amounted to \$91.1 million compared to the previous year's total of \$91.2 million. The variation of \$0.1 million was caused by decreased amounts accrued in relation to payables, and increases in the provisions for employee benefits and volunteer compensation respectively.

Employee entitlements

A total of \$53.4 million (2008–9 \$49.0 million) is accrued for annual leave and long service leave payments to staff. Most of this amount will become payable at a future date.

Goods or services not yet paid for

At the end of the year a total of \$23.9 million was owed for goods or services already provided but not yet paid for. This was a decrease of \$7.0 million over the corresponding figure last year, which is related to reduced operational activity during 2009–10.

Provision for volunteer compensation

Based on previous claims and actuarial calculations, a total of \$9.9 million has been estimated to allow for compensation for injuries to volunteers up to 30 June 2010. This is an increase of \$2.6 million compared to the figure at 30 June 2009.

Interest Bearing Liabilities (Borrowings)

CFA borrowings at 30 June 2010 were \$3.9 million (2008–09 \$3.9 million) to fund the cost of constructing a new Regional Office.

VOLUNTEER BRIGADE ACTIVITIES

The major assets of CFA volunteer brigades - Land, Buildings, Plant and Equipment, and Bank/Cash Equivalents - are recognised as assets by CFA in the Annual Financial Statements. New brigade assets and Bank/Cash Equivalents are included annually in CFA's financial statements. Bank/Cash Equivalents were brought to account for the first time in the 2006–07 accounts. The cash balances are funds which have been accumulated by brigades over many decades, predominantly for the replacement of existing capital equipment and the purchase of supplementary equipment in their respective brigades. They appear as Other Income in the Operating Statement and as Bank/Cash equivalents in the Balance Sheet. The Bank/Cash Equivalents incorporated into these financial statements are those held by the brigades at 30 June 2010.

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

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

CFA volunteer brigades receive support under the State Government's Community Support Fund – CSESP. CSESP assists eligible emergency services organisations by providing contributory funding for vehicles and equipment. CFA also provides brigades with access to an extended credit facility to support brigade-related small asset acquisition programs.

IMPORTANT NOTE:

Each year, the contributions received from the State Government and insurance companies provide funding for that year's recurrent expenditure and capital works. These contributions are classified as income. After deducting recurrent expenses for the year, CFA's net result is determined. The 2009–10 result is \$54.3 million. Contributions not used for recurrent expenditure provide funding for CFA's capital expenditure program, and also represent funds held for specific programs which have either not yet commenced, or are partially implemented. CFA's accumulated surplus of \$255.3 million as disclosed in the balance sheet is an accounting entry reflecting the total of the prior year's operating results, and does not indicate the level of CFA's cash reserves and/or liquidity.

Financial Statements


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

We certify that the attached financial statements for CFA have been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian accounting standards and other mandatory professional reporting requirements.

We further state that in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2010 and financial position of CFA at 30 June 2010.

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

We authorise the attached financial report for issue on 10 August 2010.



10 August 2010
K A Murphy PSM AFSM
Chairman



10 August 2010
M Bourke
Chief Executive Officer



10 August 2010
M Wootten FCPA
Director Finance & Administration

Comprehensive Operating Statement for the financial year ended 30 June 2010

	Notes	2010 \$'000	2009 \$'000
Income from transactions			
Contributions	2(a)	395,970	298,799
Major Incident Funding	2(a)	4,389	112,005
Interest	2(b)	4,544	2,810
Sales of goods and services	2(c)	13,701	14,516
Grants	2(d)	-	-
Other income	2(d)	14,253	23,585
Total Income from transactions		432,857	451,715
Expenses from transactions			
Employee benefits	3(a)	167,341	161,047
Depreciation and amortisation	3(b)	25,698	24,309
Interest expense	3(c)	158	43
Grants and other transfers	3(d)	3,072	5,223
Other operating expenses	3(e)	181,724	209,654
Total expenses from transactions		377,993	400,276
Net Result from transactions (net operating balance)		54,864	51,439
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	4(a)	(490)	(644)
Doubtful Debts provision Gain/(Loss) on revaluation	4(b)	(24)	(20)
Long Service Leave expense Gain/(Loss) on revaluation	4(b)	(58)	(709)
Total other economic flows included in net result		(572)	(1,373)
Comprehensive result		54,292	50,066

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

Balance Sheet as at 30 June 2010

Assets	Notes	2010 \$'000	2009 \$'000
Financial assets			
Cash and deposits	20(a)	129,191	102,260
Receivables	5	6,879	8,286
Total financial assets		<u>136,070</u>	<u>110,546</u>
Non-financial assets			
Inventories	6	6,358	5,853
Non-financial assets classified as held for sale	8	113	4,442
Property, plant and equipment	9	647,980	598,517
Other	7	1,496	1,937
Total non-financial assets		<u>655,947</u>	<u>610,749</u>
Total assets		<u>792,017</u>	<u>721,295</u>
Liabilities			
Payables	10	23,931	30,964
Borrowings	13	3,860	3,860
Provisions	11	63,330	56,379
Total liabilities		<u>91,121</u>	<u>91,203</u>
Net assets		<u>700,896</u>	<u>630,092</u>
Equity			
Accumulated surplus		255,337	201,045
Physical asset revaluation surplus	14	221,016	221,016
Contributed capital		224,543	208,031
Net Worth		<u>700,896</u>	<u>630,092</u>
Commitments for expenditure	18		
Contingent liabilities and contingent assets	18		

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

**Statement of Changes in Equity
for the financial year ended 30 June 2010**

		(\$'000)			
	Notes	Equity at 1 July 2009	Total compre- hensive result	Transactions with owners in their capacity as owners	Equity at 30 June 2010
Accumulated surplus/(deficit)		201,045	54,292	-	255,337
Contributed Capital		208,031			208,031
Capital contributions				16,512	16,512
		208,031	-	16,512	224,543
Physical asset revaluation surplus	14	221,016	-	-	221,016
Total equity at end of financial year		630,092	54,292	16,512	700,896

		Equity at 1 July 2008	Total compre- hensive result	Transactions with owners in their capacity as owners	Equity at 30 June 2009
Accumulated surplus/(deficit)		150,979	50,066	-	201,045
Contributed Capital		199,870			199,870
Capital contributions				8,161	8,161
		199,870	-	8,161	208,031
Physical asset revaluation surplus	14	221,016	-	-	221,016
Total equity at end of financial year		571,865	50,066	8,161	630,092

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

Cash Flow Statement for the financial year ended 30 June 2010

	Notes	2010 \$'000	2009 \$'000
Cash flows from Operating Activities			
Receipts			
Contribution receipts from Government		76,519	171,573
Receipts from other entities		342,197	260,532
Goods and services tax recovered from the ATO		26,845	20,592
Interest received		4,554	2,729
Other receipts		12,192	20,686
Total receipts		462,307	476,112
Payments			
Payments of Grants and other transfers		(3,072)	(5,223)
Payments to suppliers and employees		(376,541)	(371,575)
Goods and services tax paid to the ATO		(2,843)	(2,689)
Interest and other costs of finance paid		(171)	(30)
Total Payments		(382,627)	(379,517)
Net cash flows from/(used in) operating activities	20(b)	79,680	96,595
Cash flows from Investing Activities			
Payments for non-financial assets		(75,623)	(61,151)
Proceeds from sale of non-financial assets		6,412	6,654
Net cash flows from/(used in) investing activities		(69,211)	(54,497)
Cash flows from Financing Activities			
Owner contributions by State Government		16,462	7,526
Proceeds from interest bearing liabilities		0	3,860
Net cash flows from/(used in) financing activities		16,462	11,386
Net increase/(decrease) in cash and cash equivalents		26,931	53,484
Cash and cash equivalents at the beginning of the financial year		102,260	48,776
Cash and cash equivalents at the end of the financial year	20(a)	129,191	102,260

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

1 Summary Of Significant Accounting Policies

The annual financial statements represent the audited general purpose financial statements for the Country Fire Authority (CFA). To gain a better understanding of the terminology used in this report, a glossary of terms can be found in Note 23.

