



NSW RURAL FIRE SERVICE

A dramatic photograph of a firefighter in silhouette, wearing a helmet and gear, positioned in a forest at night. The scene is filled with a dense shower of sparks or embers falling from above, illuminated by a bright orange light source, likely a fire. The firefighter is looking towards the right side of the frame. The background shows the dark silhouettes of trees against the glowing light.

ANNUAL REPORT 2013/14

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NSW Rural Fire Service
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FRONT PAGE: 3pm, 17 October 2013 Bells Line of Road, Dargan: Strong winds showering firefighters with embers.
Photo by Wolter Peeters Courtesy of Fairfax Media

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Letter to the Minister

The Hon Stuart Ayres, MP
Minister for Police and Emergency Services
52 Martin Place
SYDNEY NSW 2000

Dear Minister

I have pleasure in submitting to you for presentation to Parliament the Annual Report of the NSW Rural Fire Service (NSW RFS) for the year ended 30 June 2014.

The 2013/14 bush fire season, and particularly the October 2013 bush fires, were the most difficult, dangerous and destructive fires NSW has experienced in more than a decade.

While the events of October 2013 quite rightly received significant attention, the work of our people is year-round, working with and preparing our communities. Important work has been done and has been highlighted throughout this report.

Throughout the reporting period, the Service has performed well against the NSW 2021 Goal 28 targets including meeting targets for hazard reduction works despite adverse weather conditions, Neighborhood Safer Places and the successful continuation of the Secondary Schools Cadet Program.

This Annual Report has been prepared in accordance with the *Annual Reports (Departments) Act 1985*, the *Public Finance and Audit Act 1983*, the *Waste Avoidance and Resource Recovery Act 2001* and the *Public Disclosures Act 1994*.

Yours sincerely



Shane Fitzsimmons, AFSM
NSW RFS Commissioner

Commissioner's Report

I have never been more proud of the NSW RFS volunteers and staff than in the 2013/14 season.

Bush fires threatened many communities across the season and indeed hundreds of homes were destroyed. Despite the extreme conditions, our members again proved themselves to be the very best firefighters in the world.

October 2013 was one of the most significant fire emergencies our State has experienced for many years. The response from our members, our emergency management partners and the community at that time was nothing short of remarkable.

In the four weeks of October, firefighters attended 1,167 bush and grass fires across NSW. This included significant fires in the Southern Highlands, Hawkesbury, Hunter, Port Stephens, Central Coast, Greater Lithgow and the Blue Mountains. In the Blue Mountains region, a number of large and destructive fires impacted on Springwood and Winmalee, Mount Victoria, and communities along the Bells Line of Road, destroying homes and affecting infrastructure.

The two weeks between 13 and 26 October 2013 were the most intense for fire activity with 627 incidents and 164,054 hectares burnt. In that period there were 11 days with Total Fire Ban, 19 section 44 emergency declarations, and a State of Emergency was declared by the Premier between 20-30 October 2013.

Thousands of firefighters were deployed, ready to respond. Nearly 100 aircraft were in action in the skies, assisting the crews on the ground. Behind the scenes, a massive logistics effort was in swing, such as a base camp set up in Penrith for 850 firefighters and the Major Incidents Logistics Support team which managed the participation of around 1,400 interstate firefighters.

Sadly, the fire emergency did bring tragedy with the death of David Black, a pilot in a contracted aircraft who died west of Ulladulla on the South Coast, while engaged in firefighting and Walter



Linder, a community member who suffered a heart attack while defending his property at Lake Munmorah.

Even before the October fires, the NSW RFS had been busy especially in Region North and Region East, responding to 2,322 fires in August and September. Another spate of fires occurred in January 2014 numbering 2,052.

The 2013/14 fire season also set a new record for the demand for public information. The NSW RFS website recorded 5.7 million visitors and 14.1 million page views during the two week period in October. The Service's innovations and attention on social media has continued to prove to be very effective. In 2013/14 the Service launched the MyFirePlan smartphone application to assist the community in developing Bush Fire Survival Plans.

Before the fire season began, weather forecasters were predicting a dry and windy summer. The Service's investment in hazard reduction and community preparedness meant the Service was well prepared for a difficult season.

In August and September brigades were working with partner agencies on over 100 scheduled hazard reductions each week. Several of these hazard reduction works proved to be vital in saving life and property when the fire season got underway.

Hazard reduction work continued throughout the reporting period despite adverse weather conditions in the prime hazard reduction period of

March to May. Of the 8,962 proposed hazard reduction activities, 71.5 percent were completed.

A record was also set for new member applications. In the 2013/14 period the Service welcomed a staggering 6,408 new members. In December 2013 the Service released the Volunteer Recruitment and Retention Kit to support brigades in their recruitment efforts. Informal feedback from the brigades is that it has proved very useful.

The Service formalised its governance arrangements through the development and endorsement of a Corporate Governance Statement in the reporting period. The statement provides an overview of NSW RFS key Corporate Governance components including the planning and reporting process, risk management, the committee's structure, the Audit and Risk Committee, Internal and External Audits, Policy and Service Standard framework, ethics encompassing the Code of Conduct, financial management and delegation arrangements and a stakeholder engagement plan.

The One NSW RFS Communications and Engagement Strategy was successfully rolled out in the reporting period. The Strategy sets out a consistent and professional approach to internal and external communications. A toolkit of easy-to-use templates equips all members to produce effective and standardised communications for their local communities.

The upgrade of the Private Mobile Radio (PMR) and Paging networks continued this year and is due to completion in the next reporting period. This major project represents a total investment of some \$50m into radio and paging systems, network and architecture. The addition of this digital radio architecture is vital in ensuring volunteer firefighters have the latest and most reliable communication capabilities.

The Bush Fire Resilience for Aboriginal Communities Stage Two is in its second year and is progressing very well across the 34 identified Indigenous communities. The project runs primarily in remote areas and in the reporting period 25 Neighbourhood Safer Places were

identified for the remote communities. Of those communities deemed to have extreme risk, 90 percent have been treated and had hazard reduced with further worked planned. The project is dramatically improving rapport between the Aboriginal community and the NSW RFS.

In response to the bush fires in both January 2013 and October 2013, State Government announced an \$8.2 million package for the NSW RFS in June 2014. The package included improvements to the NSW RFS website, Bush Fire Information Line, ICT systems and ICON, Bush Fire Behaviour and Building Impact Assessment teams, and the enhancement of the Rapid Aerial Response Team program.

I would like to express my gratitude to Hon. Stuart Ayres, the Minister for Police and Emergency Services, and former Hon. Minister Michael Gallacher MLC, for their support of the Service and our members. Thank you also to Vicki D'Adam, Chief Executive Officer of the Ministry for Police & Emergency Services.

As I said quite publicly at the time of the October emergency, I believe we have the best firefighters in the world. The coordinated firefighting arrangements in NSW, led by the NSW RFS, where the NSW RFS, Fire & Rescue NSW, National Parks and Wildlife Service and Forestry Corporation work as a team, is something we should all be proud of. We should also be proud of the relentless professionalism and commitment demonstrated by all during this time.



Shane Fitzsimmons, AFSM
NSW RFS Commissioner

NSW Rural Fire Service Vision and Mission

To provide a world standard of excellence in the provision of a community-based fire and emergency service.

To protect the community and our environment we will minimise the impact of fire and other emergencies by providing the highest standards of training, community education, prevention and operational capability.

Values

- > mutual respect
- > adaptability and resourcefulness
- > one team, many players, one purpose
- > integrity and trust
- > support, friendship, camaraderie
- > community and environment
- > knowledge and learning

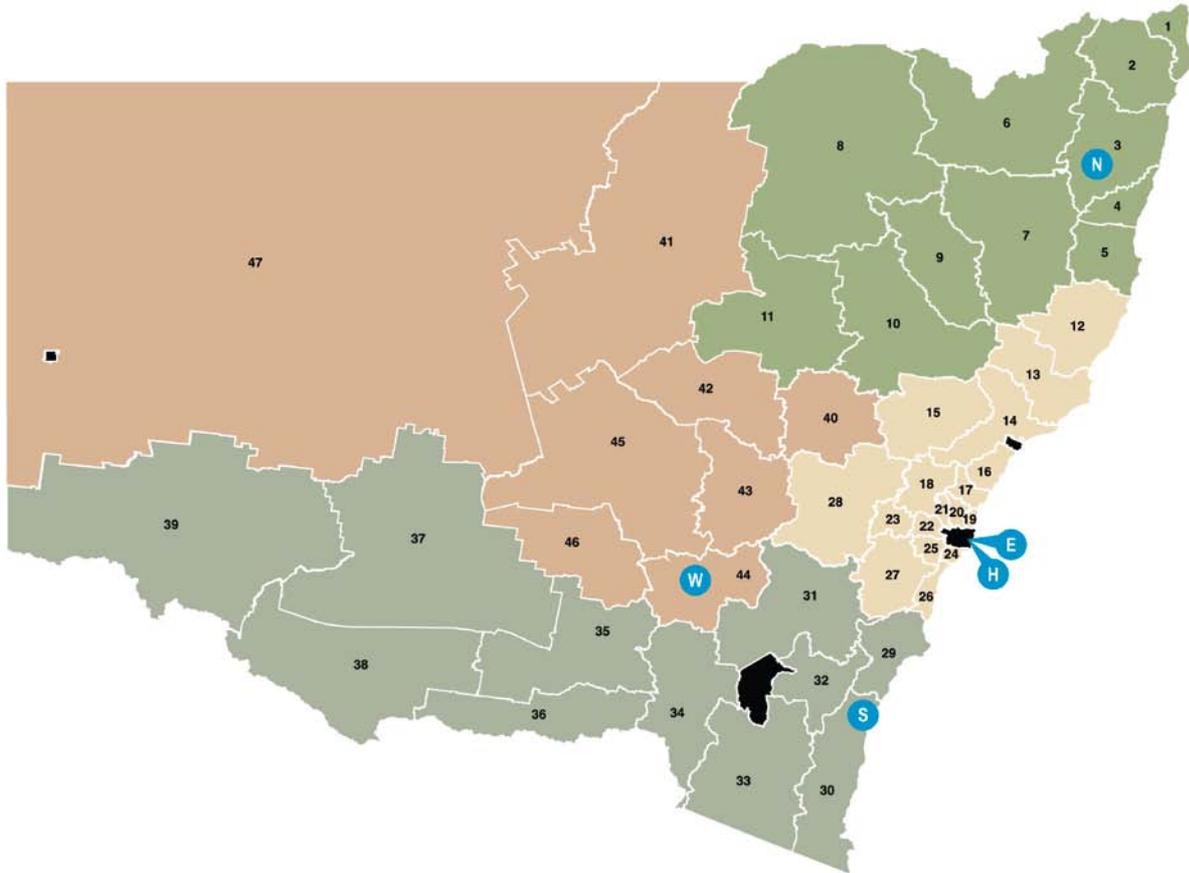
Customers

- > The people of NSW
- > Our members

Stakeholders

- > Community
- > Our members
- > Planners and developers
- > Media
- > Minister for Police and Emergency Services
- > Ministry for Police and Emergency Services (MPES)
- > Department of Justice
- > Members of Parliament – State and Federal
- > LGNSW and local councils
- > Other State and Territory Governments
- > Rural Fire Service Association (RFSA)
- > NSW RFS member representative groups
- > Australasian Fire and Emergency Service Authorities Council (AFAC)
- > Bushfire and Natural Hazards CRC
- > Consultative committees (Community Engagement, Membership Services, Regional Services, Infrastructure Services and Operational Services)
- > Emergency Service peak groups
- > Insurance industry
- > Tourism industry groups
- > Peak industry groups
- > NGOs and service providers
- > Other government authorities
- > Employers of volunteers
- > Other associations (Farmers Association, Country Women's Association etc)

NSW RFS Districts 2013/14



H: Headquarters

15 Carter Street, Lidcombe

N: Region North

Level 4, State Office Block, Victoria Street, Grafton

S: Region South

7-9 Kylie Crescent, Batemans Bay

E: Region East

42 Lamb Street, Glendenning

W: Region West

3/21 Lovell Street, Young

*Office hours at all locations: 0845hrs-1700hrs,
Monday to Friday*

Totals	2013/14	2012/13	2011/12
District Offices	47	48	48
Brigades	2,053	2,031	2,036

Key to NSW RFS Districts Map as 30 June 2014

Region North

1. Far North Coast

Ballina
Byron
Tweed

2. Northern Rivers

Kyogle
Lismore
Richmond Valley

3. Clarence Valley

4. Mid North Coast

Bellingen
Coffs Harbour

5. Lower North Coast

Kempsey
Nambucca

6. Northern Tablelands

Glen Innes Severn
Inverell
Tenterfield

7. New England

Armidale Dumaresq
Guyra
Uralla
Walcha

8. Namoi / Gwydir

Gwydir
Moree Plains
Narrabri

9. Tamworth

10. Liverpool Range

Gunnedah
Liverpool Plains
Upper Hunter

11. Castlereagh

Gilgandra
Warrumbungle

Region East

12. Mid Coast

Greater Taree
Hastings

13. Gloucester / Great Lakes

Gloucester
Great Lakes

14. Lower Hunter

Cessnock
Dungog
Maitland
Port Stephens

15. Hunter Valley

Muswellbrook
Singleton

16. The Lakes

Lake Macquarie
Wyong

17. Gosford

18. Hawkesbury

19. Warringah /Pittwater
Pittwater
Warringah

20. Hornsby/Ku-ring-gai

Hornsby
Ku-ring-gai

21. The Hills

22. Cumberland
Blacktown
Fairfield
Penrith

23. Blue Mountains

24. Sutherland
25. Macarthur
Camden
Campbelltown
Liverpool

26. Illawarra

Kiama
Shellharbour
Wollongong

27. Southern Highlands

Wingecarribee
Wollondilly

28. Chifley / Lithgow

Bathurst Regional
Lithgow
Oberon

Region South

29. Shoalhaven

30. Far South Coast

Bega Valley
Eurobodalla

31. Southern Tablelands

Goulburn Mulwaree
Upper Lachlan
Yass Valley

32. Lake George

Palerang
Queanbeyan City

33. Monaro

Bombala
Cooma-Monaro
Snowy River

34. Riverina Highlands

Gundagai
Tumbarumba
Tumut

35. Riverina

Coolamon
Junee
Lockhart
Urana
Wagga Wagga

36. Southern Border

Albury
Berrigan
Corowa
Greater Hume

37. MIA

Griffith
Leeton
Murrumbidgee
Narrandera
Carrathool
Hay

38. Mid Murray

Conargo
Deniliquin
Jerilderie
Murray
Wakool

39. Lower Western

Balranald
Wentworth

Region West

40. Cudgegong

Mid Western Regional

41. North West

Bogan
Coonamble
Walgett
Warren

42. Orana

Dubbo
Narromine

Wellington

43. Canobolas

Blayney
Cabonne
Cowra
Orange

44. South West Slopes

Boorowa
Cootamundra
Harden

Young

45. Mid Lachlan Valley

Forbes
Lachlan
Parkes
Weddin

46. Bland Temora

Bland
Temora

47. Far West

Bourke
Brewarrina
Central Darling
Cobar
Unincorporated NSW

*Where a District is a team or zone, the LGAs are listed.

Change in 2013/14: Hay and Carrathool were previously in Region West and are now in Region South as part of the MIA District.

NSW RFS Regions

Region North



Volunteers	13,752
Male	10,783
Female	2,969
Incidents in 2013/14	5,270
Vehicles	2,047
NSW RFS Districts	11
NSW RFS Brigades	530

Landscape types

Coastal scrub, forested hills and flat cropping and grazing in the west

Region East



Volunteers	22,898
Male	17,068
Female	5,830
Incidents in 2013/14	11,832
Vehicles	1,772
NSW RFS Districts	17
NSW RFS Brigades	507

Landscape types

Urban interface, coastal heathlands, mountains and rolling farm and grasslands

Region South



Volunteers	21,723
Male	17,238
Female	4,485
Incidents in 2013/14	3,855
Vehicles	2,186
NSW RFS Districts	11
NSW RFS Brigades	495
Square kilometres	169,060
Population	551,061

Landscape types

Native and plantation forests, coastal heathlands, alpine forests, flat and rolling grasslands

Region West



Volunteers	15,373
Male	12,600
Female	2,773
Incidents in 2013/14	2,418
Vehicles	1,784
NSW RFS Districts	8
NSW RFS Brigades	521
Square kilometres	422,600
Population	273,041

Landscape types

Region West covers more than 62 percent of the State. Largely open grasslands with cropping and grazing, also heavily timbered near Mudgee and Orange

Key facts for 2013/14

Total volunteers	73,746
Region North	13,752
Region South	21,723
Region East	22,898
Region West	15,373

NSW RFS total expenses budget	\$331.116M
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Total vehicles	7,164
Tankers	3,917
Pumpers	68
Personnel transport and command vehicles	816
Bulk water carriers	60
Tanker trailers	1,244
Cargo, tip trucks, various trailers	543
Communications vehicles and trailers	41
Catering vehicles and trailers	84
Marine craft	29
Slip on trailers and miscellaneous vehicles	362

NB: Non-Service owned vehicles are not included in the 2013/14 figure for tankers.