(a) Statement of compliance

These financial statements have been prepared in accordance with the *Financial Management Act 1994* and Applicable Accounting Standards and Interpretations (AASs). AASs include Australian equivalents to International Financial Reporting Standards. Where applicable, those paragraphs of the AASs applicable to not-for-profit entities have been applied. The annual financial statements were authorised for issue by the Chairman of CFA.

(b) Basis of accounting, preparation and measurement

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

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

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

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

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

- Non-current physical assets which, subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made in accordance with FRD 103D - refer note 1(i) - Revaluation of non-current physical assets, to ensure that the carrying amounts do not materially differ from their fair value. This occurs with sufficient regularity per the FRD.
- the fair value of an asset other than land is generally based on its depreciated replacement value;
- derivative financial instruments, which after initial recognition, which are measured at fair value through profit and loss;
- certain liabilities that are calculated with regard to actuarial assessments; and
- Available-for-sale investments which are measured at fair value with movements reflected in equity until the asset is derecognised.

Historical cost is based on the fair values of the consideration given in exchange for assets.

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2010 and the comparative information presented for the year ended 30 June 2009.

(c) Reporting Entity

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

(d) Scope and presentation of financial statements

Comprehensive Operating Statement:

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

'Transactions' and 'other economic flows' are defined by the *Australian system of government finance statistics: concepts, sources and methods* 2005 Cat.No. 5514.0 published by the Australian Bureau of Statistics (see Note 23).

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

'Other economic flows' are changes arising from market re-measurements. They include gains and losses from market re-measurements, disposals, revaluations and impairments of non-current physical and intangible assets, and fair value of financial instruments.

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

Balance Sheet:

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

Current and non-current assets and liabilities (those expected to be recovered or settled beyond 12 months) are disclosed in the notes where relevant.

Statement of Changes in Equity:

The statement of changes in equity presents reconciliations of the owner equity opening balance at the beginning of the reporting period to the closing balance at the end of the reporting period. It also shows separately changes due to amounts recognised in the comprehensive result and amounts recognised in other comprehensive income related to other changes in equity.

Cash Flow Statement:

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

(e) Income from transactions

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

Contributions:

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

Funding for 2009 bushfires: effect on comparatives

During 2008-09 CFA received funding to assist with the 2009 bushfires. This funding was expended during 2008-09 or had future obligations attached to it in respect of the following expenses:

- contributions to other emergency organisations, catering, contractors, freight, public insurance, legal fees, protective clothing/uniforms, volunteer compensation/insurance, other brigade support, aircraft hire, other hire, publicity, buildings maintenance, vehicle maintenance including fuel/insurance, computer systems, other operating maintenance and employee entitlements.

Interest income:

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

Sales of goods and services:

Income from the provision of services

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

-the amount of the income, stage of completion and transaction costs incurred can be reliably measured; and

-it is probable that the economic benefits associated with the transaction will flow to CFA.

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

Income from sale of goods

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

-the significant risks and rewards of ownership of the goods have transferred to the buyer;

-CFA retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

-the amount of income, and costs incurred or to be incurred in respect of the transaction can be reliably measured; and

-it is probable that the economic benefits associated with the transaction will flow to CFA.

Fair value of assets received free of charge or for nominal consideration:

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

Other Income:

CFA and Brigades Donations Fund

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

(f) Expenses from transactions

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

Employee expenses:

Employee expenses include all costs related to employment including wages and salaries, leave entitlements, redundancy payments and superannuation expenses which are reported differently depending upon whether employees are members of defined benefit or defined contribution plans. In relation to defined contribution (i.e. accumulation) superannuation plans, the associated expense is simply the employer contributions that are paid or payable in respect of employees who are members of these plans during the reporting period. Employer superannuation expenses in relation to employees who are members of defined benefit superannuation plans are described below.

Superannuation - defined benefit plans:

The amount recognised in the Comprehensive Operating Statement in relation to employer contributions for members of defined benefit superannuation plans is simply the employer contributions that are paid or payable to these plans during the reporting period. The level of these contributions will vary depending upon the relevant rules of each plan, and is based upon actuarial advice.

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

Depreciation:

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

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

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

Asset class	Useful Life	
	2010	2009
Buildings at Cost	67 years	67 years
Buildings at Valuation	52 years	52 years
Leasehold Improvements	4 - 50 years	4 - 50 years
Plant and equipment	3 - 20 years	3 - 20 years

Interest expense

Interest expense (other than swap interest which is classified as an other economic flow) are recognised as expenses in the period in which they are incurred. Refer to glossary of terms in Note 23 for an explanation of interest expense items.

Grants and other expense transfers:

Grants and other transfers to third parties (other than contribution to owners) are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as grants, subsidies and other transfer payments made to Local and General Government and the Volunteer Associations.

Other operating expenses:

Supplies and services

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

Bad and doubtful debts

Bad and doubtful debts are assessed on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. Those written off unilaterally and the allowance for doubtful receivables, are classified as other economic flows (refer Note 1(g) Financial assets - Impairment of financial assets).

(g) Other economic flows included in net result

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

Net gain/(loss) on non-financial assets:

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

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

Refer to accounting policy on property, plant and equipment, provided in Note 1(i) *Non-financial assets*.

Disposal of non-financial assets:

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

Impairment of non-financial assets:

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

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

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

Net gain/(loss) on financial instruments:

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

Revaluations of financial instruments at fair value

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

Other gains/(losses) from other economic flows:

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

(h) Financial Assets

Cash and deposits

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

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

Receivables

Receivables consist predominantly of amounts owing from the Victorian Government, debtors in relation to goods and services, accrued investment income and GST input tax credits recoverable. Receivables that are contractual are classified as financial instruments. Amounts owing from the Victorian Government, taxes and other statutory receivables are not classified as financial instruments.

Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method, less an allowance for impairment.

A provision for doubtful receivables is made when there is objective evidence that the debts may not be collected and bad debts are written off when identified.

(i) Non-Financial Assets

Inventories

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

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

Other supplies and consumables, work in progress and finished goods are valued at the lower of cost and net realisable value. Cost is assigned to land for sale, and to other high value, low volume inventory items on a specific identification of cost basis.

Cost for all other inventory is measured by the financial system on the basis of weighted average cost.

Non-financial assets classified as held for sale

Non-financial assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell and are not subject to depreciation.

Non-financial assets are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale is expected to be completed within 12 months from the date of classification.

Property, Plant and Equipment

All non-current physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment.

Non-current physical assets constructed by CFA

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.

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

Leasehold Improvements

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

Revaluations of non-current physical assets

Non-current physical assets measured at fair value are to be revalued in accordance with FRD 103D issued by the Minister for Finance. A full revaluation normally occurs every five years, based on the asset's government purpose classification, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are used to conduct these scheduled revaluations and any interim revaluations are determined in accordance with the requirements of the FRDs.

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

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

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

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

Other non-financial assets

Prepayments

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

Impairment of non-financial assets

Refer to Note 1(g) Other economic flows included in net result.

(j) Liabilities

Payables

Payables consist predominantly of creditors and other sundry liabilities. Accounts payable represent liabilities for goods and services provided to CFA prior to the end of the financial year that are unpaid, and arise when CFA becomes obliged to make future payments in respect of the purchase of those goods and services.

Other liabilities included in payables mainly consist of unearned/prepaid income, goods and services tax and fringe benefits tax payables.

Payables are initially recognised at fair value, being the cost of the goods and services, and subsequently measured at amortised cost.

Borrowings

Borrowings are initially measured at fair value, being the cost of the borrowings, net of any transaction costs.

Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in net result over the period of the borrowing using the effective interest rate method.

Provisions

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

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

Employee benefits

(i) Wages and salaries and annual leave:

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

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

ii) Long service leave

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

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

The components of this current LSL liability are measured at:

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

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

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

(iii) Termination benefits

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

Employee benefits on-costs

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

Volunteer compensation

The Provision for Volunteer Compensation is the accrued liability after allowing for anticipated recovery from insurance in respect of all outstanding registered Volunteer Compensation claims at 30 June 2010.

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

(k) Leases

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

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

Operating leases

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

(l) Equity

Contributions by owners:

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

(m) Commitments

Commitments are disclosed at their nominal value and inclusive of the goods and services tax (GST) payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated.

(n) Contingent assets and contingent liabilities

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

(o) Accounting for the Goods and Services Tax (GST)

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

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

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

(p) Events after reporting date

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

(q) Rounding of amounts

Amounts in the financial statements have been rounded to the nearest thousand dollars, unless otherwise stated. Figures in the financial statements may not equate due to rounding.

(r) Volunteer brigade policies*Volunteer brigade cash and deposits*

Volunteer brigade cash and deposits are brought to account at 30 June 2010, as part of the ongoing consolidation of brigade activities with CFA's financial activities. In accordance with Australian Accounting Standard AASB118, the movement has been disclosed as Income in the Comprehensive Operating Statement note 2(d) and as an increase in financial assets in the Balance Sheet (note 20).

The basis of calculation for brigade cash and cash equivalents was the balance as at 31 March 2010, adjusted for known income and expenditure to 30 June 2010.

Volunteer brigade land and buildings

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

Volunteer brigade vehicles

CFA fully recognises the major community contribution by bringing to account, at cost less accumulated depreciation, fire fighting vehicles acquired by volunteer brigades (brigade vehicles) and plant and equipment valued at over \$5000.

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

(s) AASs issued that are not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2010 reporting period. The Department of Treasury and Finance assesses the impact of these new standards and advises departments and other entities of their applicability and early adoption where applicable.

As at 30 June 2010 the following standards and interpretations had been issued but were not mandatory for the financial year ending 30 June 2010. CFA has not, and does not intend to, adopt these standards early.

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on the financial statements
AASB 2009-7 Amendments to Australian Accounting Standards (AASB 5, 7, 107, 112, 136 & 139 and interpretation 17).	A suite of amendments as a result of editorial corrections by the AASB and by the IASB, some of which relate to correcting errors made in AASB 2008-12.	Beginning 1 Jul 2009	Impact is being evaluated.
AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136, 139]	Some amendments will result in accounting changes for presentation, recognition or measurement purposes, while other amendments will relate to terminology and editorial changes.	Beginning 1 Jan 2010	Terminology and editorial changes, Impact minor.
AASB 9 Financial Instruments	This Standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 <i>Financial Instruments: Recognition and Measurement</i> (AASB 139 <i>Financial Instruments: Recognition and Measurement</i>).	Beginning 1 Jan 2013	Detail of impact is still being assessed.
AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108 112, 118, 121, 127, 128 131, 132, 136, 139, 1023 & 1038 and interpretations 10 & 12.	This gives effect to consequential changes arising from the issuance of AASB 9.	Beginning 1 Jan 2013	Detail of impact is still being assessed.

2 Income from transactions

	2010 \$'000	2009 \$'000
(a) Contributions		
State Government	71,554	59,029
Insurance Companies	303,170	229,247
Owners and insurance intermediaries	20,670	9,984
Commonwealth Government	576	539
	<u>395,970</u>	<u>298,799</u>
Major Incident Funding	4,389	112,005
Total Contributions	400,359	410,804
(b) Interest		
Interest from financial assets not at fair value through Comprehensive Operating Statement:		
-Interest on bank deposits	2,173	1,765
-Interest on term deposits	2,371	1,045
Total interest revenue from financial assets not at fair value through Comprehensive Operating statement	4,544	2,810
Total interest revenue	4,544	2,810
(c) Sales of goods and services		
Sale of goods	4,750	7,322
Rendering of services	8,951	7,194
Total revenue from sale of goods and services	13,701	14,516
(d) Other Income		
Brigade Assets		
-Recognition of Brigade Cash and Deposits	3,200	7,520
-Vehicles	1,978	3,498
-Plant and Equipment	83	46
Sub Total Volunteer Brigades	5,261	11,064
Property rental	664	711
Donations	6,090	7,701
Other (Aggregate of Immaterial items)	2,237	4,109
Total Other income	14,252	23,585
Total Income	432,856	451,715
3 Expenses from transactions		
(a) Employee Benefits		
Salaries	138,948	133,835
Superannuation (see note 19)	11,953	11,221
Other on-costs (payroll tax, fringe benefits tax, workcover premium)	9,900	8,858
Employee Support	6,540	7,133
Total Employee Benefits	167,341	161,047
(b) Depreciation		
Depreciation of property, plant and equipment		
Buildings	5,769	5,498
Leasehold Improvements	616	983
Vehicles	16,282	14,222
Other plant and equipment	3,031	3,606
Total depreciation and amortisation	25,698	24,309
(c) Interest expense		
Interest on government advances	158	43
Total interest expense	158	43
(d) Grants and other transfers (other than contributions by owners)		
Grants to Volunteer Brigade Associations	540	2,510
Grants to Victorian Local Government	385	571
Grants to Office of the Emergency Services Commissioner running costs	2,147	2,142
Total grants and other payments	3,072	5,223