Total radios	22,412
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Incidents: Four year view

Incidents	2013/14	2012/13	2011/12	2010/11
Bush/grass fires	8,032	7,474	4,154	4,213
Structural fires	1,090	957	849	846
Vehicle fires	1,535	1,638	1,500	1,462
Motor vehicle accidents	3,909	3,881	4,211	4,016
Investigation	2,302	1,777	2,020	2,201
Controlled burns	2,664	1,088	964	1,095
Refuse fires	634	608	592	788
Spillage	590	214	252	461
Assist other agencies	547	258	318	265
Flood	115	22	58	120
Other	1,957	4,410	3,310	2,499
Total	23,375	23,436	18,913	18,830

NB: Upgrades to the Incident Control On Line (ICON) system in the 2013/14 reporting period have resulted in greater precision within the reporting categories.

The Investigation category was previously referred to as a false alarms and smoke scares and includes all those incidents where NSW RFS members investigated but there was no sign of fire.

Controlled burns refer to all hazard reduction and pile burns.

Spillage includes oil spills, gas leaks and all other spills.

Incidents: Region by Region in 2013/14

Incidents	North	South	East	West	State
Bush/grass fires	2,422	1,338	3,229	1,043	8,032
Structural fires	206	243	470	171	1,090
Motor vehicle fires	293	203	876	163	1,535
Motor vehicle accidents	763	729	2,009	408	3,909
Investigation	392	378	1,347	185	2,302
Controlled burns	610	430	1,489	135	2,664
Refuse fires	80	91	378	85	634
Spillages	106	75	380	29	590
Assist other agencies	85	88	319	55	547
Flood	6	10	98	1	115
Other incidents	307	270	1,237	143	1,957
Total incidents	5,270	3,855	11,832	2,418	23,375

Planning for the future: NSW 2021

NSW 2021: A Plan to Make NSW Number One is the NSW Government's plan to rebuild the economy, return quality services, renovate infrastructure, strengthen our local environment and communities, and restore accountability to Government over 10 years.

NSW 2021 has five strategies and 32 goals. The NSW RFS has responsibilities under Goal 28 of the Plan and we report on those responsibilities through the annual NSW 2021 Performance Report to Parliament.

The NSW RFS Corporate Plan 2011-2015 has been aligned with Goal 28. Reports on the performance of the NSW RFS in 2013/14 appear in the Key Focus Area chapter.

NSW 2021 Goal 28 is: Ensure NSW is ready to deal with major emergencies and natural disasters and includes the following:

28.2 Defend against suburban and bushland fires

Increase community resilience to the impact of fires through prevention and preparedness activities

28.2.2 Enhance volunteer training programs with a particular focus on cadet training schemes

28.2.3 Increase the number of identified Neighbourhood Safer Places

Increase hazard reduction across NSW

28.2.4 Increase the number of properties protected by hazard reduction works across all bush fire prone land tenures by 20,000 per year by 2016

28.2.5 Increase the annual average level of area treated by hazard reduction activities by 45 percent by 2016.

NSW RFS Planning Structure

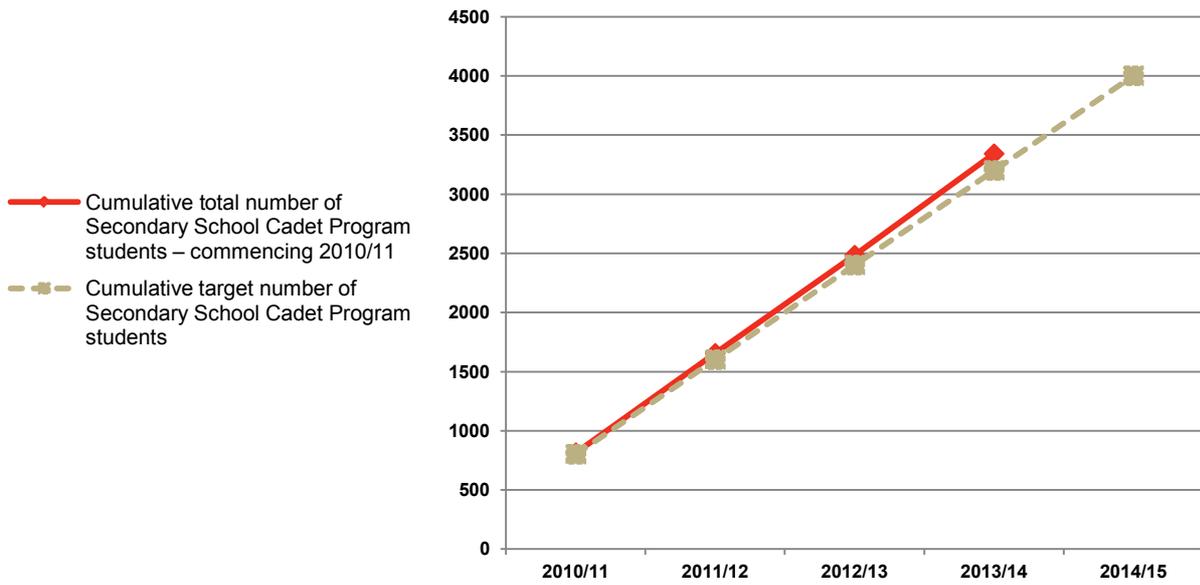


NSW RFS Performance 2013/14

Goal 28.2.2

NSW 2021 Goal 28.2.2

Train an additional 4,000 secondary school children through the school cadets program by 2016.



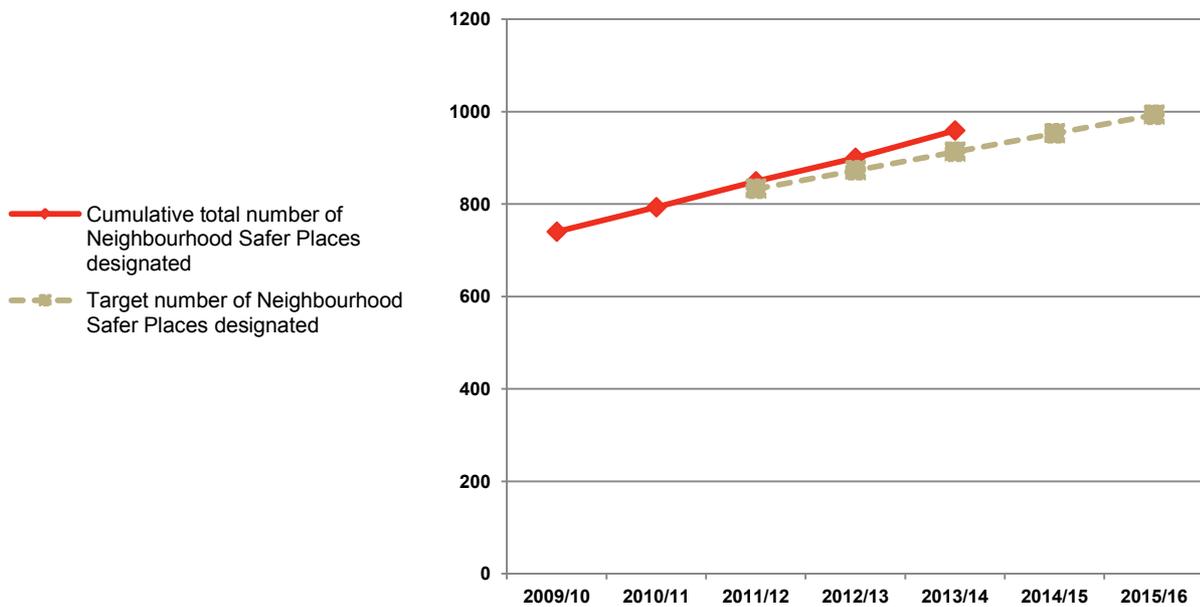
	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Cumulative total number of Secondary School Cadet Program students – commencing 2010/11	814	1,654 (840)	2,484 (827)	3,341 (860)		
Cumulative target number of Secondary School Cadet Program students	800	1,600	2,400	3,200	4,000	

NSW RFS Performance 2013/14

Goal 28.2.3

NSW 2021 Goal 28.2.3

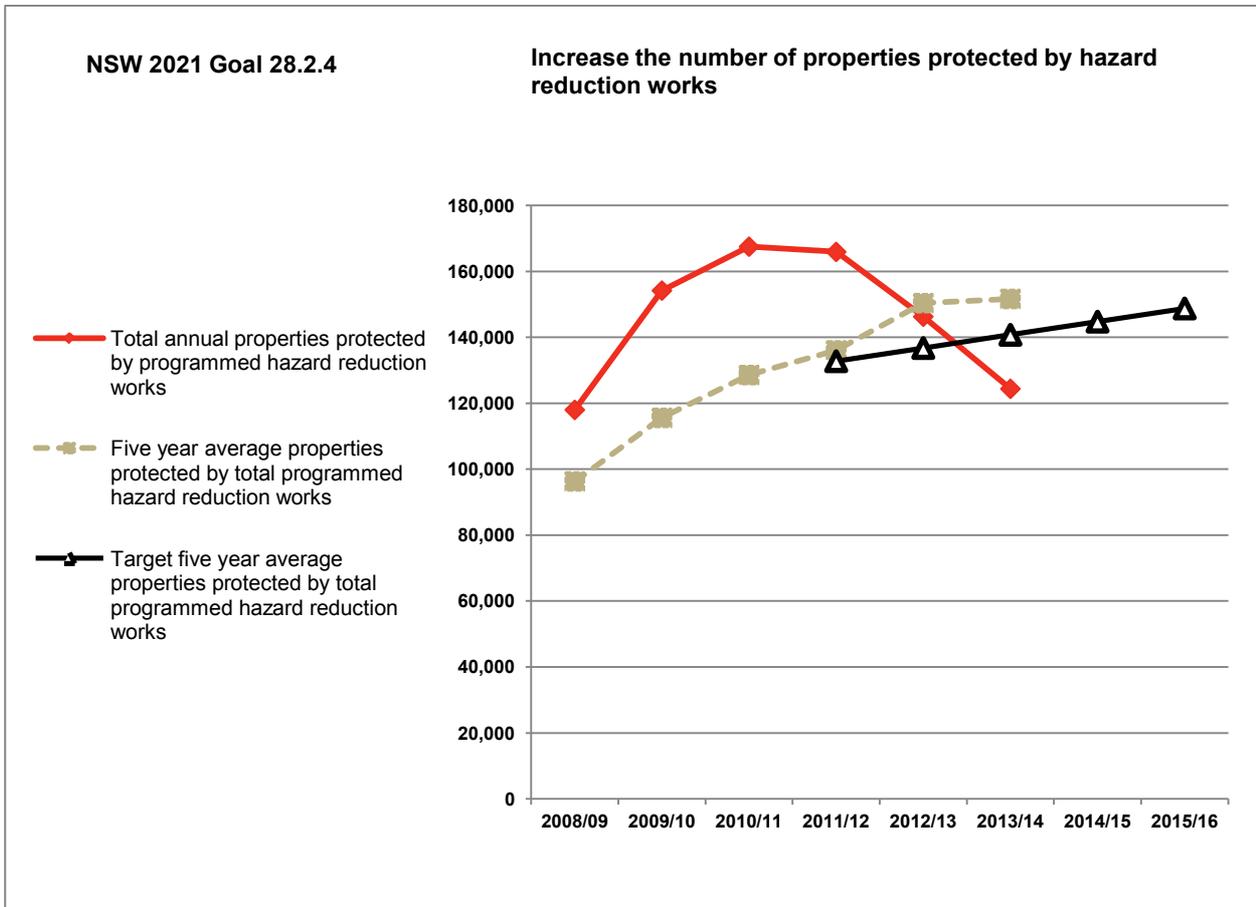
Increase the number of identified Neighbourhood Safer Places.



	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Cumulative total number of Neighbourhood Safer Places designated	740	793	849	900	959		
Target number of Neighbourhood Safer Places designated			833	873	913	953	993

NSW RFS Performance 2013/14

Goal 28.2.4



	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Total annual properties protected by programmed hazard reduction works	118,021	154,211	167,533	165,945	146,292	124,414		
Five year average properties protected by total programmed hazard reduction works	96,313	115,612	128,593	136,063	150,400	151,679		
Target five year average properties protected by programmed hazard reduction works				132,793	136,793	140,793	144,793	148,793

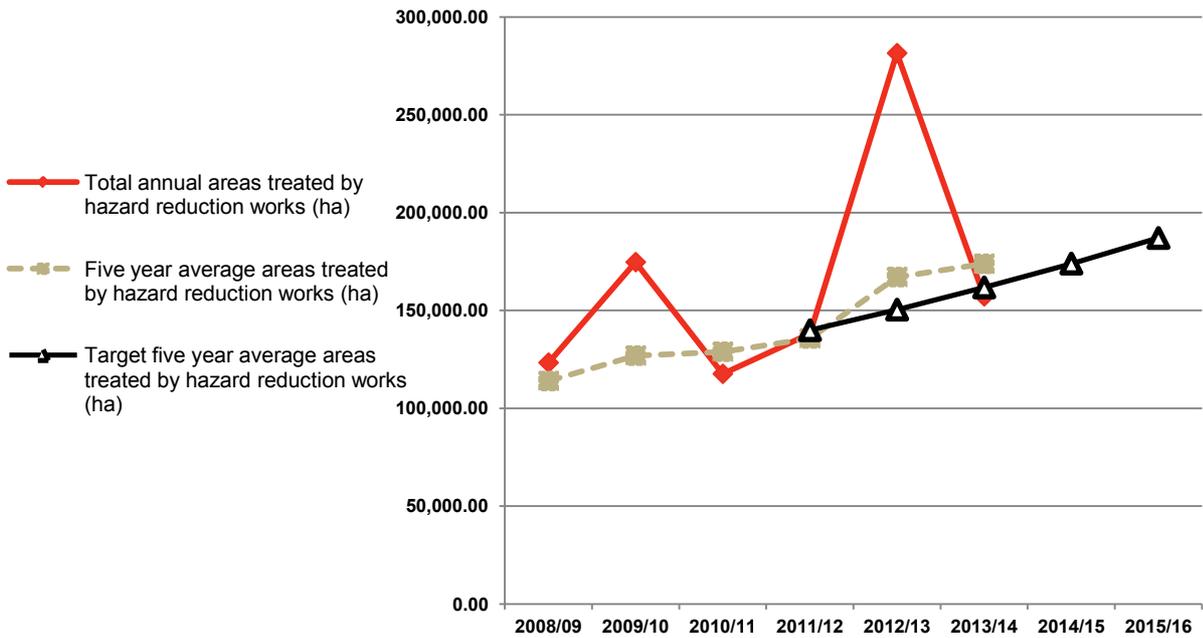
NOTE: A further explanation of these figures can be found on page 26.

NSW RFS Performance 2013/14

Goal 28.2.5

NSW 2021 Goal 28.2.5

Increase the annual average level of the area treated by hazard reduction.



	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Total annual areas treated by hazard reduction works (ha)	123,334.51	174,705.85	117,633.25	138,211.48	281,492.19	157,222.46		
Five year average areas treated by hazard reduction works (ha)	113,946	126,915	128,894	135,688	167,075	173,853		
Target five year average areas treated by hazard reduction works (ha)				139,900	150,435	161,762	173,943	187,041

NOTE: A further explanation of these figures can be found on page 26.