(e) Other operating expenses	2010	2009
	\$'000	\$'000
Supplies and services:		
Uniforms and Equipment	14,203	10,922
Printing and Stationery	2,926	2,583
Contract payments to external services	35,079	35,383
Volunteer Compensation and Insurance	7,219	4,225
Other Volunteer and Brigade Support	2,040	3,857
External Training and Skills Maintenance	2,176	1,532
Aircraft Hire	12,210	10,815
Hire Fees - Plant, Equipment & Vehicles	2,872	13,565
Consultants Fees	148	350
Audit Fees (note 17)	442	399
Publicity/Advertising	8,374	5,150
Buildings Operating and Maintenance	10,981	8,275
Motor Vehicle Operating and Maintenance	11,948	12,944
Computer equipment and systems	2,941	4,490
Communications and Alarms	9,604	6,672
Other Operating and Maintenance	13,308	7,918
Brigade Donations Distributed	6,090	7,701
Total supplies and services	142,561	136,781
Operating lease rental expenses		
- Minimum lease payments	4,756	4,444
Total operating lease rental expenses	4,756	4,444
Subtotal	147,317	141,225
Bad Debts from transactions	21	19
Cost of Goods Sold/distributed	5,441	6,078
Legal Fees	1,139	1,304
General Expenses	4,682	5,740
Contributions To Other Emergency Organisations	882	39,480
Contractors	21,885	12,568
Catering - Operational	357	3,240
Total other operating expenses	181,724	209,654
4 Other economic flows included in net result		
(a) Net gain/(loss) on non-financial assets		
Net gain/(loss) on disposal of physical assets	(490)	(644)
Total net gain/(loss) on non-financial assets and liabilities	(490)	(644)
(b) Other gains/(losses) from other economic flows		
Net gain/(loss) arising from revaluation of long service leave liability	(58)	(709)
Doubtful Debts provision Gain/(Loss) on revaluation	(24)	(20)
Total other gains/(losses) from other economic flows	(82)	(729)
5 Receivables		
Current receivables		
Contractual		
Trade Receivables	2,960	3,090
Other Receivables	1,281	2,536
Provision for doubtful contractual receivables	(70)	(46)
	4,171	5,580
Statutory		
GST Recoverable	2,708	2,706
Total Receivables	6,879	8,286
(a) Movement in the provision for doubtful contractual receivables		
Balance at beginning of the year	(46)	(26)
Receivables written off during the year as uncollectible	-	-
Receivables recovered during the year	-	-
(Increase)/decrease in provision recognised in the Comprehensive Operating Statement	(24)	(20)
Balance at end of the year	(70)	(46)
(b) Ageing analysis of Receivables		
Please refer to Note 12 for the ageing analysis of receivables.		
(c) Nature and extent of risk arising from receivables		
Please refer to Note 12 for the nature and extent of credit risk arising from receivables		
6 Current Inventories		
Supplies and consumables:		
At cost	6,358	5,853
Total Inventories	6,358	5,853
7 Current other assets		
Prepayments	1,496	1,937
Total other assets	1,496	1,937

8 Non-financial assets classified as held for sale

	2010 \$'000	2009 \$'000
Freehold land and buildings held for sale	113	4,442

CFA intends to dispose of freehold land and buildings that are surplus to its programs and which are no longer utilised within the next 12 months. The properties were previously used as fire stations, as well as land acquired for building programs now no longer required. No impairment loss was recognised on reclassification of the properties as held for sale at the end of the reporting period.

9 Property, plant and equipment

Public Safety & Environment

(a) Carrying amounts

Freehold Land

At cost	12,873	11,943
At independent valuation 2005	16,833	16,318
At independent valuation 2006	15,315	14,915
At independent valuation 2007	39,813	39,812
	<u>84,834</u>	<u>82,988</u>

Buildings

At cost	69,988	52,873
Less: Accumulated Depreciation	(2,482)	(1,564)
At independent valuation 2005	86,488	85,825
Less: Accumulated Depreciation	(8,256)	(6,576)
At independent valuation 2006	83,767	83,361
Less: Accumulated Depreciation	(6,399)	(4,793)
At independent valuation 2007	83,250	83,250
Less: Accumulated Depreciation	(4,761)	(3,193)
	<u>301,595</u>	<u>289,183</u>

Leasehold Improvements - at cost

Less: Accumulated amortisation	11,735	11,735
	<u>(9,911)</u>	<u>(9,295)</u>
	1,824	2,440

Vehicles - at cost

Less: Accumulated Depreciation	362,199	312,963
	<u>(148,579)</u>	<u>(135,846)</u>
	213,620	177,117

Plant and equipment - at cost

Less: Accumulated Depreciation	65,870	64,896
	<u>(54,753)</u>	<u>(51,728)</u>
	11,117	13,168

Property, plant and equipment in the course of construction - at cost

	34,990	33,621
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Net carrying amount of property, plant and equipment

	<u>647,980</u>	<u>598,517</u>
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Property, plant and equipment

9(b) Movements in carrying amounts

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

	Freehold Land at cost & fair value	Buildings at cost & fair value	Leasehold Improve'ts at cost	Vehicles at cost	Plant, Mach. & Equipment at cost	In the course of construction at cost
Carrying amount	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2008	82,521	281,591	3,323	165,622	14,643	16,334
Additions	0	0	0	0	0	65,241
Disposals	(1,880)	(1,025)	0	(4,390)	(2)	0
Classified as held for sale	966	(118)	0	0	0	0
Net Revaluation Increments/(Decrements) (Note 14)	0	0	0	0	0	0
Transfers to Fixed Assets	1,381	14,233	100	26,610	2,086	(44,410)
Brigade Assets Recognised (Note 2(d))	0	0	0	3,498	46	(3,544)
Depreciation/amortisation expense (Note 3(b))	0	(5,498)	(983)	(14,223)	(3,605)	0
Balance at 1 July 2009	82,988	289,183	2,440	177,117	13,168	33,621
Additions	0	0	0	0	0	77,735
Disposals	(645)	(1,703)	0	(4,529)	(26)	0
Classified as held for sale	1,560	2,769	0	0	0	0
Net Revaluation Increments/(Decrements) (Note 14)	0	0	0	0	0	0
Transfers to Fixed Assets	931	17,115	0	55,336	923	(74,305)
Brigade Assets Recognised (Note 2(d))	0	0	0	1,978	83	(2,061)
Depreciation/amortisation expense (Note 3(b))	0	(5,769)	(616)	(16,282)	(3,031)	0
Balance at 30 June 2010	84,834	301,595	1,824	213,620	11,117	34,990

10 Payables	2010	2009
	\$'000	\$'000
Current payables		
Contractual		
Trade payables	6,117	11,739
Other payables and accruals	17,814	19,225
	23,931	30,964

(a) Maturity analysis of contractual payables

Please refer to Note 12 for the ageing analysis of contractual payables.

(b) Nature and extent of risk arising from payables

Please refer to Note 12 for the nature and extent of risks arising from payables.

11 Provisions

Current provisions

Employee Benefits (i) (See Note 11(a)) - annual leave		
Unconditional and expected to be settled within 12 months(ii)	15,445	14,212
Unconditional and expected to be settled after 12 months(iii)	2,215	2,061
Employee Benefits (i) (See Note 11(a)) - long service leave		
Unconditional and expected to be settled within 12 months(ii)	1,360	1,235
Unconditional and expected to be settled after 12 months(iii)	19,249	17,472
	38,269	34,980
Provisions related to employee benefit on-costs (Note 11(a))		
Unconditional and expected to be settled within 12 months(ii)	3,626	3,345
Unconditional and expected to be settled after 12 months(iii)	3,927	3,587
	7,553	6,932
Volunteer Compensation (See note 1(l))	2,679	2,059
Total current provisions	48,501	43,971

Non-current provisions

Employee Benefits (i) (See Note 11(a))	6,418	6,052
Provisions related to employee benefit on-costs	1,148	1,086
Volunteer Compensation (See note 1(l))	7,263	5,270
Total non-current provisions	14,829	12,408

Total provisions

Employee Benefits (See Note 11(a))	53,388	49,050
Volunteer Compensation (See note 1(l))	9,942	7,329
	63,330	56,379

(a) Employee Benefits and related on-costs

Current employee benefits		
Annual leave entitlements	17,660	16,273
Unconditional long service leave entitlements	20,609	18,707
Non-current employee benefits		
Conditional long service leave entitlements	6,418	6,052
Total employee benefits	44,687	41,032
Current on-costs	7,553	6,932
Non-current on-costs	1,148	1,086
Total on-costs	8,701	8,018
Total employee benefits and related on-costs	53,388	49,050

Note:

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

(ii) The amounts disclosed are nominal amounts

(iii) The amounts disclosed are discounted to present values

(b) Movement in provisions

	Employee Benefits	On-costs	Volunteer Compensation	Total
	2010	2010	2010	2010
Opening balance	41,032	8,018	7,329	56,379
Net Additional provisions recognised	3,655	683	2,613	6,951
Closing Balance	44,687	8,701	9,942	63,330
Current	38,269	7,553	2,679	48,501
Non-current	6,418	1,148	7,263	14,829
	44,687	8,701	9,942	63,330

12 Financial Instruments

(a) Financial risk management objectives and policies

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

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

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

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

Table 12.1 Categorisation of financial instruments

	2010 (\$'000)	2009 (\$'000)
Financial assets		
Cash and cash equivalents	129,191	102,260
Loans and receivables (at amortised cost).	4,171	5,580
Total financial assets (i)	133,362	107,840
Financial liabilities		
At amortised cost	27,085	34,824
Total financial liabilities (ii)	27,085	34,824

Notes:

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

(ii) The total amount of financial liabilities disclosed here excludes statutory payables .(i.e. Taxes Payable).

(b) Credit risk

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

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

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

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

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

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

(i) Financial assets that are either past due or impaired

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

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

Table 12.2 Ageing analysis of financial assets

	(\$'000)					
	Carrying Amount	Not past due and not impaired	Past due but not impaired			Impaired financial assets
			Less than 1 month	1-3 months	1-5 years	
2010						
Cash and cash equivalents	129,191	129,191	0	0	0	0
Receivables (i)						
Trade and other receivables	4,171	3,075	372	461	0	0
	133,362	132,266	372	461	0	0
2009						
Cash and cash equivalents	102,260	102,260	0	0	0	0
Receivables (i)						
Trade and other receivables	5,580	4,232	699	265	0	0
	107,840	106,492	699	265	0	0

Notes:

(i) Ageing analysis of receivables must exclude the types of statutory receivables (e.g. Amounts owing from Victorian Government and GST input tax credit recoverable). (This ageing analysis table is used only to show the ageing of past due but not impaired financial assets).

(c) Liquidity risk

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

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

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

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

Table 12.3 Maturity analysis of financial liabilities

	(\$'000)				
	Carrying Amount	Nominal amount	Maturity dates (i)		
			Less than 1 month	1-3 months	1-5 years
2010					
Payables:					
Amounts payable to other government agencies	3,198	3,198	3,198	0	0
Trade and other payables	20,027	20,027	20,027	0	0
borrowings:					
Advances from Government	3,860	3,860	0	0	3,860
	27,085	27,085	23,225	0	3,860
2009					
Payables:					
Amounts payable to other government agencies	4,932	4,932	4,932	0	0
Trade and other payables	26,032	26,032	26,032	0	0
borrowings:					
Advances from Government	3,860	3,860	0	0	3,860
	34,824	34,824	30,964	0	3,860

Notes:

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

(d) Market risk

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

(i) Foreign currency risk

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

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

CFA has for this financial year with the Treasurer's approval entered into a currency hedging contract with Treasury Corporation Victoria to hedge against currency rate movements in the acquisition of 3 emergency response vehicles (aerial ladder platforms) from Europe in order to mitigate CFA's currency risk exposure in this acquisition given the volatility of global financial markets.

(ii) Interest rate risk

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

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

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

Table 12.4 Interest rate exposure of financial instruments.

	2010	Weighted average effective interest rate %	Carrying Amount	Interest rate exposure	
				Fixed interest rate	Non-interest bearing
Cash and cash equivalents		3.96	129,191	70,000	46
Receivables (i)					
Trade and other receivables		N/A	4,171	0	4,171
			133,362	70,000	4,217
Payables:					
Amounts payable to other government agencies		-	3,198	0	3,198
Trade and other payables		-	20,027	0	20,027
borrowings:					
Advances from Government		4.46	3,860	3,860	0
			27,085	3,860	23,225
	2009				
Cash and cash equivalents		5.17	102,260	44,000	43
Receivables (i)			0	0	0
Trade and other receivables		N/A	5,580	0	5,580
			107,840	44,000	5,623
Payables:					
Amounts payable to other government agencies		-	4,932	0	4,932
Trade and other payables		-	26,032	0	26,032
borrowings:					
Advances from Government		4.49	3,860	3,860	0
			34,824	3,860	30,964

(e) Fair value

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

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

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

	2010	2009
	\$'000	\$'000
13 Borrowings		
Non-current borrowings		
Advances from Government	3,860	3,860
Total borrowings	3,860	3,860

(a) Maturity analysis of borrowings

Please refer to Table 12.3 in Note 12 for the maturity analysis of borrowings

(b) Nature and extent of risk arising from borrowings

Please refer to Note 12 for the nature and extent of risks arising from borrowings

(c) Defaults and breaches

During the current and prior year, there were no defaults and breaches of any loans.

14 Reserves

Physical asset revaluation surplus

Asset Revaluation Surplus - Land	59,783	59,783
Asset Revaluation Surplus - Buildings	161,233	161,233
	221,016	221,016

Movements

Asset revaluation surplus		
Balance at beginning of financial year	221,016	221,016
Revaluation increment (decrement) of freehold land	-	-
Revaluation increment (decrement) of buildings	-	-
Movement for the year	0	0
Balance at end of financial year	221,016	221,016

Nature and purpose of reserve

Asset revaluation surplus

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

15 Responsible Persons

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

Names

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

Responsible Minister

Minister for Police and Emergency Services: The Honourable Bob Cameron MP

Acting Minister for Police and Emergency Services: The Honourable Tony Robinson MP (25 days)
The Honourable John Lenders MP (8 days)
The Honourable Tim Holding MP (11 days)

Authority Members (CFA Board Members)

K A Murphy (Chairman)
C L Higgins (Deputy Chairman)
R G Coyle (commenced 25 March 2010)
K A Erwin (to 24 March 2010)
D G Gibbs
L Gunter (to 30 December 2009)
P B Harmsworth
S Jeffcoat (to 31 December 2009)
K W King (reappointed 13 October 2009)
M G Tudball
R N Spencer
T Z Meikle
R C Mather (commenced 31 December 2009)
J Peberdy (commenced 22 September 2009)

Accountable Officer

M Bourke (Chief Executive Officer) (commenced 7 September 2009).
G Spring (Acting Chief Executive Officer) (4 July to 6 September 2009).
N Bibby (former CEO) (ceased employment with CFA effective 3 July 2009).

Remuneration (other than the Responsible Minister)

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

Income Band	2010	2009
	No.	No.
\$0 - \$9,999	4	1
\$10,000 - \$19,999	8	10
\$20,000 - \$29,999	1	1
\$30,000 - \$39,999	0	0
\$40,000 - \$49,999	1	1
\$240,000 - \$249,999	1	1
\$280,000 - \$289,999 **	1	0
Total Numbers	16	14
Total Amount \$'000	763	529

** Includes payment to former CEO for accumulated leave and other entitlements upon cessation of employment.

C L Higgins is Chairman of Victoria State Emergency Services and a Board member of Ambulance Victoria, K W King is a Board member of Parks Victoria and Metropolitan Fire and Emergency Services Board, R C Mather is a Board member of Municipal Association of Victoria and J Peberdy is a Board member of Insurance Council of Australia, Ansva Insurance Limited (NZ) and is CEO of Ansva Insurance Ltd (Aust.). CFA had transactions with these entities which were arms-length from CFA Board members and at normal commercial terms. There were no other transactions between CFA and the CFA Board members or CFA Board member related entities.