MANAGEMENT AND GOVERNANCE

02

Legislation and governing bodies

The NSW Rural Fire Service (NSW RFS) is the lead combat agency for bush fires in NSW. For over 100 years we have been a significant part of the history and landscape of NSW. Working closely with other agencies we also respond to a range of emergencies including structure fires, motor vehicle accidents, floods and storms that occur within rural fire districts.

The NSW RFS is widely acknowledged as the largest volunteer fire service in the world. Members of the NSW RFS are trained to very high levels of competence to ensure they know what to do in any emergency.

The Service aims to reduce the likelihood and consequence of bush fires occurring. This involves comprehensive risk management programs to reduce bush fire hazards and fire ignitions. It also involves the development of regulations for bush fire prone areas.

Legislation

The management and operational responsibilities of the NSW RFS are set down clearly in the *Rural Fires Act 1997* and can be summarised as follows:

- > Protection of life and property for all fire-related incidents within all rural fire districts in the State
- > Safety and welfare of all volunteers
- > Provision of effective training and resources to rural fire brigades
- > Provision of emergency assistance to other emergency service organisations.

A number of amendments were made to the *Rural Fires Act 1997* and introduced in December 2010. The amendments formalised arrangements for Neighbourhood Safer Places and the responsibility of the NSW RFS Commissioner to issue warnings to the public about bush fires.

In 2013 the Hazard Reduction Audit Panel made 18 recommendations. The NSW Government accepted and implemented 18. Eight of the recommendations required legislative changes which were included in the *Rural Fires Amendment Bill 2013* which has been passed by NSW

Parliament. The Bill amended the *Rural Fires Act 1997*, the *Rural Fires Regulation 2013*, the *National Park and Wildlife Act 1974* and the *State Emergency Management Act* to:

- > Extend the objectives of the *Rural Fires Act 1997* to include the protection of infrastructure, environmental, economic, cultural, agricultural and social assets from damage by fire (in addition to property).
- > Task the NSW RFS with the protection of infrastructure, environmental, economic, cultural, agricultural and social assets from damage by fire (in addition to property).
- > Give the NSW RFS Commissioner quality assurance powers of Bush Fire Risk Management Plans, including the power to direct a Bush Fire Management Committee to amend plans.
- > Give the NSW RFS Commissioner power to conduct HR (hazard reduction) work on land without owner or occupier consent after reasonable attempts are made to contact the owner or occupier. The NSW RFS must attempt to serve notice of work to be carried out and conduct an inquiry of not less than seven days to identify the owner and their current location.
- > Include fire trails in the definition of HR.
- > Require public authorities to report annual HR activity to NSW RFS by July 30 every year, instead of September 30.
- > Require public authorities to provide monthly updates about planned HR activities that did not take place.
- > Allow three year HR certificates to be issued for regular HR work that will only have a low environmental impact. The previous maximum was one year.

PREVIOUS PAGE: Remote Area Firefighting Team (RAFT) training held at Tumut, February 2014. Photo by Andrew Roberts

NSW RFS Commissioner

The Commissioner is responsible for managing and controlling the activities of the Service and has other functions conferred or imposed on him by or under the *Rural Fires Act 1997*. It is the Commissioner who invokes section 44 of the *Rural Fires Act 1997* in order to declare a bush fire emergency.

NSW RFS Executive

The day-to-day management of the Service is carried out under the direction of the NSW RFS Executive.

The Executive consists of the Commissioner and the Service's Directors. A profile of each of these principal officers can be seen on [pages 23-24](#).

Corporate Executive Group

The Corporate Executive Group (CEG) comprises the Executive and senior managers of the Service and representatives of the NSW Rural Fire Service Association (RFSA), which is the representative association of the volunteers and staff of the NSW RFS. Its principal role is to consider and provide advice to the Commissioner on strategic issues affecting the Service.

Details of representation and attendance at this Group are set out in [Appendix V](#).

Governance Committees

Three bodies are empowered by legislation to assist in the operation of the NSW RFS, they are the:

- > Rural Fire Service Advisory Council
- > Bush Fire Co-ordinating Committee
- > Fire Services Joint Standing Committee.

Rural Fire Service Advisory Council

The Rural Fire Service Advisory Council (RFSAC) is established under the provisions of Part 6 of the *Rural Fires Act 1997*. The Council advises and reports to the Minister and the NSW RFS Commissioner on any matters relating to the administration of the Service. It also provides advice to the Commissioner on public education, programs relating to rural fire matters, the training of rural firefighters and Service Standards.

Details of representation and attendances at the Council are set out in [Appendix V](#).

Bush Fire Co-ordinating Committee

The Bush Fire Co-ordinating Committee (BFCC) is established under the provisions of section 46 of the *Rural Fires Act 1997*. The Committee is chaired by the NSW RFS Commissioner and supported by the Service.

The BFCC is responsible for planning in relation to fire prevention and coordinated bush firefighting. It also advises the Commissioner on bush fire prevention and mitigation and coordinated bush fire suppression.

The BFCC constitutes Bush Fire Management Committees (BFMCs) for all rural fire districts and areas with significant risk of bush fire. It also approves operations coordination and Bush Fire Risk Management Plans that are prepared by the BFMCs.

Details of representation and attendance at this Committee are set out in [Appendix V](#).

Fire Services Joint Standing Committee

The *Fire Services Joint Standing Committee Act 1998* provides for the establishment of the Fire Services Joint Standing Committee (FSJSC).

The major functions of the Committee are to develop and submit to the Minister strategic plans for the coordinated delivery of urban and rural fire services at the interface; to undertake periodic review of fire district and rural fire district boundaries; the minimisation of duplication and the maximisation of compatibility between the NSW RFS and Fire & Rescue NSW (FRNSW).

The Committee is chaired alternately by the Commissioners of FRNSW and the NSW RFS.

Details of representation and attendance at this Committee are set out in [Appendix V](#).

Audit and Risk Committee

The Audit and Risk Committee provides assistance to the NSW RFS Commissioner by overseeing and monitoring the governance and accountability requirements of the NSW RFS. The Committee is chaired by an independent member and advises the Commissioner on a range of matters including: the effectiveness of the Service's internal audit function; legislative

compliance; the financial statements and financial reporting of the Service; risk and control frameworks; business continuity and corruption prevention activities.

Details of representation and attendance at this Committee are set out in [Appendix V](#).

Consultative and stakeholder committees

Consultation with our stakeholders and related agencies plays a key role in the governance of the NSW RFS.

Consultative committees

The Rural Fire Service Association (RFSA) is a State-wide non-partisan member association and a valued partner of the NSW RFS. The NSW RFS Commissioner relies on a number of consultative committees, comprising RFSA representatives and senior staff of the Service, for advice on the NSW RFS operations and management.

The Committees that met in the reporting period were: Community Engagement, Membership Services (including the Young Members Group, a sub-group of the Membership Services Consultative Committee), Infrastructure Services and Operational Services.

Details of representation and attendance at this Committee are set out in [Appendix P](#).

Local Government NSW RFS Liaison Committee

The principal roles of the Committee are to discuss and resolve significant issues of a strategic nature that are of mutual interest to local government and the Service.

Details of representation and attendance at this Committee are set out in [Appendix V](#).

Stakeholder liaison and collaboration

The Service is also represented on a number of external organisations:

- > Australasian Fire and Emergency Service Authorities Council (AFAC) and its various committees
- > Association of Environment Education (NSW) Border Liaison Committees
- > Bushfire Cooperative Research Centre

- > Bushfire and Natural Hazards Cooperative Research Centre
- > District Emergency Management Committees
- > District Rescue Committees
- > Emergency Services Communications Working Party
- > Emergency Services Industry Reference Group
- > Emergency Services Personnel Support Advisory Group
- > Environmental Education Officers' Group
- > Fire Protection Association
- > Museum Education Officers' Group
- > National Aerial Firefighting Centre
- > NSW Health Disaster Management Committee
- > Public Sector Occupational Health and Safety Group
- > Standards Australia – various committees
- > State Emergency Management Committee
- > State Rescue Board
- > National Emergency Management Committee
- > Fuel Loads Management Working Group
- > The National Bush Fire Arson Prevention Working Group.

Governance and Ethical Standards

During 2013/14 the Service formalised its governance arrangements through the development and endorsement of a Corporate Governance Statement. The statement provides an overview of NSW RFS key Corporate Governance components. These include: the planning and reporting process, risk management, the committee's structure, the Audit and Risk Committee, Internal and External Audits, Policy and Service Standard framework, ethics encompassing the Code of Conduct, financial management and delegation arrangements and a stakeholder engagement plan.

CHAPTER TWO: MANAGEMENT AND GOVERNANCE

In relation to the key governance components of ethics, the Service remains committed to the highest level of ethical behaviour and satisfactory conduct being displayed at all times by its members. All day-to-day activities of the Service are supported by the [Service's Code of Conduct and Ethics Service Standard 1.1.7](#) which applies to volunteer and salaried members alike. There were no changes to the Code during the reporting period.

The Service's Professional Standards Unit (PSU) also provides advice, education, training and mentoring relating to fraud prevention and corruption prevention issues. It is designed to ensure the community's ongoing trust in the NSW RFS by maintaining the highest standards of ethical behaviour among our members.

The PSU is responsible for overseeing the management of all serious misconduct/ breaches of discipline (including criminal matters) and serious performance-related matters. The Unit investigates complaints of unethical behaviour, misconduct, fraud, corruption and maladministration by Service members. The Unit also provides advice and assistance to NSW RFS Regions in relation to Professional Standards matters being investigated or reviewed at that level.

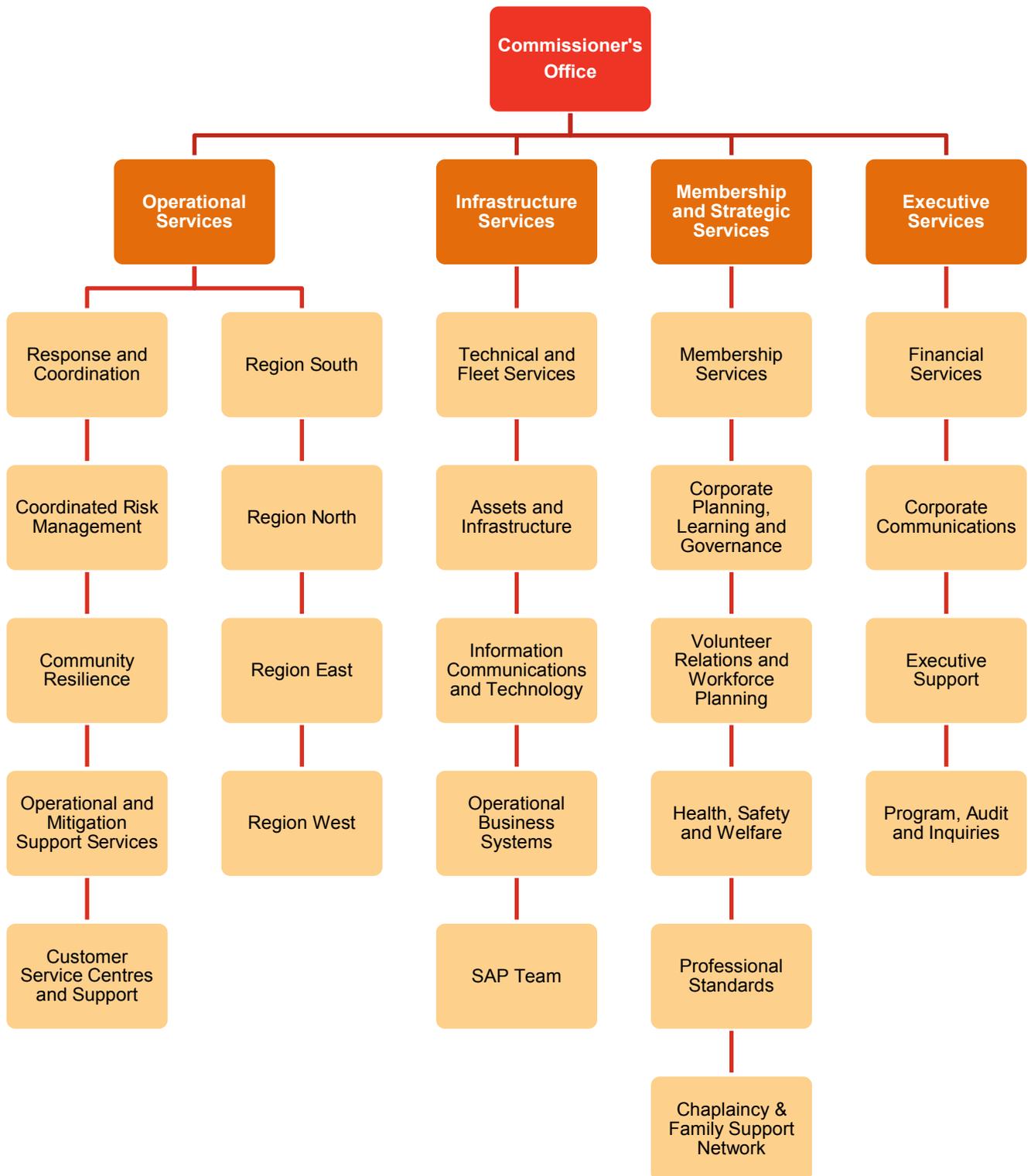
The PSU continued to maintain strong relationships with a number of external agencies, including the NSW Police Force, Independent Commission Against Corruption (ICAC) and NSW Ombudsman's Office. The Unit also responds to complaints referred from these agencies.

The PSU ensures that the Commissioner complies with mandatory reporting requirements to the Independent Commission Against Corruption as well as the NSW Ombudsman.

The PSU reviewed the NSW RFS Public Interest Disclosure Service Standard to address the changes in legislation during 2013. The revised policy was approved and published in December 2013 and is available on the NSW RFS intranet. Existing training was amended to incorporate this change.

NSW RFS Organisational Chart 2013/14

(as 30 June 2014)



Principal Officers

NSW RFS Commissioner

Commissioner Shane Fitzsimmons, AFSM

Commissioner Shane Fitzsimmons has 30 years experience with the NSW RFS serving as both a volunteer and salaried officer.

In 1998 he was appointed an Assistant Commissioner with the NSW RFS and has held portfolio responsibilities for Operations, Strategic Development and Regional Management. In 2004 he was appointed the inaugural Australasian Fire Authorities Council (AFAC) Visiting Fellow to the Australian Institute of Police Management (AIPM) for a period of 12 months.

In September 2007 Mr Fitzsimmons was appointed Commissioner of the NSW RFS. He was appointed a Director of the National Aerial Firefighting Centre (NAFC) in March 2008 and was the Chair of the NAFC Board from 2009 to 2013. He is also a member of the NSW State Rescue Board and was appointed Chairman in 2008. In December 2009 he was appointed a Director on the Bushfire Cooperative Research Centre. He was appointed a Board Member of the NSW Government Telecommunications Authority in July 2012.

Commissioner Fitzsimmons was awarded the National Medal in 1999 and the Australian Fire Service Medal in 2001.

Director Operational Services

Deputy Commissioner Rob Rogers, AFSM

Deputy Commissioner Rob Rogers joined the NSW RFS in 1979 as a volunteer member of the Belrose Brigade.

In 1995, Deputy Commissioner Rogers commenced his career as a salaried officer as Deputy Fire Control Officer for the Greater Taree District. Since 2002, he has held various Executive positions responsible for Regional Management, Risk Management, Community Safety and Operational Services.

In 2004, he was awarded the Australian Fire Service Medal. In July 2008 Deputy Commissioner Rogers was appointed Director Operational Services which brought together the two service delivery areas of Community Safety and Operations into a single cohesive team. In 2011 he was appointed Deputy Commissioner.

In May 2013, the Service undertook a realignment that included the Regional Services Directorate being amalgamated into the Operational Services Directorate.

Deputy Commissioner Rogers represents the NSW RFS on numerous international and national bodies including the International Association of Fire Chiefs, the Wildland Fire Policy Committee, National Bush Fire Arson Taskforce and several AFAC Groups.

Director Membership and Strategic Services

Bronwyn Jones

Ms Bronwyn Jones was appointed to the Service in November 2008.

Prior to joining the Service, Ms Jones had extensive senior level experience in strategic planning and reporting, human resource management and project delivery gained in various public sector agencies, including the Premier's Department, the Department of Community Services, NSW Police Force and IAB Services.

She holds a Post Graduate Diploma in Labour Relations and the Law (University of Sydney); a Master of Arts (Interdisciplinary Studies) degree and a Master of Commerce (Human Resource).

Director Executive Services

Richard Lyons

Mr Richard Lyons has been employed in the NSW Public Sector since 1979. Over his career he has principally worked in policy-related areas in the Health and Attorney-General's Departments, the Ministry of Police and, prior to this appointment to the Service in August 2008, he held the position of Director, Office of Emergency Services for 13 years.

Mr Lyons holds tertiary qualifications in Science and Law and has responsibility for managing the Executive Services Directorate.

Director Infrastructure Services

Assistant Commissioner

Bruce McDonald, AFSM

Assistant Commissioner Bruce McDonald was appointed as the Director Infrastructure Services for the NSW RFS in May 2013.

Assistant Commissioner McDonald joined the then Bush Fire Brigade in 1980 and progressed through the organisation, holding various brigade positions culminating in Group Captain in the mid-1990s.

He commenced as a salaried officer in 1998 in the role of Deputy Fire Control Officer - Operations, bringing to a close a 25-year management career in the automotive industry.

Since 2001, Assistant Commissioner McDonald has held various management positions at NSW RFS Headquarters, including State Operations Officer, Manager, Operational Communications and Group Manager, Assets and Infrastructure.

In 2008 he was seconded to head up the implementation of a SAP Enterprise Resource Planning System replacing the Service's Finance and Procurement systems.

Assistant Commissioner McDonald was awarded an Australian Fire Service Medal in 2011.



SUMMARY REVIEW OF OPERATIONS

03

Fire season overview

It was a challenging 2013/14 bush fire season.

Weather forecasters were expecting the 2013/14 fire season to be one of the hottest on record.

According to the Bureau of Meteorology, for some parts of the country July 2013 was their warmest in more than 100 years and for other areas September 2013 was the warmest on record.

With these underlying dry conditions, the season commenced early. The first of 48 section 44 (s44) declarations for the season was made in early September. Overall the season included 103 days under s44 declarations with significant fires in Southern Highlands, Hawkesbury, Hunter, Muswellbrook, Singleton, Port Stephens, Central Coast, Greater Lithgow, Blue Mountains, Penrith, Great Lakes, Greater Taree, Narrabri, Tumbarumba, Greater Hume and Walcha.

NSW RFS crews and other agencies attended a total of 8,032 bush and grass fires across the State, against 23,375 of all incidents attended by NSW RFS brigades in the reporting period.

The State Air Desk coordinated 2,182 aviation taskings during the season with the Rapid Aerial Response Teams deployed on 21 occasions.

The most intense fire events occurred during 13 to 26 October when there were 627 incidents and 164,054 hectares burnt. Significantly there was also the loss of more than 200 homes across the Blue Mountains region.

The significant fire activity prompted the NSW Premier to declare a State of Emergency between 20 to 30 October.

Fortunately, and to the credit of the entire Service and supporting agencies, there was no significant injury or loss of life to firefighters throughout the fire season.

Sadly, the fire emergency did bring tragedy in October 2013 with the death of David Black, a pilot in a contracted aircraft who died while engaged in firefighting and Walter Linder, a community member who suffered a heart attack while defending his property at Lake Munmorah.

At the peak of the October 2013 emergency thousands of firefighters were either deployed or strategically located ready to respond. There was also a deployment of 1,400 firefighters from interstate who supported the firefighting effort during this period.

The logistical requirements to support firefighters during the peak of the fires was significant, with the NSW RFS establishing six base camps to accommodate more than 1,500 personnel. The base camp established at Penrith in October was the largest, accommodating 850 personnel not only from across NSW but also from Victoria, Queensland, South Australia, Western Australia, ACT and New Zealand.

Despite the significant commitment by NSW firefighting agencies to the fires in NSW, during the latter months of 2013, the NSW RFS deployed more than 1,000 people and nine aircraft to Victoria and 400 personnel and five aircraft to South Australia to assist in their fire emergencies.

Thirst for information

2013/14 set a new record for the demand of public information.

The NSW RFS website saw 5.7 million visitors and 14.1 million page views during a two week period in October.

Social media increased in prominence as a reliable source of information for the community with the Service's Facebook page growing from around 30,000 followers to more than 300,000 in just a year. During the October fires, the page saw more than 108 million impressions.

Twitter also grew in popularity, with 24.2 million impressions during the two weeks in October.

The NSW RFS applications continued to grow in popularity, with the MyFirePlan app added to the Service's offerings. The application is a

PREVIOUS PAGE: 19 October 2013. A back burn being conducted near St Columbus High School, Winmalee, crowned while the Duffys Forest Brigade kept watch. Photo by Brad Hunter Courtesy of The Daily Telegraph

CHAPTER THREE: SUMMARY REVIEW OF OPERATIONS

smartphone version of the Bush Fire Survival Plan, providing the community with a new tool to assist them in planning for bush fires.

The application was a key component of the continuing Prepare Act Survive public awareness campaign. The campaign, consisting of coordinated television, radio, print, online and outdoor advertising, assisted in building awareness and driving downloads of the Bush Fire Survival Plan and application.

Lessons of the 2013/14 fire season

Recent investments in public information and warnings, technology, aircraft and frontline support paid off across the 2013/14 fire season. The high availability and early activation of aircraft proved to be extremely successful in protecting homes, along with strategic use of Rapid Aerial Response Teams and base camps.

At the conclusion of the season the NSW RFS conducted numerous After Action Reviews and Debriefings. The information and feedback gathered from these sessions was analysed for opportunities to enhance current processes, identify new initiatives and promote cross-border relationships and resource sharing. In addition, Bush Fire Management Committees (BFMCs) conducted their own debriefings and provided localised feedback to further strengthen local emergency management strategies.

Preparing for the fire season

The prevention of bush and grass fires remained the NSW RFS major focus; however there was also considerable effort in the identification and reduction of hazards through the BFMCs and preparation and strategic placement of resources for the fire season during the reporting period.

Hazard reduction

Substantial works to reduce bush fire hazards were completed in 2013/14 despite adverse weather conditions. Of the 8,962 proposed hazard reduction activities, 71.5 percent were completed.

Nearly 53 percent of annual hectares treated historically are treated between March and May each year. March and April 2014, however, were very wet months having 35 percent more wet days

than the 10 year average, as well as May starting wetter than usual. This reduced the treatment window in the months when most treatment occurs, leading to a 27 percent reduction in area treated, with a consequent reduction on properties protected by these works.

Despite the adverse weather conditions a total of 157,222 hectares were treated by hazard reduction activities, providing protection to 124,414 properties.

A full report on hazard reduction activities can be found on [Appendix A](#).

Upgrades to incident reporting

Post incident reporting was given a significant boost in March 2014 when ICON received a new direct data feed from the ESCAD system. All Triple Zero (000) calls are now directly and automatically fed into ICON. The introduction of a post incident reporting module into ICON has seen a further upgrade in the data quality and overall review of the incident types. ICON can now function as the single source of truth for all NSW RFS attended incidents rather than reporting being spread across separate but duplicate systems. Data on NSW RFS incidents is likely to improve even further over the coming year due to these upgrades. [See Incident Reports on pages 10-11.](#)

Operational capacity

Arson prevention

The 2013/14 fire season saw some success in the area of arson prevention due to the combined efforts of NSW RFS fire investigators and NSW Police Force. Several persons were apprehended for arson-related offences in the reporting period. Improved information sharing between agencies has been made possible by the Arson Trend Analysis System (ATAS) which was introduced in 2012 as well as analysis undertaken by the NSW RFS Arson Intelligence Office.

In the reporting period, fines for arson-related offences were increased under the *Rural Fires Act 1997* and government agencies were given greater powers to issue fines in their local areas for careless ignitions by landholders.

Fire Behaviour Analysis

The Fire Behaviour Analysis (FBA) section experienced its first significant fire season in 2013/14 producing a total of 249 manual predictions and 346 computer generated models.

Substantial fire activity in August and September 2013 required numerous fire spread predictions initially for Region North. As the dry spring continued into October the FBA Section was scaled up to provide predictions for the Blue Mountains and other fires across the State. In October 2013, 181 manual predictions were completed along with 202 computer-generated models. The outputs proved valuable for developing strategies and priorities, identifying warning areas and providing outlooks. For the first time, analysts were deployed to Incident Management Teams (IMTs) in addition to the core service provided at NSW RFS Headquarters.

The FBA Section also worked on the development of the Fire Weather Viewer. This is an on-line fire weather viewing platform which replaces the obsolete Bureau of Meteorology Fire Weather Forecast Explorer. Fire Weather Viewer enables agency staff to view Graphical Forecast Editor weather grids and visualise weather and fire danger across the landscape to support text based forecasts. It also provides an interface for viewing NSW RFS weather station data. The Fire Weather Viewer was released for user acceptance testing during the reporting period.

The Prescribed Burn Forecast Tool (PBFT) is an experimental product developed by the FBA Section and is currently undergoing evaluation by the CSIRO. The Tool is used to identify the best times for low to moderate intensity prescribed burning in predominantly forested areas of NSW.

Six additional Portable Automatic Weather Stations were purchased in the reporting period, bringing the total to 14.

Community Protection Plans

During the 2013/14 financial year 19 Community Protection Plans (CPPs) were completed for communities at risk of bush fire across NSW. A further 52 are in progress. This brings the grand

total of CPPs completed for NSW communities since the commencement of the initiative to 57.

The Bush Fire Resilient Schools Program

In 2013/14 the NSW RFS continued to work with education providers to develop the Bush Fire Resilient Schools Program which will enhance the resilience of bush fire prone schools in NSW.

The program strengthens a Principal's existing leadership by providing the tools required to understand the local bush fire risk. The program and its tools will also support the school to prepare its own effective bush fire emergency planning.

Neighbourhood Safer Places

Throughout 2013/14 the NSW RFS increased the number of Neighbourhood Safer Places (NSPs) within NSW to 959 sites in 128 Local Government Areas, surpassing the targets of the NSW 2021 Goal 28.2.3. In addition, the NSW RFS conducted inspections of all sites within NSW and facilitated works to improve the resilience of a number of NSP sites across NSW. [See Appendix B.](#)

Hotspots Program

The Hotspots Program provides landholders with the knowledge and skills to actively participate in fire management for risk and biodiversity. The focus this financial year was on areas of high risk and biodiversity delivering 14 workshops to 192 landholders and producing 125 fire management plans covering 35,321 hectares.

Communications Strategy

The One NSW RFS Communications and Engagement Strategy was successfully rolled out in the reporting period. The Strategy sets out a consistent and professional standard and style for internal and external communications including letterhead and emails through to posters and banners. A toolkit of easy-to-use templates equips all members in all brigades to produce effective and standardised communications for their local communities. The Strategy is subject to ongoing implementation and review and is supported by policies on communication and engagement activities across the Service.

Our members

Volunteer Recruitment and Retention Kit

In December 2013 the NSW RFS released a Volunteer Recruitment and Retention Kit to assist brigades recruit and retain their members. Many of the stories, ideas and tools within the resource came from volunteers themselves and is adaptable to local community and brigade membership needs.

The content of the Recruitment and Retention Kit is based on the principles of flexible membership and helps brigades consider a variety of roles that volunteers might fulfil beyond the expected firefighting roles.

The Volunteer Recruitment and Retention Kit was funded through the National Disaster Resilience Program.

Cooperative Research Centres Update

While the newly formed Bushfire and Natural Hazards CRC (BNHCRC) was officially launched on 1 July 2013, the older Bushfire Cooperative Research Centre (CRC) continued to operate in parallel in 2013/14.

The Bushfire CRC concluded outstanding research projects and presented a range of seminars and webinars encouraging the adoption of new research from the Bushfire CRC among AFAC member agencies.

In 2013/14 the BNHCRC consolidated the early work it undertook in establishing its research agenda, refining it into three main research themes. These being Economics, Policy and Decision-making; Resilient People, Infrastructure and Institutions and Bushfire and Natural Hazards Risks.

The NSW RFS is represented on 20 out of the 35 research projects being undertaken including two of particular note: Prescribed Burning, tailor-made solutions for risk mitigation and systems to deliver effective prescribed burning across Australian ecosystems and Next Generation Fire Modelling, including fire coalescence and mass spot fire dynamics. The NSW RFS has end users actively involved in both of these projects.

Code of Conduct and Ethics Training

As part of its corruption prevention and education role, the Service's Professional Standards Unit (PSU) rolled out Code of Conduct and Ethics Training to salaried members across the State. Over 800 salaried members undertook comprehensive training in the reporting period.

The PSU also delivered training sessions reporting conduct issues, ethical leadership and workplace information for salaried and volunteer member in all four regions.

The NSW RFS is committed the principles and standards set out within Service Standards 1.1.7 Code of Conduct and Ethics (the Code), particularly in relation to expectations of high standards of professional behaviour and respect by all members when they undertake NSW RFS duties, activities and working relationships. The Code is based on NSW RFS and NSW Government legislation, regulations and Government policies and procedures.

A review of the Code will take place in 2014/15 and will include additional modules on key behavioural requirements.

Industrial Relations Policies and Practices

On 24 February 2014, NSW RFS employees previously employed under the *Public Sector Employment and Management Act (PSEM Act) 2002* were transitioned to the new *Government Sector Employment Act 2013 (GSE Act)*. This new legislative change is applicable to all NSW Government Sector employees. The *GSE Act* aims to simplify employment structures in the Government Sector, build a modern and effective workforce, attract and retain talented people and deliver the best service to the people of NSW.

The four key reform areas under the *GSE Act* are; Senior Executive Structure, Capability Framework, Performance Management and Recruitment Reform. The NSW RFS is implementing the reforms in line with Public Service Commission and Justice Cluster expectations.

Statement setting out WHS performance

The Health, Safety & Welfare (HSW) Section's main focus during the reporting period was the response to the internal OHS Audit Program 2011/12. The Section also commenced a major

project to develop health and safety Site Management Plan (SMP) tools for use at all NSW RFS fixed site locations. HSW developed of a new method for reporting health and safety hazards in the workplace and the implementation of ICAM training to District Managers and specialist personnel to enhance skills and knowledge to undertake health and safety incident investigations.

The NSW RFS has also been undertaking planned actions associated with recommendations from the NSW Auditor-General's Performance Audit Fitness of Firefighters Report April 2014.

Statistical information about Reported Injuries and Workers Compensation Claims can be found at [Appendix K](#).

Financial services

The NSW Budget allocation for the total expenses of the NSW RFS was \$331.1 million; an increase of \$28.0 million or 9.2 percent.

The funding provided enabled the Service to:

- > continue its commitment to bush fire prone communities through a combination of fire mitigation work crews, fire mitigation grants, hazard reduction allocations to Local Government and investment in Neighbourhood Safer Places
- > progress the program to upgrade the private mobile radio network and paging infrastructure to ensure volunteers have modern and reliable communication tools
- > enhance equipment and facilities for volunteer firefighters through the provision of tankers and other firefighting vehicles, new and upgraded Brigade stations and Fire Control Centres and upgraded firefighting equipment including Personal Protective Equipment (PPE)
- > improve community awareness through the Prepare. Act. Survive. public awareness campaign
- > respond to issues that arose while responding to the January 2013 fires, including improvements to the RFS public website, strengthening of the Bush Fire Information Line and enhanced ICT infrastructure to support key systems during bush fire emergencies.

Assets and Infrastructure

Building stronger infrastructure throughout the NSW RFS has been a focus in 2013/14.

Information Communication Technology was strengthened with the implementation of enhanced phone technology at NSW RFS Headquarters, improved speeds for the computer network for rural areas and an enhanced wireless capability at both Headquarters and District sites. All these works are targeted at improving our ability during major incidents, with the flow on effect of improving day to day operations as well.

In the reporting period redundancy of the critical corporate systems and applications was improved with seamless switching and load sharing across multiple data centres. The Service is now able to continue to function even through planned or unplanned disruptions in data centres.

Network security was improved in the 2013/14 year with the implementation of network access protection at NSW RFS Headquarters and some rural sites. The Digital Information Security Attestation statement is included as Appendix E.

Enhancements were made the SAP HR system in the reporting period. The paper based Monthly Attendance Return was replaced by an online tool in June 2014.