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

16 Remuneration of Executives

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

Several factors have affected total remuneration payable to executives over the year. A number of employment contracts were completed during the year and renegotiated and a number of executives received bonus payments during the year. These bonus payments depend on the terms of individual employment contracts. All CFA executive contracts provide for entitlement to an annual bonus payment, subject to achievement of key performance objectives.

Income Band	TOTAL REMUNERATION		BASE REMUNERATION	
	2010 No.	2009 No.	2010 No.	2009 No.
\$100,000 - \$109,999	0	0	0	0
\$110,000 - \$119,999	0	0	0	1
\$120,000 - \$129,999	1	1	2	1
\$130,000 - \$139,999	2	2	2	0
\$140,000 - \$149,999	1	1	1	2
\$150,000 - \$159,999	1	2	4	4
\$160,000 - \$169,999	5	5	7	8
\$170,000 - \$179,999	3	5	8	6
\$180,000 - \$189,999	10	5	4	5
\$190,000 - \$199,999	5	3	1	1
\$200,000 - \$209,999	1	4	2	1
\$210,000 - \$219,999	1	2	1	1
\$220,000 - \$229,999	2	0	1	1
\$230,000 - \$239,999	1	1	0	0
\$240,000 - \$249,999	0	1	0	0
Total Numbers	33	32	33	31
Total Amount \$'000	4,251	4,143	4,022	3,886

There is a total of 33 Executives. In the 2008-09 year two executives with a base and one with a total remuneration, were below the \$100,000 reporting threshold.

17 Remuneration of auditors

	2010	2009
	\$'000	\$'000
Audit or review of the financial statements by the Victorian Auditor-General's Office	96	87
Audit fees - Internal Audit : Paid or payable as at 30 June 2010	346	312
	442	399

18 Commitments for expenditure and Contingent Liabilities

(a) Commitments for expenditure

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

(i) Capital expenditure commitments

Plant and equipment:

Payable:

Not longer than 1 year	25,752	34,947
Longer than one year and not longer than 5 years	0	401
Longer than 5 years	0	0
Total capital expenditure commitments	25,752	35,348

(ii) Lease commitments

Non-cancellable operating leases payable:

Not longer than 1 year	6,216	3,890
Longer than one year and not longer than 5 years	14,379	5,038
Longer than 5 years	8,837	2,438
Total lease commitments	29,432	11,366

(iii) Other expenditure commitments

(a) Call Taking & Dispatch Services

There is an ongoing Service Agreement with the Emergency Services Telecommunications Authority (ESTA) for the provision of call taking and dispatch services for Outer Metropolitan and Regional Victoria, through facilities at East Burwood and Mt. Helen, Ballarat. The service fees for the year to 30 June 2010 were \$10.473m (\$11.817m 2009).

(b) Emergency Alerting System

CFA has an ongoing Service Level Agreement with the State, (through ESTA) for 3rd party services for the provision of an Emergency Alerting System. The contract services began in November 2005 with CFA incurring \$27.315m for the year ending 30 June 2010 (\$26.723m 2009).

(c) Short Message Service – SMS Gateway

There is an ongoing contract with the Emergency Services Telecommunications Authority (ESTA) for the provision of SMS Gateway Services. Base level service fees for 2009-10 were \$0.239m (\$0.251m 2009).

(d) Metropolitan Mobile Radio Services

CFA has entered into a contract with the Metropolitan Fire Brigade as a third party to their contract with the service provider. Base level Service Fees for 2009-10 were \$0.333m (\$0.324m 2009).

(e) Personal Protective Clothing

CFA has entered into a contract with Stewart & Heaton as the service provider of personal protective clothing. Costs incurred for 2009-10 were \$10.010m (\$5.626m 2009).

(f) Radio Replacement

CFA has entered into a contract with Tait Electronics Pty Ltd as the service provider for radio replacement. Costs incurred for 2009-10 were \$1.919m (\$0.694m 2009).

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

(b) Contingencies

There are no current claims or legal disputes.

19 Superannuation

Employees of CFA are entitled to receive superannuation benefits and CFA contributes to both defined benefit and accumulation contribution plans managed by the Emergency Services Super Superannuation Scheme (ESSS).

The defined benefit plan provides benefits based on years of service and final average salary.

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

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

There were no superannuation contributions outstanding at 30 June 2010.

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

Fund	2010	2009
	\$'000	\$'000
Defined Benefits Schemes		
Emergency Services Superannuation Scheme (ESSS)	7,269	7,429
Other	34	42
Accumulation Schemes		
Emergency Services Superannuation Plan (ESS Plan)	4,535	3,657
Others	115	93
Total (See note 3(a))	<u>11,953</u>	<u>11,221</u>

Employer contribution rates were:

Defined Benefits Scheme.

The employer contribution rate for the financial year was 11.5% (2009: 12.0%) of salary for operational staff as well as for non-operational staff employed prior to 1 January 1994.

Accumulation Scheme

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

20 Cash flow information

(a) Reconciliation of cash and cash equivalents

For the purposes of the Cash Flow Statement, cash and cash equivalents comprise cash on hand and cash at bank, deposits at call and highly liquid investments with short periods to maturity that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the balance sheet as follows:	2010	2009
	\$'000	\$'000
Cash at bank and on hand	59,191	58,260
Short Term Deposits	70,000	44,000
	129,191	102,260

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

Comprehensive Net Result for the period	54,292	50,066
Non-cash movements:		
Depreciation and Amortisation of non-current assets	25,698	24,309
Brigade Assets Recognised	(2,061)	(3,543)
Allowance for Doubtful Debts	24	20
(Gain) / Loss on sale of non-current assets	490	644
Movements in assets and liabilities:		
(Increase) / decrease in assets:		
Receivables and Prepayments	1,823	1,227
Current Inventories	(505)	1,233
Increase / (Decrease) in liabilities:		
Current payables	(7,033)	14,793
Employee Entitlements	4,339	6,991
Volunteer Compensation	2,613	855
Total Adjustments	25,388	46,529
Net cash inflow from operating activities	79,680	96,595

21 Trust Account Balances

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

Cash and Investments as at 30 June 2010.

Controlled Trusts

Public Trust Account	2,290	2,075
Total Controlled Trusts	2,290	2,075

Administered Trusts

CFA and Brigades Donations Fund	1,337	2,034
Total Administered Trusts	1,337	2,034

There were no Trust Accounts opened and closed by CFA during 2009-2010.

22 Subsequent events

The recommendations handed down in the final report of the Victorian Bushfires Royal Commission are being discussed with Government to determine the allocation of responsibilities. No decisions with respect to the Commission's findings have been made at the date of signing of these financial statements.

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

23 Glossary of Terms

Comprehensive result

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

Commitments

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

Employee benefits expenses

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

Financial asset

A financial asset is any asset that is:

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

Grants and other transfers

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

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

Financial statements

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

Interest expense

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

Interest revenue

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

Net acquisition of non-financial assets (from transactions)

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

Net result

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

Net result from transactions/net operating balance.