The SAP Enterprise Asset Management project (EAM) was launched in February 2013. The EAM is a single source of data regarding vehicles, equipment, real estate and inventory across NSW. This is a joint agency project with Fire & Rescue NSW and the NSW State Emergency Service.

The Governance, Risk and Compliance module (GRC) was implemented in February 2014. When complete, it will allow all invoices to be scanned centrally and processed through an external portal for verification prior to them being automatically loaded in to SAP.

The upgrade of the Private Mobile Radio (PMR) and Paging networks continued this year and is due to completion in the next reporting period. This major project represents a total investment of some \$50m into radio and paging systems, network and architecture. The addition of this digital radio architecture is vital in ensuring volunteer firefighters have the latest and most reliable communication capabilities.



KEY FOCUS AREAS

04

Key strategies

- > Proactively engage with the community to build capability
- > Encourage membership diversity and develop our members
- > Communicate regularly and meaningfully with key stakeholders
- > Integrate risk assessments into planning and decision making
- > Grow relationships with government
- > Use systems and technology that enhance our capability
- > Effectively use research and innovation

2013/14 milestones

- M1** Continue to increase the number of properties protected by hazard reduction works
- M2** Continue to increase the number of hectares treated by hazard reduction works
- M3** Business case for BRIMS replacement developed
- M4** Continue to increase the number of Neighbourhood Safer Places in bush fire prone areas
- M5** Capacity and capability of website increased
- M6** Programs to improve fire safety in indigenous communities continued
- M7** Training system flexibility increased
- M8** WHS Site Management Plan Template developed and trialed in two locations
- M9** At least 800 secondary school students complete the Secondary School Cadet Program
- M10** Updated Volunteer recruitment and retention program developed and implemented
- M11** An additional 20 members trained as Fire Behaviour Analysis specialists
- M12** Radio and paging upgrade implementation on schedule
- M13** SAP Enterprise Asset Management Module blueprinted
- M14** Brigade dispatch strategy developed
- M15** Aviation resourcing and management strategy developed
- M16** Leadership program for senior volunteers and staff piloted and evaluated
- M17** Enhanced research utilisation strategy developed
- M18** Shared corporate services reform programs commenced
- M19** Enhanced draft State Resource Allocation methodology developed based on risk strategies
- M20** Revised Bush Fire Management Committee handbook developed
- M21** Corporate Governance Framework implementation commenced
- M22** Continue to look for partnership opportunities with AusAid and other international funding bodies

PREVIOUS PAGE: Training session conducted with the Loftus and Kurnell Brigades in late May 2014.

Photo by Sharon Quandt

2015 targets

The NSW RFS Corporate Plan 2011-2015 is aligned with Goal 28 of NSW 2021: A Plan to Make NSW Number One, through one to three and six target of the 2015 targets listed below. The list of targets is updated annually.

- T1 Number of properties protected by hazard reduction works increased by 20,000 per year
- T2 Annual average level of area treated by hazard reduction activities increased by 45 percent
- T3 200 more Neighbourhood Safer Places created in bush fire prone areas
- T4 Risk assessment of all schools in bush fire prone areas
- T5 Communities in bush fire prone areas are more prepared and aware as a result of targeted and coordinated public awareness campaigns
- T6 Additional 4,000 secondary school students trained through the School Cadets Program
- T7 Learning and Development framework aligned with Flexible Membership Model
- T8 Next Generation Workforce Strategic Plan implemented
- T9 Fire behaviour analysis capability enhanced State-wide
- T10 Radio and pager network upgrades completed
- T11 Consolidated SAP Enterprise Asset Management Module
- T12 Brigade dispatch system implementation plan developed
- T13 Strategy for BRIMS replacement developed
- T14 Corporate Governance Framework implemented
- T15 Research utilisation strategy implemented
- T16 State-wide Resource Allocation methodology piloted
- T17 Shared Corporate Services Reforms implemented
- T18 State, national and international partnerships developed to enhance shared fire management expertise and resources
- T19 Bush Fire Management Committee policies and plans published on the website

KFA One

PROTECT PEOPLE, PROPERTY AND THE ENVIRONMENT

The NSW RFS protects lives, property and the environment in a proactive and ecologically sustainable manner.

Included in this Key Focus Area for 2013/14 were hazard reduction targets and mitigation programs, Neighbourhood Safer Places, Community Protection Plans and continuous improvement of operational procedures.

Milestones for 2013/14 and 2015 Targets

- M1** Continue to increase the number of properties protected by hazard reduction works
- M2** Continue to increase the number of hectares treated by hazard reduction works
- T1** Number of properties protected by hazard reduction works increased by 20,000 per year
- T2** Annual average level of area treated by hazard reduction activities increased by 45 percent
- T4** Risk assessment of all schools in bush fire prone areas in NSW

Continue to increase the number of properties protected by hazard reduction works

The NSW RFS is the lead agency for coordinated bush firefighting and bush fire hazard mitigation throughout NSW. This milestone supports the achievement of NSW 2021 Goal 28: Increase the number of properties protected by hazard reduction works across all bush fire prone land tenures by 20,000 per year by 2016. This milestone also contributes to the achievement of NSW RFS Corporate Plan 2011-2015 Target T1.

The target for 2013/14 was to increase the number of properties protected by hazard reduction works to 140,793. Due to experiencing 35 percent more wet days during March and May the annual result of 124,307 properties is behind the target figure. The program, however, has exceeded the five year rolling average of 140,793 through the treatment of 151,658 properties.

It is also important to note that to meet this milestone the NSW RFS is reliant on the hazard reduction works undertaken by all land management agencies.

Continue to increase the number of hectares treated by hazard reduction activities

The NSW RFS is the lead agency for coordinated bush firefighting and bush fire hazard mitigation throughout NSW. This milestone supports the achievement of NSW 2021 Goal 28: Increase the annual average level of area treated by hazard reduction activities by 45 percent by 2016. This milestone also contributes to the achievement of NSW RFS Corporate Plan 2011-2015 Target T2.

The target for 2013/14 was to increase the annual average of area treated by hazard reduction activities across NSW to 161,762. It is important to note that to meet this milestone the NSW RFS is

CHAPTER FOUR: KEY FOCUS AREAS

reliant on the hazard reduction works undertaken by all land management agencies.

Due to experiencing 35 percent more wet days between March and May the annual result of 157,222 hectares is being reported as below target. The program, however, has exceeded the five year rolling average of 161,762 through the treatment of 173,853 hectares.

Risk assessment of all schools in bush fire prone areas in NSW

The Bush Fire Resilient Schools Program provides a framework for schools to understand and assess their level of risk from bush fires and to take the appropriate steps to mitigate this threat. A pilot program was undertaken in the reporting period.

KFA Two

LEAD COORDINATED BUSH FIREFIGHTING AND PREVENTION IN NSW

The NSW RFS drives effective multi-agency risk planning prevention strategies and response arrangements.

This Key Focus Area covers the lead role of the NSW RFS in the Bush Fire Co-ordinating Committee's (BFCC) responsibility to coordinate all State firefighting operations and agencies involved in bush fire prevention, and the role of local Bush Fire Management Committees (BFMC) in developing risk management and operational coordination plans.

Milestones for 2013/14

- M 20** Revised Bush Fire Management Committee Handbook developed
- T19** Bush Fire Management Committee policies and plans published on the website

Revised Bush Fire Management Committee Handbook developed

The current Bush Fire Management Committee (BFMC) Handbook was developed in 2006. Amendments are required to the handbook to reflect changes in policy over the past eight years.

The BFMC Handbook is the responsibility of the Bush Fire Co-ordinating Committee (BFCC). The NSW RFS will prepare the amendments for the BFCC's endorsement. At this time, resources have been diverted to ensure the Grants management process is not compromised.

While the BFMC Handbook will be reviewed when resources permit it is important to note that the current Handbook continues to meet requirements.

Bush Fire Management Committee policies and plans

All BFMC policies are posted to the NSW RFS website as part of the publication process. No new or revised BFMC policies were published in the reporting year.

KFA Three

ENHANCE COMMUNITY RESILIENCE

The NSW RFS ensures the people of NSW are resilient and well-equipped to withstand the impact of bush fire and its consequences.

Initiatives in this Key Focus Area addressed the delivery of bush fire alerts and warnings, public awareness campaigns, community engagement to increase bush fire preparedness, and planning for bush fire protection in the built environment.

Milestones for 2013/14

- M4** Continue to increase the number of Neighbourhood Safer Places in bush fire prone areas
- M5** Capacity and capability of website increased
- M6** Programs to improve fire safety in Indigenous communities established
- T3** 200 more Neighbourhood Safer Places created in bush fire prone areas
- T5** Communities in bush fire prone areas are more prepared and aware as a result of targeted and coordinated public awareness campaigns

Neighbourhood Safer Places

Reducing the impact of bush fires is a shared responsibility between government, emergency service organisations and the community. The community has an integral role to play in taking the necessary steps to prepare their property and to implement their Bush Fire Survival Plan. The Neighbourhood Safer Places (NSPs) program aims to identify, designate and inspect places of last resort which may offer safety in the case of bush fire. Accessibility and determining the potential exposure of a site to radiant heat are two of the key considerations when determining potential NSP options.

This milestone supports the achievement of NSW 2021 Goal 28 – Increase the number of Neighbourhood Safer Places in bush fire prone areas. It also contributes to the achievement of NSW RFS Corporate Plan 2011-2015 Target T3.

The aim for 2013/14 was to increase the number of designated NSPs to 920. NSPs are often identified through the Community Protection Plan (CPP) program and therefore the achievement of this milestone is contingent on the progress of developing CPPs across NSW.

All NSPs across the State were inspected prior to 30 September 2013 and the start of the Bush Fire Danger Period. Actions arising from these NSP inspections were documented and implementation of these actions tracked. Actions that required funding under the Vulnerable Communities Works Program have been completed through the Customer Service Centres.

Initial follow up has occurred for all NSPs requiring action as a result of the inspection. Follow up and the required documentation for NSPs requiring funding has been undertaken.

A total of 959 NSPs have been identified in conjunction with District Teams and Zones where it was felt that additional NSPs would be beneficial, for example, in the Blue Mountains.

Capacity and capability of the website increased

The NSW RFS public website is one of the Service's main communication channels with the community, including for the delivery of warnings information. This year a project was undertaken to establish a new NSW RFS website with increased capacity and capability.

The website has undergone a major enhancement including a significant increase in capacity, particularly during peak periods. In addition, a new content management system has been put in place which meets latest accessibility requirements. The upgrade also brings mobile and tablet functionality to the website, meeting current community demands.

The website was launched early in the next reporting period.

Programs to improve fire safety in Indigenous communities established

In some remote Indigenous communities, the risk of bush fires is ever present and some communities are particularly vulnerable.

To improve fire safety in Indigenous communities the NSW RFS has developed the Bush Fire Resilience for Aboriginal Communities Stage II (BRAC II) project. Initiatives within this program include: the confirmation of NSPs for each community, appropriate fire mitigation activities to protect the community, the delivery of Community Fire Units (CFUs) with training for community members and Local Aboriginal Land Council representation on local BFMCS.

During 2013/14, 25 NSPs for the 34 identified Indigenous communities were confirmed by Districts and work will continue in the first half of 2014/15 to identify and meet NSP criteria. All relevant Districts have commenced work on

appropriate risk and hazard treatments in the identified areas with some of the work completed during 2013/14.

To encourage joint fire mitigation activities identified Indigenous communities were contacted or visited by District staff during 2013/14. The areas which were rated as being at an extreme risk were prioritised and treated, with the result that 90 percent were reduced to below extreme risk during the reporting year. The remaining areas have planned works scheduled to be completed during the first quarter of 2014/15.

The BRAC II project will continue into March 2015 with a focus on finalising the project, providing training to Indigenous community members and strengthening engagement with the Aboriginal Land Council.

BRAC II is also making a significant contribution to the Cultural Burning Project run by the Central Tablelands Local Land Services providing training and fire protection for low intensity cultural burns on Aboriginal land.

Communities in bush fire prone areas are more prepared and aware through targeted and coordinated public awareness campaigns

During 2013/14 the NSW RFS continued its successful Prepare Act Survive public awareness campaign from September to March, consisting of a coordinated advertising campaign and engagement activities. To assist the community in developing Bush Fire Survival Plans, the Service launched the MyFirePlan smartphone application.

KFA Four

VALUE AND SUPPORT OUR MEMBERS

The NSW RFS fosters a safe working culture, actively promotes a diverse, flexible and adaptive membership and values and appropriately recognises the contribution of our members, both staff and volunteer.

Initiatives in this Key Focus Area strengthen the NSW RFS workforce. They include the development of workforce metrics and the Flexible Membership Model.

Milestones for 2013/14 and 2015

Targets

- M7** Training system flexibility increased
- M8** WHS Site Management Plan Template developed and trialed in two locations
- M10** Updated Volunteer recruitment and retention program developed and implemented
- T7** Learning and Development frameworks aligned with Flexible Membership Model
- T8** Next Generation Strategic Plan implemented

Training system flexibility increased

Flexible training is about developing programs relevant to members in a full range of roles. As a member's training requirements change throughout their service, we are endeavouring to make it easier for members to cross pathways and embark on new roles. In the future, there will increasingly be training pathways not just for firefighting but for a whole range of activities. The NSW RFS e-Learning strategy will be used to promote e-Learning as a key contributor to innovation and flexibility in teaching, blended learning and assessment within the NSW RFS. This milestone is aligned with NSW RFS Corporate Plan 2011-2015 Target T7.

This move towards greater flexibility in training systems is part of the longer term strategy: *L&D in the 21st Century*. The strategy includes greater modularisation of programs, online theory components and enhanced practical activities. This strategy also takes into account the upcoming national changes to vocational education.

The Learning and Development Section has further increased the flexibility of training systems. See next page.

Incident Controller: Major Incident training has also been a focus during 2013/14. This training further develops the skills of Incident Controllers capable of managing s44 incidents and was conducted in collaboration with Operational Services.

WHS Site Management Plan Template developed and trialed in two locations

Site Management Plans (SMPs) are being developed for fixed sites across NSW. The functions of a SMP include the development of an emergency management plan and ensuring first aid supplies are maintained. Registers including assets, site risks and hazardous chemicals are also being developed as part of the plans.

The NSW RFS commenced a SMP trial within the Gosford District in 2013 that concluded April 2014. HSW utilised feedback from salaried and volunteer members in the initial trial to further enhance templates and processes leading to a pilot program in South West Slopes Zone that was completed in May 2014. The trial and pilot program resulted in SMPs being developed and implemented at two Fire Control Centres and 21 Brigade Stations.

The Service has now commenced a large-scale project to create SMPs at all fixed sites across the State of NSW to further strengthen health and safety across the Service.

Volunteer recruitment and retention program developed and implemented

A Volunteer Recruitment and Retention Kit was developed in the reporting period to provide support and guidance to brigades in relation to their recruitment and retention efforts. The Kit includes a self assessment component, as well as other information and resources that support recruitment and retention.

Brigades have the ability to select the components of the Kit that are most applicable to them and uptake of the resource is optional. The content of the resource is based on the principles of flexible membership and has a strong reliance on brigade case studies. An updated Volunteer Recruitment and Retention Kit was rolled-out to Districts and brigades in December 2013. The kits are also available on MyRFS.

The *NSW RFS volunteers: from all walks of life* video series was produced in this reporting period.

Next Generation Workforce Strategic Plan

The Next Generation Workforce Strategic Plan (NGWSP) outlines nine milestones and targets in relation to the NSW RFS's human resource strategy and workforce planning. Six milestones have been completed and the remaining three milestones and their progress to date is outlined below:

> **NSW RFS ready for implementation of human resource aspect of SAP system** (completed)

The remaining element in completion of this project was the implementation of on-line monthly attendance returns which were tested and rolled out in the reporting period.

> **Flexible Training Programs designed** (completed, work continuing on a business as usual basis)

The design and development of the flexible training model continued in 2013/14 building on the foundational work done in 2012/13. This work resulted in the development of the long term strategy for learning and development entitled *L&D in the 21st Century* which was endorsed by the NSW RFS Executive in March 2014. This strategy proposes greater modularisation of NSW RFS training within the levels of Foundational, Technical, Supervisor, Command and Management and Strategic programs. The underpinning design factor for this strategy is that a blended approach will be used. The practical face-to-face activities and assessments that are part of the program are complemented with online training that covers the more theoretical aspects of the program. The strategy also provides direction for the overall management of the learning and development system of the NSW RFS, refining the work being undertaken by the Learning and Development Section into work streams.