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

Non-financial assets

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

Other economic flows

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

Payables

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

Receivables

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

Sales of goods and services

Refers to revenue from the direct provision of goods and services and includes fees and charges for services rendered, sales of goods and services, fees from regulatory services, work done as an agent for private enterprises. It also includes rental income under operating leases and on produced assets such as buildings and entertainment, but excludes rent income from the use of non-produced assets such as land. User charges includes sale of goods and services revenue.

Supplies and services

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

Transactions

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

Auditor-General's Report

VAGO

Victorian Auditor-General's Office

INDEPENDENT AUDITOR'S REPORT

To the Board Members, Country Fire Authority

The Financial Report

The accompanying financial report for the year ended 30 June 2010 of the Country Fire Authority which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the accountable officer's and chief finance officer and accounting officer's declaration has been audited.

The Board Members' Responsibility for the Financial Report

The Board Members of the Country Fire Authority are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the *Financial Management Act 1994*. This responsibility includes:

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

Auditor's Responsibility

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

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

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

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Auditing in the Public Interest

VAGO

Victorian Auditor-General's Office

Independent Auditor's Report (continued)

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report published in both the annual report and on the website of the Country Fire Authority for the year ended 30 June 2010. The Board Members of the Country Fire Authority are responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on the Country Fire Authority web site.

Independence

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

Auditor's Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Country Fire Authority as at 30 June 2010 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE
11 August 2010


D D R Pearson
Auditor-General

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Auditing in the Public Interest

Risk Management Attestation

I, Mick Bourke, certify that CFA (Country Fire Authority) has risk management processes in place broadly consistent with the Australian Risk Management Standard (or equivalent). A process for embedding the integration of the risk management process is being progressively phased into CFA's business.

A functioning internal control system is currently in place and being enhanced to enable the Executive to more accurately understand and satisfactorily control risk exposures. The Board verifies this assurance and the risk profile of CFA will be critically reviewed within the next 12 months.



Mick Bourke
Chief Executive Officer

13 July 2010

Additional Information

Powers, Duties and Responsibilities

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

Section	Summary of Power, Duty or Responsibility
14	Control of the prevention and suppression of fires in country areas
20	General duty of the Authority
20AA	General powers of the Authority
20A	Attendances unconnected with a fire
27	Chief Officer to have control of all brigades
28	Powers and duties of Chief Officer
29	General powers and duties of Chief Officer
30 and 33(2)	Powers of officers at fires
35	Authority to inform the Secretary to Department of Human Services in certain matters
36	Authority may require certain municipalities to provide hydrants in streets etc
44	Duties of officers as to inspection, etc.
44A	Power of Chief Officer to close roads
48	Power of Chief Officer etc to direct extinguishment of fires
50B	Duty of Chief Officer to warn community about bushfires
50D	Chief Officer delegates duty to warn
50E	Country Fire Authority Assessment Guidelines – neighbourhood safer places
50P	Chief Officer may advise on defendability of homes and other buildings
97	Authority as a protection agency
97A	Authority may provide rescue and extrication services
97B	Authority may provide road accident and rescue service
97C	Authority may provide protection service
98	Place where fires occurs

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

Section	Summary of subject matter
4	Declaration of the fire danger period
37	General prohibition against lighting open air fires
40	Provisions about total fire bans
41	Fire prevention notices
41F	Issuing of notices by the Chief Officer
50L	Authority to keep an up to date list of all designated neighbourhood safer places

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

- *Building Act 1993*
- *Dangerous Goods Act 1985*
- *Occupational Health and Safety Act 2004*
- *Emergency Management Act 1986*

Relevant Legislation and Policies

Financial Management Act 1994

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

Whistleblowers Protection Act 2001

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

- CFA has procedures in accordance with Part 6 of the Whistleblowers Act.
- CFA received no disclosures under the Whistleblowers Act.
- CFA referred no disclosures to the Ombudsman for determination as to whether it is a public interest disclosure.
- The Ombudsman did not undertake any investigations in relation to disclosures.
- CFA did not decline to investigate any disclosed matter, which would be a protected disclosure under the Whistleblowers Protection Act 2001.
- The Ombudsman did not make any recommendations relating to CFA in relation to the Whistleblowers Act during the reporting period.

PRIVACY – INFORMATION PRIVACY ACT 2000

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

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

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

FREEDOM OF INFORMATION ACT 1982

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

Making a Request

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

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

- be in writing
- be accompanied by an application fee of \$23.40 or request for a fee waiver with supporting documentation

- provide such information as is reasonably necessary to enable the documents to be identified as described in section 17.

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

- an individual's personal information, such as personnel records
- information which is available publicly, such as on a public register
- information which is available for purchase (e.g. Fire/Incident Reports).

Fees and Charges

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

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

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

Freedom of Information Contact Information:

CFA Freedom of Information Officer
PO Box 701
Mount Waverley 3149

Telephone: (03) 9262 8512
Email: foi@cfa.vic.gov.au

Building Act 1993

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

National Competition Policy

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

Victorian Industry Participation Policy (VIPP)

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

No contracts were commenced or completed during the 2009–10 year to which the VIPP was applied.

Consultancies

a) Consultancies individually in excess of \$100,000						
Name	Project Purpose	Start Date	End Date	Approved Fees	Total Fees	Future Commitments
Deloitte Touche Tohmatsu	Efficiency Review	Apr-09	Aug-09	\$300,000	\$170,640	NIL
Total				\$ 300,000	\$ 170,640	

b) Consultancies individually less than \$100,000	
Number	Total Fees
9	\$ 260,470

CONTRIBUTIONS BY INSURANCE COMPANIES

The following companies which insure against fire, property situated within the country area of Victoria, made contributions in accordance with sections 77-77B of the CFA Act during 2009–10:

ACE INSURANCE LIMITED	INSURANCE MANUFACTURERS OF AUSTRALIA PTY LTD
AIOI INSURANCE CO. LTD	INSURE THAT PTY LTD
AIS INSURANCE BROKERS PTY LTD	INTERNATIONAL INSURANCE CO OF HANNOVER LTD
ALLIANZ AUSTRALIA INSURANCE LIMITED	INTERPACIFIC UNDERWRITING AGENCIES PTY LTD
AMERICAN HOME ASSURANCE CO	JARDINE LLOYD THOMPSON PTY LTD
AON RISK SERVICES AUSTRALIA LTD	JMD ROSS INSURANCE BROKERS PTY LIMITED
ASIA MIDEAST INSURANCE AND REINSURANCE PTY LTD	JUA UNDERWRITING AGENCY PTY LTD
ASR UNDERWRITING AGENCIES PTY LTD	LIBERTY INTERNATIONAL UNDERWRITERS
ASSETINSURE PTY LTD	MANSIONS OF AUSTRALIA PTY LIMITED
AUSTBROKERS SYDNEY PTY LTD	MANUFACTURED HOMES INSURANCE AGENCY PTY LTD
AUSTRALIAN ALLIANCE INSURANCE LIMITED	MARSH PTY LTD
AUSTRALIAN ASSOCIATED MOTOR INSURERS LTD	MILLENNIUM UNDERWRITING AGENCIES PTY LTD
AUTO AND GENERAL INSURANCE COMPANY LTD	MIRAMAR UNDERWRITING AGENCY PTY LTD
AXIS UNDERWRITING SERVICES PTY LTD	MITSUI SUMITOMO INSURANCE COMPANY LTD
BERKLEY INSURANCE COMPANY	MUTUAL COMMUNITY GENERAL INSURANCE PTY LTD
BHP BILLITON MARINE & GENERAL INSURANCES PTY LTD	NIPPONKOA INSURANCE COMPANY LTD
CALLIDEN INSURANCE LTD	OAMPS CONSULTING (CHAMBERS GALLOP McMAHON)
CALLIDEN LIMITED	ON TRACK INSURANCE PTY LTD
CATHOLIC CHURCH INSURANCES LTD	PACIFIC UNDERWRITING CORPORATION PTY LTD
CATLIN AUSTRALIA PTY LTD	QBE INSURANCE (AUSTRALIA) LIMITED
CGU - VACC INSURANCE LIMITED	QBE INSURANCE (INTERNATIONAL) LIMITED
CGU INSURANCE LIMITED	SIRIUS INTERNATIONAL INSURANCE CORP (AUST BRANCH)
CHUBB INSURANCE CO OF AUSTRALIA LTD	SLE WORLDWIDE AUSTRALIA PTY LIMITED
COMMONWEALTH INSURANCE LTD	SOMPO JAPAN INSURANCE INCORPORATED
CUMIS INSURANCE SOCIETY INC	SPORTSCOVER AUSTRALIA PTY LTD
DEFENCE SERVICE HOMES INSURANCE SCHEME	SRS UNDERWRITING AGENCY PTY LTD
DOLPHIN UNDERWRITING	SUNCORP METWAY INSURANCE LTD
EIG-ANSVAR INSURANCE LIMITED	TERRITORY INSURANCE OFFICE
ELDERS INSURANCE LTD	THE HOLLARD INSURANCE COMPANY PTY LTD
F.M. INSURANCE COMPANY LTD	TOKIO MARINE & NICHIDO FIRE INSURANCE CO LTD
FREEMAN McMURRICK PTY LTD	UNIVERSAL UNDERWRITING AGENCIES PTY LTD
GIO GENERAL LTD	VERO INSURANCE LIMITED
GREAT LAKES AUSTRALIA	VICTORIAN MANAGED INSURANCE AUTHORITY
GUARDIAN UNDERWRITING SERVICES PTY LTD	WESFARMERS FEDERATION INSURANCE LTD
GUILD INSURANCE LTD	WESFARMERS GENERAL INSURANCE
H.W. WOOD AUSTRALIA PTY LTD	WESTPAC GENERAL INSURANCE LIMITED
HDI-GERLING AUSTRALIA INSURANCE CO. PTY LTD (Gerling)	WESTPORT INSURANCE CORPORATION
HIGH STREET UNDERWRITING AGENCY PTY LTD	WILLIS AUSTRALIA LTD
HSB ENGINEERING INSURANCE LTD	WINSURE INSURANCE GROUP PTY LTD
ING GENERAL INSURANCE PTY LTD	XL INSURANCE COMPANY LTD
INSURANCE ADVISERNET AUSTRALIA PTY LTD	YOU1 PTY LTD
INSURANCE AUSTRALIA LIMITED	ZURICH AUSTRALIAN INSURANCE LTD

CONTRIBUTIONS OTHER THAN INSURANCE COMPANIES

Section 80A of the CFA Act addresses property in the country area of Victoria insured against fire with a person carrying on a business of insurance against fire, not being an insurance company required to make a return under section 77 of the CFA Act. The following companies made contributions in accordance with section 80A of the CFA Act during 2009–10:

AIS INSURANCE BROKERS	HSBC BANK AUSTRALIA LTD
ALTIORA	JARDINE LLOYD THOMPSON PTY LTD
AON RISK SERVICES AUST LTD	MARSH PTY LTD
AUSTRALIAN UNDERWRITERS PTY LTD	MILLER & ASSOCIATES INSURANCE BROKING PTY LTD
BMW AUSTRALIA FINANCE LTD	REDPATH IDEAL GREENHOUSES PTY LTD
CONSOLIDATED INSURANCE AGENCIES PTY LTD	RESOURCE UNDERWRITING
CONTINENTAL INSURANCE AUSTRALIA PTY LTD	RICEGROWERS LTD
CROMBIE LOCKWOOD	ROSEMAUR PROPERTIES PTY LTD
CUSTOM HOUSE CURRENCY EXCHANGE LTD	SHELL AUSTRALIA LTD
DOMINION UNDERWRITING PTY LTD	SPECIALISED BROKING ASSOCIATES PTY LTD
GENESIS INSURANCE BROKERS AUSTRALIA	TERRACE INSURANCE BROKERS PTY LTD
GUARDIAN UNDERWRITING SERVICES	WILLIS
HORSELL INTERNATIONAL PTY LTD	WOODSIDE ENERGY LIMITED

CFA At a Glance - 30 June 2010

Brigades	
Brigades, including:	1,222
- Road rescue brigades	24
- Forestry industry brigades	24
- Coast Guard brigades	17
- Regional headquarters brigades	13
Services in 2009–10	
Total number of incidents	36,773
Total number of brigade turnouts	67,734
Total community education sessions delivered	5,767
Total community education participants	119,121
Structural Fire Protection Reports	993
Fire Safety Inspections	433
Land Use Planning Statutory Reports	4,352
People	
Volunteers	59,180
Career firefighters	552
Support and administration staff	1,084
Total CFA people	60,816
Buildings	
Fire stations - urban	204
Fire stations - rural	951
Headquarters and offices	28
Training grounds	7
Mechanical workshops	13
Communications workshop and store	2
Protective Equipment workshop	1
Residences	22
Vehicles	
Tankers	1,325
Pumpers	254
Pumper tankers	52
Aerial appliances	7
All-terrain appliances	3
Quick attack appliances	48
Mobile communications vehicles	7
Hazardous materials units	9
Protective Equipment support vehicles	4
Rescue appliances	27
Specialist (mechanical support) vehicles	30
Cars or transport vehicles	516
Other vehicles (including trailers)	626
Brigade-owned vehicles	1,300

Disclosure index

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

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FRD 22A	Summary of environmental performance	20
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FRD 8A	Budget portfolio outcomes – Not applicable to CFA	-
FRD 12A	Disclosure of major contracts – Not applicable to CFA	-
FRD 15A	Executive officer disclosures – Not applicable to CFA	-
FRD 24A	Reporting of office-based environmental impacts – Not applicable to CFA	-
FRD30	Standard requirements for the design and print of annual reports	-

Glossary

AFSM	Australian Fire Service Medal
BFPP	Bushfire Preparedness Program
CFA	Country Fire Authority
CFA Act	<i>Country Fire Authority Act 1958</i>
CSESP	Community Safety Emergency Support Program
DSE	Department of Sustainability and Environment
FOI	Freedom of Information
FOI Act	<i>Freedom of Information Act 1982</i>
FRV	Fire Ready Victoria
ICC	Incident Control Centre
MAV	Municipal Association of Victoria
MFB	Metropolitan Fire and Emergency Services Board
OHS	Occupational Health and Safety
PSM	Public Service Medal
SDS	Service Delivery Standards
SOP	Standard Operating Procedure
TFB	Total Fire Ban
TPP	Township Protection Plan
VFBV	Volunteer Fire Brigades Victoria
VicSES	Victoria State Emergency Service
VIPP	Victorian Industry Participation Policy
VFRR	Victorian Fire Risk Register