The strategy formed the basis for the Learning and Development business planning for 2014/15.

> **A revised Risk Plan on Health and Safety published** (completed, work continuing on a business as usual basis)

In the reporting period refinements were made to the HSW risk register and a draft action plan and risk treatment plans were developed. Ongoing risk analysis and updates to the draft treatment plans are reported quarterly to the Audit and Risk Committee and the Executive.

KFA Five

BUILD ORGANISATIONAL CAPABILITY AND SUSTAINABILITY

The NSW RFS builds capable and ethical leadership at all levels of the Service; promotes an organisational culture of reflection, learning and evidence-based decision making; builds and promotes good corporate governance practices and principles and effectively manages assets and facilities to ensure local needs are met.

This Key Focus Area covers a wide range of programs, from the development and implementation of frameworks to support legislative compliance and organisational risk management, to the upgrade of our core ICT operating systems and the radio and pager network upgrade.

Milestones for 2012/13 and 2015 Targets

M3	Business case for BRIMS replacement developed	M21	Corporate Governance Framework implementation commenced
M9	At least 800 secondary school students complete the Secondary School Cadet Program	T6	Additional 4,000 secondary school students trained through the School Cadets Program
M11	An additional 20 members trained as Fire Behaviour Analysis specialists	T9	Fire behaviour analysis capability developed State-wide
M12	Radio and paging upgrade implementation on schedule	T10	Radio and pager network upgrades completed
M13	SAP Enterprise Asset Management Module blueprinted	T11	Consolidated SAP Enterprise Asset Management Module
M14	Brigade dispatch strategy developed	T12	Brigade dispatch system implementation plan developed
M15	Aviation resourcing and management strategy developed	T13	Strategy for the Bush Fire Risk Information Management System (BRIMS) replacement developed
M16	Leadership program for senior volunteers and staff piloted and evaluated	T14	Corporate Governance Framework implemented
M17	Enhanced research utilisation strategy developed	T15	Research utilisation strategy implemented
M19	Enhanced draft State Resource Allocation methodology developed based on risk strategies	T16	State-wide Resource Allocation methodology piloted

Business case for BRIMS replacement

The Bush Fire Risk Information Management System (BRIMS) is used by the NSW RFS and other agencies to document hazards, risks and mitigation activity in a bush fire context.

It is recognised that to continue to meet future business needs of the NSW RFS, a new BRIMS platform is required. The Service is therefore reviewing possible programs to replace BRIMS. It is also recognised funding is required for this project if it is to be successful. To date, the project has been delayed by a lack of funding but this was identified at 30 June 2014 and work is to commence in 2014/15. This milestone has been included as a key action in the 2014/15 Corporate Plan.

This achievement of this milestone also contributes to the achievement of NSW RFS Corporate Plan 2011-2015 Target T13.

Secondary School Cadet Program

The Secondary School Cadet Program provides Year 9 and 10 students with an insight into fire safety and prevention while developing practical life skills and a general appreciation of community service and volunteerism. This milestone also contributes to the achievement of NSW RFS Corporate Plan 2011-2015 Target T6.

During 2013/14 an additional 860 students participated in the Secondary School Cadet program in 59 programs across NSW. This program is linked to Goal 28 of the NSW 2021 Plan which aims to train an additional 4,000 secondary school children by 2016 through the Secondary School Cadet Program.

Fire Behaviour Analysis specialists

Fire Behaviour Analysts (FBAs) are used to prepare bush fire behaviour predictions during the bush fire season and smoke plume modeling for hazard reduction activities. The NSW RFS has expanded its capacity to undertake Fire Behaviour Analysis (FBA) by expanding the training program and developing Standard Operating Procedures and Guidelines. This milestone also contributes to

the achievement of NSW RFS Corporate Plan 2011-2015 Target T9.

The completion of the training program and subsequent achievement of this milestone was dependent on periods of fire weather and the undertaking of hazard reduction burns. On the job training and mentoring was provided for a range of FBA roles throughout the busy 2013/14 fire season. A training program for Phoenix software operators has also been developed.

A training program for Fire Behaviour Supervisors (FBS) is to be developed. Operational activity has meant Supervisors have been mentored on the job but this needs to be formalised.

A total of 28 FBAs were qualified during 2013/14. Mentoring continued through periods of fire weather and hazard reduction activities.

Radio and paging upgrade implementation

NSW RFS communication system networks including the Private Mobile Radio (PMR) and Paging networks are used to minimise the impact of bush fires and emergency incidents on people, the environment and the economy. The NSW Treasury is funding the upgrading of these networks.

PMR system upgrades were 50 percent completed by 30 June 2014. NSW Treasury has approved one additional year and carry over funds to fully complete the PMR network upgrades by June 2015. The success of this year's quarterly milestones will contribute towards the overall achievement of 100 percent of the PMR network upgrade completed by June 2015. This milestone also contributes to the achievement of NSW RFS Corporate Plan 2011-2015 Target T10.

There is some residual risk to completion of the PMR network upgrades inside the indicated timeline. This includes potential additional delays around weather and operational events and the ability of contractors to complete their planned works (with many large communications projects running in parallel).

The PMR program is 40 percent complete. The Pager program is 90 percent complete. Delays in these programs have been due to ongoing consent

CHAPTER FOUR: KEY FOCUS AREAS

and agreement negotiations for access to sites, current workloads of the contractors, weather issues, increasing cost of implementation due to other similar ongoing projects and delays caused due to multi agency collaborations.

The network implementation is now scheduled for completion in 2014/15.

The Paging system upgrades are scheduled to be 100 percent complete by 30 June 2014.

SAP Enterprise Asset Management Module

The development of the SAP Enterprise Asset Management (EAM) Module is a multi-agency funded program with other Emergency Services Organisations within the Justice Cluster. The EAM Module is being implemented to replace various existing asset management systems. This will enable a single source of truth to manage inventory and maintenance of assets. It will allow the NSW RFS to monitor and report on the total life cycle of assets. The system will allow for increased visibility across the organisation and enable improved accountability and management practices while assisting in areas of improved operational capability and forecasting.

This milestone also contributes to the achievement of NSW RFS Corporate Plan 2011-2015 Target T11.

NSW RFS Brigade dispatch strategy

A project to examine the requirements for continued expansion of the centralised dispatch process at NSW RFS Headquarters was undertaken in 2013/14. The expansion is dependent on resource, technical and financial requirements being met for each new District, Team and Zone.

Currently, the Operational Customer Service Centre manages the dispatch of resources for the Warringah/Pittwater and Mid North Coast Rural Fire Districts. A detailed proposal identifying the necessary requirements to further expand the centralised dispatch project throughout additional Rural Fire Districts has been submitted for approval and revised target dates for the development of capacity to support expansion will be included in the 2014/15 plan.

In 2014/15 work will be undertaken to further develop the infrastructure, ICT and personnel capacity required to support the expansion of centralised dispatch throughout the NSW RFS.

This milestone also contributes to the achievement of NSW RFS Corporate Plan 2011-2015 Target T12

Aviation resourcing and management strategy

The NSW RFS has drafted a 10 year strategy for its aviation needs into the future. In 2012/13 the NSW RFS began a strategic review of its 10 year aviation needs. This examined the multi-agency requirements for contracting, leasing and purchasing arrangements of suitable aircraft.

In early 2013 an initial Ten Year Aviation Plan Scoping Strategy was delivered by an external consultant and in late 2013 a draft Ten Year Aviation Strategy was developed. While the Aviation Strategy has been submitted it has not yet been formally adopted. This is expected to occur in 2014/15. A schedule for implementation will then be developed.

Leadership program for senior volunteers and staff

The leadership program for senior volunteers and staff aims to develop manager, staff and senior volunteer leadership capability to enhance effective leadership within the NSW RFS. The NSW RFS has been actively involved in the Multi Agency Leadership Program with Fire & rescue NSW, the NSW State Emergency Service and the Ambulance Service of NSW. This involvement saw the NSW RFS co-facilitate the program as well as offering both staff and volunteer members the opportunity to participate. During 2013/14 nine programs were conducted in a range of locations across the State, involving 42 members from the NSW RFS.

Enhanced research utilisation strategy

The NSW RFS is developing a strategy that enables the organisation to better utilise research findings and enhance business or operational outcomes. In 2013/14, the Service developed a

draft Research Framework providing an integrated research management structure that encompasses research policy, governance, dissemination, utilisation, monitoring and reporting. This milestone also contributes to the achievement of NSW RFS Corporate Plan 2011-2015 Target T15.

A key pillar of the draft Research Framework is the draft Research Utilisation Strategy. The development of the draft Strategy involved external input and advice from the Bushfire Cooperative Research Centre as well as from key internal stakeholders. The intent of the draft Strategy is to ensure that key research findings are taken into account in organisational decision making and that there is an uptake across the Service regarding relevant research products. The draft Strategy will be rolled out in 2014/15.

As part of the establishment of the Bushfire and Natural Hazards Cooperative Research Centre, the NSW RFS has a significant number of members involved as end users on research projects. This early involvement in the research by our members is one of the key means to increasing the engagement with and utilisation of research by the NSW RFS.

Enhanced draft State Resource Allocation methodology

In 2013/14 the NSW RFS completed a review of its current and potential future direction and the available options for building its operational capability and service delivery. The aim was to develop a State-wide, efficient and cost effective resource allocation model. Following classification of brigades, based on risk and community needs, a resource allocation methodology was developed. This model provides the ability to cater for surge capacity in any jurisdiction while also taking into account other capabilities that the NSW RFS has capacity for and undertakes during its normal operating environment.

The implementation strategy for this methodology is under consideration. This milestone also contributes to the achievement of NSW RFS Corporate Plan 2011-2015 Target T16.

Corporate Governance Framework

The Corporate Governance Framework is designed to bring together in a coordinated and systematic manner, all aspects across the Service that contribute to the overall Governance arrangements of the Service. These Governance arrangements include corporate planning, risk management, legislative compliance and policy/ service standard management. The success of this initiative will be measured against an internal assessment on the NSW RFS Governance arrangements against the key governance criteria issued by the Audit Office of NSW. This milestone also contributes to the achievement of NSW RFS Corporate Plan 2011-2015 Target T14.

During the reporting period the NSW RFS undertook a major review of its corporate governance arrangements. This involved an internal benchmarking analysis of the status of the key governance components of the Service. This was based on the Audit Office of NSW's model which outlines 17 components of good governance.

The outcomes of this review were a major contribution to the development of the NSW RFS Corporate Governance Statement. The Governance Statement was drafted during the second half of 2013 in consultation with managers with key governance responsibilities across the Service, the Executive and the Audit and Risk Committee. The statement was approved by the Commissioner in February 2014.

The statement provides an overview of NSW RFS key Corporate Governance components. These include: the planning and reporting process, risk management, the committee's structure, the Audit and Risk committee, Internal and External Audits, Policy and Service Standard framework, ethics encompassing the Code of Conduct, financial management and delegation arrangements and a stakeholder engagement plan.

The Corporate Governance Statement will be reviewed annually to ensure the NSW RFS continues to fully comply with all its governance obligations and requirements.

KFA Six

FOSTER PARTNERSHIPS

The NSW RFS works with its partners to influence the national agenda in relation to emergency services and develops mutually beneficial local, national and international strategic alliances to raise and strengthen the NSW RFS profile.

Programs under this Key Focus Area include the Botswana Fire Management Program and the development of Shared Corporate Services Reforms.

Milestones for 2013/14 and 2015 Targets

- M18** Shared corporate services reform programs commenced
- M22** Continue to look for partnership opportunities with AusAid and other international funding bodies
- T17** Shared Corporate Services Reforms implemented
- T18** State, national and international partnerships developed to enhance shared fire management expertise and resources

State, national and international partnerships developed to enhance shared fire management expertise and resources

The NSW RFS shares its capability and expertise in a range of areas, including Bush Fire Management, Incident Control as well as Emergency Management more broadly. The Corporate and International Relations Unit continues to form relationships with agencies and individuals. This milestone also contributes to the achievement of NSW RFS Corporate Plan 2011-2015 Target T18.

The Botswana Fire Management Program progressed through the 2013/14 financial year. Over the year, 13 representatives (staff and volunteers) from the NSW RFS were deployed to Botswana for a range of fire management activities. In January 2014, eight officers from Botswana were deployed to NSW RFS to participate in firefighting and to extend their training.

The NSW RFS continues to work with the Asian Disaster Preparedness Centre (ADPC), commencing a new program with Saudia Arabia focusing on Emergency Management.

An agreement with Riverina Institute of TAFE was signed contributing to the delivery of a range of corporate training courses. Over the reporting period a total of 159 courses were delivered.

Shared corporate services reform programs commenced

The broader amalgamation reform program is designed to assist the NSW Government to deliver more integrated services, with a stronger customer focus, and more efficient provision of Corporate and Shared Services. Fundamental to this reform is the need to optimise the Corporate and Shared Services activities across the sector.

Key outcomes sought in this reform include a more streamlined and standardised Corporate and Shared Services framework and service delivery. This will provide a focus on customer service and improving the Corporate and Shared Service experience. This milestone also contributes to the achievement of NSW RFS Corporate Plan 2011-2015 Target T17.

During the reporting period the shared services activities continued under the Justice Cluster Shared Corporate Services Program (JSCSP). At the overarching governance level, NSW RFS is represented on the Corporate Services Executive Committee, established to support improvements to shared corporate services business practices uniformly across the Cluster. Improvement initiatives are guided by established Government and industry standards and best practice benchmarks.

Functional leadership groups are established in the areas of Human Resources, Procurement, ICT and Asset Management. All groups are collaborating on a more consistent policy position, the ability to align systems and procedures to avoid duplication and minimise where possible operating costs and the development of business improvement strategies. Examples of outcomes from two of those working groups are defined below:

The Human Resource Functional Leadership Group (HRFLG) has met on four occasions during the year. Projects and initiatives under consideration and development by the HRFLG include:

- > The adoption of a Performance Management system for the Cluster to meet its requirements under the *Government Sector Employment Act 2013* (GSE Act) which will form part of the SAP platform
- > The establishment of a Cluster focus group on Industrial Relations issues and common areas of shared knowledge
- > A joint approach by the Cluster to the Public Service Commission's survey of government agencies on bullying and building respectful workplaces

- > Extensive consultation and collaboration within the Cluster in the development of appropriate application of the Public Service Commission's Capability Framework under the GSE Act.

The Asset Management Functional Leadership Group's (AMFLG) main priority was to develop asset management standards based on industry best practice. In the absence of Australian Standards, standards were modeled on PAS 55 and ISO 55000 standards. This project achieved its primary objective to deliver a set of standards that can be used to:

- > deliver end to end business process standards for the asset management function in delivering services; and
- > model the processes in the ARIS tool which subsequently being utilised by the SAP based Emergency Services Enterprise Asset Management (EAM) project.

The Justice Cluster Asset Management Standards are modelled on the ARIS tool and align with standards defined by the NSW Office of Finance and Services.

Given the completion of the Asset Management Standards, the focus on the EAM rollout in Emergency Services along with a similar initiative underway in another cluster agency, the priorities for the AMFLG then moved on the significant task of individual agency program delivery.

FINANCIAL TABLES

Year ended 30 June 2014

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INDEPENDENT AUDITOR'S REPORT

New South Wales Rural Fire Service

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of New South Wales Rural Fire Service (the Service), which comprise the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows and service group statements for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion the financial statements:

- give a true and fair view of the financial position of the Service as at 30 June 2014, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 45E of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

My opinion should be read in conjunction with the rest of this report.

The Commissioner's Responsibility for the Financial Statements

The Commissioner is responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act and for such internal control as the Commissioner determines is necessary to enable the preparation of financial statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Service's preparation of the financial statements that give a true and fair view 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 Service's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Commissioner, as well as evaluating the overall presentation of the financial statements.

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

My opinion does *not* provide assurance:

- about the future viability of the Service
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information which may have been hyperlinked to/from the financial statements
- about the assumptions used in formulating the budget figures disclosed in the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.



David Nolan
Director, Financial Audit Services

22 September 2014
SYDNEY



NSW RURAL FIRE SERVICE



**NSW RURAL FIRE SERVICE
FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2014**

Statement by the Commissioner

Pursuant to section 45F of the Public Finance and Audit Act 1983 I state that:

- (a) The accompanying financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, the Financial Reporting Code for NSW General Government Sector Entities, the applicable clauses of the Public Finance and Audit Regulation 2010 and the Treasurer's Directions;
- (b) The financial statements exhibit a true and fair view of the financial position and financial performance of the Service for the year ended 30 June 2014; and
- (c) At the date of this statement there are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Shane Fitzsimmons AFSM
Commissioner

16 September 2014

Postal address
NSW Rural Fire Service
Locked Bag 17
GRANVILLE NSW 2142

Street address
NSW Rural Fire Service
15 Carter Street
LIDCOMBE NSW 2141

T (02) 8741 5555
F (02) 8741 5550
www.rfs.nsw.gov.au

NSW RURAL FIRE SERVICE

Statement of comprehensive income for the period ended 30 June 2014

	Notes	Actual 2014 \$'000	Budget 2014 \$'000	Actual 2013 (Restated) \$'000
Expenses excluding losses				
Operating expenses				
Employee related	2(a)	94,698	93,085	93,182
Other operating expenses	2(b)	41,352	74,989	42,519
Depreciation and amortisation	2(c)	5,942	4,591	4,773
Grants and subsidies	2(d)	256,633	152,580	221,042
Other expenses	2(e)	13,426	5,871	14,563
Total Expenses excluding losses		412,051	331,116	376,079
Revenue				
Sale of goods and services	3(a)	51	427	250
Grants and contributions	3(b)	407,835	285,609	356,651
Other revenue	3(c)	14,521	8,165	13,641
Total Revenue		422,407	294,201	370,542
Gain / (loss) on disposal	4	696	-	(53)
Net Result		11,052	(36,915)	(5,590)
Other comprehensive income				
<i>Items that will not be reclassified to net result</i>				
Remeasurement of the net defined benefit liability	19	1,226	-	8,285
Total other comprehensive income		1,226	-	8,285
TOTAL COMPREHENSIVE INCOME		12,278	(36,915)	2,695

The accompanying notes form part of these financial statements.

Statement of financial position as at 30 June 2014

	Notes	Actual 2014 \$'000	Budget 2014 \$'000	Actual 2013 (Restated) \$'000	Actual 1 July 2012 (Restated) \$'000
ASSETS					
Current Assets					
Cash and cash equivalents	6(a)	59,390	5,350	50,702	58,228
Receivables	7	14,907	3,264	15,362	3,244
Total Current Assets		74,297	8,614	66,064	61,472
Non-Current Assets					
Property, plant and equipment	8				
- Land and buildings		375	219	779	1,336
- Plant and equipment		21,805	20,362	17,492	14,670
- Infrastructure systems		4,621	210	1,701	1,589
Total property, plant and equipment		26,801	20,791	19,972	17,595
Intangible assets	9	1,958	-	1,201	521
Total Non-Current Assets		28,759	20,791	21,173	18,116
Total Assets		103,056	29,405	87,237	79,588
LIABILITIES					
Current Liabilities					
Payables	11	30,564	18,714	30,739	17,977
Provisions	12	29,293	24,955	25,011	26,208
Other	13	85	-	76	-
Total Current Liabilities		59,942	43,669	55,826	44,185
Non-Current Liabilities					
Provisions	12	20,148	24,044	20,661	27,831
Other	13	421	-	483	-
Total Non-Current Liabilities		20,569	24,044	21,144	27,831
Total Liabilities		80,511	67,713	76,970	72,016
Net Assets		22,545	(38,308)	10,267	7,572
EQUITY					
Accumulated funds		22,545	(38,308)	10,267	7,572
Total Equity		22,545	(38,308)	10,267	7,572

The accompanying notes form part of these financial statements.

Statement of changes in equity for the period ended 30 June 2014

	Notes	Accumulated Funds \$'000	Total \$'000
Balance at 1 July 2013		12,996	12,996
Changes in accounting policy	1(p)(i)	(2,729)	(2,729)
Restated total equity at 1 July 2013		10,267	10,267
Net result for the period		11,052	11,052
Other comprehensive income:			
Remeasurement of net defined benefit liability	19	1,226	1,226
Total other comprehensive income		1,226	1,226
Total comprehensive income for the year		12,278	12,278
Transactions with owners in their capacity as owners			
Increase / (decrease) in net assets from equity transfers		-	-
Balance at 30 June 2014		22,545	22,545
Balance at 1 July 2012		11,359	11,359
Changes in accounting policy	1(p)(i)	(3,787)	(3,787)
Restated total equity at 1 July 2012		7,572	7,572
Net result for the year		(5,590)	(5,590)
Other comprehensive income:			
Remeasurement of net defined benefit liability	19	8,285	8,285
Total other comprehensive income		8,285	8,285
Total comprehensive income for the year		2,695	2,695
Transactions with owners in their capacity as owners			
Increase / (decrease) in net assets from equity transfers		-	-
Balance at 30 June 2013		10,267	10,267

The accompanying notes form part of these financial statements.

Statement of cash flows for the period ended 30 June 2014

	Notes	Actual 2014 \$'000	Budget 2014 \$'000	Actual 2013 (Restated) \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Employee related		(91,413)	(93,087)	(96,685)
Grants and subsidies		(256,633)	(118,291)	(221,043)
Other		(79,571)	(122,072)	(62,016)
Total Payments		(427,617)	(333,450)	(379,744)
Receipts				
Sale of goods and services		51	427	250
Grants and contributions		413,046	285,582	351,441
GST receipts		23,257	6,550	19,534
Other		12,783	8,192	8,875
Total Receipts		449,137	300,751	380,100
NET CASH FLOWS FROM OPERATING ACTIVITIES	17	21,520	(32,699)	356
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of plant and equipment		2,975	4,980	1,831
Purchases of plant and equipment		(15,807)	(11,963)	(9,713)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(12,832)	(6,983)	(7,882)
CASH FLOWS FROM FINANCING ACTIVITIES				
Net cash provided / (used) from financing activities		-	-	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		-	-	-
NET INCREASE / (DECREASE) IN CASH		8,688	(39,682)	(7,526)
Opening cash and cash equivalents		50,702	45,032	58,228
CLOSING CASH AND CASH EQUIVALENTS	6(a)	59,390	5,350	50,702

The accompanying notes form part of these financial statements.

Supplementary Financial Statements

Service group statements for the period ended 30 June 2014

RURAL FIRE SERVICE'S EXPENSES & INCOME	Community Safety*		Emergency Bush Fire Operations*		Operational and Administrative Support*		Not Attributable		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Expenses excluding losses										
Operating expenses										
• Employee related	5,347	4,840	68,344	70,451	21,007	17,891	-	-	94,698	93,182
• Other operating expenses	4,022	4,516	12,351	15,034	24,979	22,969	-	-	41,352	42,519
Depreciation and amortisation	23	37	3,936	3,208	1,983	1,528	-	-	5,942	4,773
Grants and subsidies	404	370	129,362	128,875	126,867	91,797	-	-	256,633	221,042
Other expenses	-	-	7,276	9,117	6,150	5,446	-	-	13,426	14,563
TOTAL EXPENSES EXCLUDING LOSSES	9,796	9,763	221,269	226,685	180,986	139,631	-	-	412,051	376,079
Revenue										
Sale of goods and services	-	250	51	-	-	-	-	-	51	250
Grants and contributions	-	-	103,742	97,743	304,093	258,908	-	-	407,835	356,651
Other revenue	435	516	10,584	10,283	3,502	2,842	-	-	14,521	13,641
Total Revenue	435	766	114,377	108,026	307,595	261,750	-	-	422,407	370,542
Gain / (loss) on disposal	2	4	653	(17)	41	(40)	-	-	696	(53)
Net result	(9,359)	(8,993)	(106,239)	(118,676)	126,650	122,079	-	-	11,052	(5,590)
Other Comprehensive Income										
Superannuation actuarial gains / (losses)	-	-	-	-	-	-	1,226	8,285	1,226	8,285
Total Other Comprehensive Income	-	-	-	-	-	-	1,226	8,285	1,226	8,285
TOTAL COMPREHENSIVE INCOME	(9,359)	(8,993)	(106,239)	(118,676)	126,650	122,079	1,226	8,285	12,278	2,695

* The purpose of each service group is summarised in Note 5.

Supplementary Financial Statements

Service group statements (continued)

RURAL FIRE SERVICE'S ASSET & LIABILITIES	Community Safety*		Emergency Bush Fire Operations*		Operational and Administrative Support*		Not Attributable		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Current Assets										
Cash and cash equivalents	-	-	-	-	-	-	59,390	50,702	59,390	50,702
Receivables	-	-	2,964	2,580	11,943	12,782	-	-	14,907	15,362
Total Current Assets	-	-	2,964	2,580	11,943	12,782	59,390	50,702	74,297	66,064
Non-Current Assets										
Property, plant and equipment	131	78	19,363	15,982	7,307	3,912	-	-	26,801	19,972
Intangibles	-	-	247	334	1,711	867	-	-	1,958	1,201
Total Non-Current Assets	131	78	19,610	16,316	9,018	4,779	-	-	28,759	21,173
TOTAL ASSETS	131	78	22,574	18,896	20,961	17,561	59,390	50,702	103,056	87,237
Current Liabilities										
Payables	-	-	17,306	22,463	13,258	8,276	-	-	30,564	30,739
Provisions	-	-	-	-	29,293	25,011	-	-	29,293	25,011
Other	-	-	-	-	85	76	-	-	85	76
Total Current Liabilities	-	-	17,306	22,463	42,636	33,363	-	-	59,942	55,826
Non-Current Liabilities										
Provisions	-	-	-	-	20,148	20,661	-	-	20,148	20,661
Other	-	-	-	-	421	483	-	-	421	483
Total Non-Current Liabilities	-	-	-	-	20,569	21,144	-	-	20,569	21,144
TOTAL LIABILITIES	-	-	17,306	22,463	63,205	54,507	-	-	80,511	76,970
NET ASSETS	131	78	5,268	(3,567)	(42,244)	(36,946)	59,390	50,702	22,545	10,267

* The purpose of each service group is summarised in Note 5.

NSW RURAL FIRE SERVICE

Notes to the financial statements for the period ended 30 June 2014

1. Summary of Significant Accounting Policies

(a) Reporting Entity

The NSW Rural Fire Service is a NSW government entity. The Service is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

The NSW Rural Fire Service as a reporting entity has no controlling or controlled entities.

The financial statements for the period ended 30 June 2014 have been authorised for issue by the Commissioner on 16 September 2014.

(b) Basis of Preparation

The Service's financial statements are general purpose financial statements which have been prepared in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- the requirements of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2010*; and
- the Financial Reporting Directions published in the Financial Reporting Code for NSW General Government Sector Entities or issued by the Treasurer.

Plant and equipment is measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

(c) Statement of Compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

(d) Funding – NSW Rural Fire Service

Under the *Rural Fires Act 1997* the Rural Fire Fighting Fund consists of contributions from Local Government (11.7%), the NSW Government (14.6%) and the Insurance Industry (73.7%).

Contributions are recognised in accordance with AASB 1004.

(e) Insurance

With the exception of insurance coverage for volunteers, the Service's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self insurance for Government agencies. The expense (premium) is determined by the Fund Manager based on past claims experience. Insurance coverage for volunteers is provided through the Bush Fire Fighters Compensation Fund managed by WorkCover NSW, with an annual premium paid.

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

NSW RURAL FIRE SERVICE

Notes to the financial statements for the period ended 30 June 2014

Income, expenses and assets are recognised net of the amount of GST, except that:

- the amount of GST incurred by the Service as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense; and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the statement of cash flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

(g) Income Recognition

Income is measured at the fair value of the consideration or contribution received or receivable. In addition to the Rural Fire Fighting Fund, other grants and contributions are received from the Commonwealth and State Governments.

Additional comments regarding the accounting policies for the recognition of income are discussed below.

(i) Contributions

Contributions are received from local government councils (11.7%), insurance companies (73.7%), and NSW Treasury (14.6%). All contributions are reported as grants and contributions revenue for the purposes of income recognition.

Contributions from other bodies (including grants and donations) are generally recognised as income when the Service obtains control over the assets comprising the contributions. Contributions are recognised in accordance with AASB 1004 *Contributions*.

In accordance with the *Rural Fires Act 1997*, any unspent grants and contributions made towards estimated rural fire brigades expenditure are to remain within the Rural Fire Fighting Fund.

(ii) Sale of Goods

Revenue from the sale of goods is recognised as revenue when the Service transfers the significant risks and rewards of ownership of the assets.

(iii) Rendering of Services

Revenue is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date).

(iv) Investment Revenue

Interest revenue is retained by NSW Treasury and therefore not recognised in the financial statements.

NSW RURAL FIRE SERVICE

Notes to the financial statements for the period ended 30 June 2014

(h) Assets

(i) Acquisitions of Assets

Assets acquired are initially recognised at cost. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

Where payment for an item is deferred beyond normal credit terms, its cost is the cash equivalent, i.e. the deferred payment amount is effectively discounted at an asset-specific rate.

(ii) Capitalisation Thresholds

Plant and equipment and intangible assets costing \$5,000 and above individually (or forming a part of a network costing more than \$5,000) are capitalised.

(iii) Revaluation of Property, Plant and Equipment

The Service does not revalue assets because the carrying value approximates fair value. The plant and equipment of the Service consists primarily of motor vehicles and ICT equipment, and as non-specialised assets with short useful lives they are measured at depreciated historical cost as a surrogate for fair value.

(iv) Impairment of Property, Plant and Equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 *Impairment of Assets* is unlikely to arise. As plant and equipment is carried at fair value, impairment can only arise in the rare circumstances where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement costs, where depreciated replacement cost is also fair value.

(v) Depreciation of Property, Plant and Equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the NSW Rural Fire Service.

All materially identifiable components of assets are depreciated separately over their useful lives.

In accordance with AASB 116, the table below illustrates the useful life of applicable asset categories.

<u>Asset Class</u>	<u>Useful Life</u>
Infrastructure systems	3 – 10 Years
Land and buildings	Period of the Lease
Plant and equipment	3 – 20 Years

NSW RURAL FIRE SERVICE

Notes to the financial statements for the period ended 30 June 2014

(vi) Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or a component of an asset, in which case the costs are capitalised and depreciated.

(vii) Leased Assets

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases under which the lessor does not transfer substantially all the risks and benefits.

Operating lease payments are charged to the statement of comprehensive income in the periods in which they are incurred.

There are no finance lease arrangements.

(viii) Intangible Assets

The Service recognises intangible assets only if it is probable that future economic benefits will flow to the Service and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition.

All research costs are expensed. Development costs are only capitalised when certain criteria are met.

The useful lives of intangible assets are assessed as finite.

Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the Service's intangible assets, the assets are carried at cost less any accumulated amortisation.

The Service's intangible assets are amortised using the straight line method over their useful lives.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

(ix) Rural Fire Fighting Equipment

The ownership of all fire fighting equipment purchased by the Rural Fire Fighting Fund is vested in the relevant local government council. The cost of such equipment is, therefore, expensed by the Service in the year of purchase.

The exception to this is fire fighting equipment purchased for the State Mitigation Support Service which is recorded on the Service's asset register.

(x) Loans and Receivables

Loans and Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest rate method, less an allowance for impairment of receivables. Any changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

NSW RURAL FIRE SERVICE

Notes to the financial statements for the period ended 30 June 2014

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(i) Liabilities

(i) Payables

These amounts represent liabilities for goods and services provided to the Service and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(ii) Employee Benefits and other Provisions

(a) Salaries and Wages, Annual Leave, Sick Leave and On-Costs

Salaries and wages (including non-monetary benefits) and paid sick leave that are due to be settled wholly within twelve months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amount of the benefits.

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the service. As such, it is required to be measured at present value in accordance with AASB 119 *Employee Benefits* (although short cut methods are permitted). Actuarial advice obtained by Treasury has confirmed that the use of a nominal approach plus the annual leave on annual leave liability (using 7.9% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The Service has assessed the actuarial advice based on the Service's circumstances and has determined that the effect of discounting is immaterial to annual leave.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

(b) Long Service Leave and Superannuation

The Service recognises liabilities for long service leave for all employees.

Long service leave is measured at present value in accordance with AASB 119 *Employee Benefits*. This is based on an annual actuarial review conducted by Mercer and is considered to approximate present value.

The superannuation expense for the period is measured in accordance with AASB 119 *Employee Benefits*. The expense for defined contribution schemes (eg First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (eg State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is determined by way of an actuarial assessment in accordance with AASB 119 commissioned by the relevant schemes Trustees on behalf of all employers. Further information is provided in Note 19.

(c) Consequential On-Costs

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax.

NSW RURAL FIRE SERVICE

Notes to the financial statements for the period ended 30 June 2014

(j) Fair Value Hierarchy

A number of the Service's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the Service categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 – quoted prices in active markets for identical assets/liabilities that the entity can access at the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3 – inputs that are not based on observable market data (unobservable inputs).

The Service recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Physical non-current assets measured at depreciated historical cost as a surrogate for fair value do not require fair value hierarchy disclosures under AASB 13 *Fair Value Measurement*. As the Service's property, plant and equipment are non-specialised short lived assets they are valued at depreciated historical cost as a surrogate for fair value and not categorised against the fair value hierarchy.

Refer to Notes 18 and 19 for further disclosures regarding fair value measurements of financial and non-financial assets.

(k) Equity and Reserves

The category 'Accumulated Funds' include all current and prior period retained funds.

(l) Equity Transfers

The transfer of net assets between agencies as a result of an administrative restructure, transfers of programs/functions and parts thereof between NSW public sector entities and 'equity appropriations' are designated or required by Accounting Standards to be treated as contributions by owners and recognised as an adjustment to "Accumulated Funds". This treatment is consistent with AASB 1004 *Contributions* and Australian Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*.

Transfers arising from an administrative restructure involving not-for-profit entities and for-profit government departments are recognised at the amount at which the assets and liabilities were recognised by the transferor immediately prior to the restructure. Subject to below, in most instances this will approximate fair value.

All other equity transfers are recognised at fair value, except for intangibles. Where an intangible has been recognised at (amortised) cost by the transferor because there is no active market, the entity recognises the asset at the transferor's carrying amount. Where the transferor is prohibited from recognising internally generated intangibles, the entity does not recognise that asset.

(m) Budgeted Amounts

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period, as adjusted for section 24 of the *Public Finance and Audit Act 1983* where there has been a transfer of functions between departments. Other amendments made to the budget are not reflected in the budgeted amounts.

NSW RURAL FIRE SERVICE

Notes to the financial statements for the period ended 30 June 2014

(n) Centralised Billing and Collecting Services

The Ministry for Police and Emergency Services (MPES) is responsible for the centralised billing and collection of legislated contributions for the funding of Emergency Service Agencies from the insurance industry and Local Councils. MPES acts as agent for the Service, Fire and Rescue NSW and the State Emergency Service.

(o) Comparative Information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

(p) Changes in Accounting Policy, including New or Revised Australian Accounting Standards

(i) Effective for the first time in 2013-14

The accounting policies applied in 2013-14 are consistent with those of the previous financial year except as a result of the following new or revised Australian Accounting Standards that have been applied for the first time in 2013-14:

- AASB 13 *Fair Value Measurement*; and
- AASB 119 *Employee Benefits*.

The impact of these standards in the period of initial application includes:

- AASB 13 *Fair Value Measurement*

The Standard requires additional disclosures (refer to Notes 1(j) and 19) however there is no financial impact on the Statements.

In accordance with the transitional provisions contained in Appendix C of AASB 13:

- the Standard has been applied prospectively as of the beginning of the reporting period; and
- comparative information is not provided for reporting periods before the initial application of the Standard.

- AASB 119 *Employee Benefits*

In the current year, the Service adopted AASB 119 *Employee Benefits* (2011).

AASB 119 (2011) replaces the interest cost and expected return on plan assets under the previous version of AASB 119 with a net interest amount. The Service therefore determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the opening net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments.

NSW RURAL FIRE SERVICE

Notes to the financial statements for the period ended 30 June 2014

Under AASB 119 (2011), taxes payable on future investment income of the plan are included in the return on plan assets and therefore charged to other comprehensive income as part of the excess or shortfall of the overall plan assets over the amount included in net interest on the net defined benefit liability. A contribution tax provision has been included in the net defined benefit liability / (asset) and the defined benefit obligation. The contribution tax provision is calculated based on grossing up the deficit less the allowance for past service expenses and insurable death and disability liabilities at a contribution tax rate of 15%. Previously a contribution tax provision of zero was included as a contribution tax rate of zero was assumed.

The Service has applied the standard retrospectively in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, except that, in accordance with the transitional provisions of the Standard:

- the carrying amount of assets outside the scope of the Standard have not been adjusted for changes in employee benefit costs that were included in the carrying amount before the date of initial application; and
- comparative information for the disclosures about the sensitivity of defined benefit obligations (paragraph 145) is not presented.

Consequently, the comparative figures and opening statement of financial position of the earliest comparative period presented have been restated.

The quantitative impact of the change is set out below:

Impacts to the statement of financial position

1 July 2012

	As previously reported	Impact of change in accounting policy	As restated
	\$'000	\$'000	\$'000
Unfunded superannuation	23,155	3,787	26,942
Provisions (Non-Current)	24,044	3,787	27,831
Total Non-Current Liabilities	24,044	3,787	27,831
Total Liabilities	68,229	3,787	72,016
Net assets	11,359	(3,787)	7,572
Accumulated funds	11,359	(3,787)	7,572
Total equity	11,359	(3,787)	7,572

30 June 2013

	As previously reported	Impact of change in accounting policy	As restated
	\$'000	\$'000	\$'000
Unfunded superannuation	16,993	2,729	19,722
Provisions (Non-Current)	17,932	2,729	20,661
Total Non-Current Liabilities	18,415	2,729	21,144
Total Liabilities	74,241	2,729	76,970
Net assets	12,996	(2,729)	10,267
Accumulated funds	12,996	(2,729)	10,267
Total equity	12,996	(2,729)	10,267

NSW RURAL FIRE SERVICE

Notes to the financial statements for the period ended 30 June 2014

For the year ended 30 June 2014

	Impact of change in accounting policy \$'000
Increase / (Decrease) in Unfunded superannuation	2,677
Increase / (Decrease) in Provisions (Non-Current)	2,677
Increase / (Decrease) Total Non-Current Liabilities	2,677
Increase / (Decrease) in Total liabilities	2,677
Increase / (Decrease) in Net assets	(2,677)
Increase / (Decrease) in Accumulated funds	(2,677)
Increase / (Decrease) in Total equity	(2,677)

Impact on statement of comprehensive income

For the year ended 30 June 2013

	As previously reported \$'000	Impact of change in accounting policy \$'000	As restated \$'000
Superannuation – defined benefit plans	799	1,969	2,768
Employee related expenses	91,213	1,969	93,182
Total expenses excluding losses	374,110	1,969	376,079
Net result	(3,621)	(1,969)	(5,590)
Remeasurement of net defined benefit liability	5,258	3,027	8,285
Total other comprehensive income	5,258	3,027	8,285
Total comprehensive income	1,637	1,058	2,695

For the year ended 30 June 2014

	Impact of change in accounting policy \$'000
Superannuation – defined benefit plans	1,910
Employee related expenses	1,910
Total expenses excluding losses	1,910
Net result	(1,910)
Remeasurement of net defined benefit liability	1,962
Total other comprehensive income	1,962
Total comprehensive income	52

There is no impact on the statement of cash flows.

NSW RURAL FIRE SERVICE

Notes to the financial statements for the period ended 30 June 2014

(ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise.

The following new Accounting Standards have not been applied and are not yet effective:

- AASB 9, AASB 2010-7 and AASB 2012-6 regarding financial instruments
- AASB 10 *Consolidated Financial Statements*
- AASB 11 *Joint Arrangements*
- AASB 12 *Disclosure of Interests in Other Entities*
- AASB 127 *Separate Financial Statements*
- AASB 128 *Investments in Associates and Joint Ventures*
- AASB 1031 *Materiality*
- AASB 1055 and AASB 2013-1 regarding budgetary reporting
- AASB 2011-7 regarding consolidation and joint arrangements
- AASB 2012-3 regarding offsetting financial assets and financial liabilities
- AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets
- AASB 2013-4 regarding financial instruments – Novation of Derivatives and Continuation of Hedge Accounting
- AASB 2013-5 regarding accounting for Investment Entities
- AASB 2013-6 regarding Reduced Disclosure Requirements
- AASB 2013-7 regarding accounting for life insurance contracts
- AASB 2013-8 regarding Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities
- AASB 2013-9 regarding the Conceptual Framework, Materiality and Financial Instruments (Parts B and C).

The initial application of these Standards will have no known material impact on the financial statements.

	2014 \$'000	2013 \$'000
2. Expenses Excluding Losses		
(a) Employee related expenses		
Salaries and wages (including recreation leave)	77,546	77,953
Superannuation – defined benefit plans*	2,357	2,768
Superannuation – defined contribution plans	6,067	5,611
Long service leave	2,758	665
Workers' compensation insurance	923	1,127
Payroll tax	4,931	4,892
Fringe benefit tax	116	166
	<u>94,698</u>	<u>93,182</u>

* Refer Note 19. Superannuation actuarial gain of \$1.226m in 2013-14 (\$8.285m in 2012-13) is recognised as other comprehensive income.

NSW RURAL FIRE SERVICE

Notes to the financial statements for the period ended 30 June 2014

	2014 \$'000	2013 \$'000
(b) Other operating expenses include the following:		
Advertising	1,559	2,426
Audit Fees – Internal	198	275
Auditor's remuneration		
- audit of financial statements	147	126
Buildings - all outgoings	1,139	1,095
Computer software	496	887
Consultants	123	126
Consumables	141	297
Contractors	1,624	3,043
Electricity	559	562
Equipment – Computer	2,340	2,707
Equipment – General	4,613	4,005
Fees for service	6,725	5,365
Legal Fees	439	443
Maintenance *	292	372
Operating lease rental expense		
- minimum lease payments	4,601	4,721
Other Expenses	4,519	4,903
Printing and stationery	995	1,121
Staff training	1,278	876
Telephony	2,805	2,977
Travel	3,120	2,599
Vehicle operation	3,639	3,593
	<u>41,352</u>	<u>42,519</u>
<i>*Reconciliation – Total maintenance</i>		
Maintenance expense – contracted labour and other (non-employee related), as above	292	372
Employee related maintenance expense included in Note 2(a)	-	-
Total maintenance expenses included in Note 2(a) + 2(b)	<u>292</u>	<u>372</u>
(c) Depreciation and amortisation expense		
Depreciation		
Infrastructure systems	736	612
Plant and equipment	4,136	3,322
Land and buildings	560	557
	<u>5,432</u>	<u>4,491</u>
Amortisation		
Intangibles	510	282
	<u>5,942</u>	<u>4,773</u>

NSW RURAL FIRE SERVICE

Notes to the financial statements for the period ended 30 June 2014

	2014 \$'000	2013 \$'000
(d) Grants and subsidies		
Fire mitigation works	6,877	10,226
Payments for Council costs associated with rural fire fighting activities and equipment	111,681	108,612
Emergency fund – natural disasters	134,355	96,361
Other	3,720	5,843
	<u>256,633</u>	<u>221,042</u>
(e) Other expenses		
Workers' compensation insurance – volunteers	2,000	2,000
Public liability and other insurance	8,486	7,245
Aerial support	2,940	5,318
	<u>13,426</u>	<u>14,563</u>

3. Revenue

(a) Sale of goods and services		
Rendering of services	51	250
	<u>51</u>	<u>250</u>
(b) Grants and contributions		
Insurance company contributions	209,490	193,986
Local Government contributions	33,222	31,284
Natural disaster relief contributions *	121,352	87,729
Other Commonwealth and State Government grants	2,275	5,145
Department of Attorney General and Justice grants:		
Recurrent grant	40,635	37,953
Capital grant	861	554
	<u>407,835</u>	<u>356,651</u>

* Natural disaster relief contributions included above consist of emergencies declared under section 44 of the *Rural Fires Act 1997* exceeding the claims threshold of \$240,000.

NSW RURAL FIRE SERVICE

Notes to the financial statements for the period ended 30 June 2014

	2014 \$'000	2013 \$'000
(c) Other Revenue		
Sale of equipment	714	588
Comcover – protection of Commonwealth property	301	354
Business development – overseas training	-	5
Salary recoups	-	1,998
Aviation – use of contract by other agencies	8,644	6,772
TMF hindsight premium receipts	1	96
Workers' compensation receipts	730	143
Insurance claims proceeds	2,288	2,097
Development applications	517	385
Other	1,326	1,203
	14,521	13,641

In accordance with section 119(4)(b) of the *Rural Fires Act 1997*, distribution of proceeds from the sale by Councils of fire fighting equipment is allocated between the Service and the Councils in the same proportion as each entity's contribution to the purchase of the equipment. The Service's share of such proceeds totalled \$0.714m in 2013-14 (\$0.588m in 2012-13).

4. Gain / (Loss) on Disposal

Gain / (Loss) on disposal of plant and equipment		
Proceeds from disposal	2,975	1,831
Written down value of assets disposed	(2,279)	(1,884)
	696	(53)

5. Service Groups of the Entity

- (a) **Service Group 1** Community Safety
- Purpose: The protection of the Community through measures that enhance community awareness of and participation in fire risk reduction while reducing environmental impact on the NSW Rural Fire Service's incident management activities.
- (b) **Service Group 2** Emergency Bush Fire Operations
- Purpose: To cover the rapid and effective emergency response to incidents in bushfire prone areas to minimise injury and loss to the community.
- (c) **Service Group 3** Operational and Administrative Support
- Purpose: Covers the management and administrative support functions of the Service including financial, human resource and operational support, fire fighting fleet maintenance and the strategy and policy development roles.

NSW RURAL FIRE SERVICE

Notes to the financial statements for the period ended 30 June 2014

	2014 \$'000	2013 \$'000
6. Current Assets – Cash and Cash Equivalents		
(a) Cash		
Cash at bank and on hand	59,390	50,702
	<u>59,390</u>	<u>50,702</u>

For the purpose of the statement of cash flows, cash and cash equivalents include cash at bank, cash on hand, short-term deposits and bank overdraft.

Cash and cash equivalent assets recognised in the statement of financial position are reconciled at the end of financial year to the statement of cash flows as follows:

Cash and cash equivalents (per statement of financial position)	59,390	50,702
Closing cash and cash equivalents (per statement of cash flows)	<u>59,390</u>	<u>50,702</u>

Refer to Note 18 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

(b) Financing facilities available

The Service has a financing facility still required and available through NSW Treasury Corporation to facilitate cash flow until statutory contributions are received. During the year there were no borrowings. The Service has NSW Treasury approval to borrow a maximum of \$30m.

A cheque cashing facility of \$0.01m, a credit card facility of \$2.5m and a transaction negotiation authority of \$21m are held with the Government's banker, Westpac Banking Corporation, to facilitate routine transactions.

7. Current Assets – Receivables

Fees for service	7,324	5,669
Less: Allowance for impairment	(17)	(5)
Other receivables	2,629	5,681
GST receivable	2,965	2,580
Prepayments	2,006	1,437
	<u>14,907</u>	<u>15,362</u>
Movement in allowance for impairment		
Balance at 1 July	5	19
Amounts written off during the year	-	(17)
Amounts recovered during the year	-	-
Increase/(decrease) in allowance recognised in profit or loss	12	3
Balance at 30 June	<u>17</u>	<u>5</u>

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 18.

NSW RURAL FIRE SERVICE

Notes to the financial statements for the period ended 30 June 2014

8. Non-Current Assets – Property, Plant and Equipment

	Land and Buildings \$'000	Plant and Equipment \$'000	Infrastructure Systems \$'000	Total \$'000
At 1 July 2013 – fair value				
Gross carrying amount	5,146	26,064	4,644	35,854
Accumulated depreciation and impairment	(4,367)	(8,572)	(2,943)	(15,882)
Net carrying amount	779	17,492	1,701	19,972
At 30 June 2014 – fair value				
Gross carrying amount	5,302	28,734	6,653	40,689
Accumulated depreciation and impairment	(4,927)	(6,929)	(2,032)	(13,888)
Net carrying amount	375	21,805	4,621	26,801

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below:

	Land and Buildings \$'000	Plant and Equipment \$'000	Infrastructure Systems \$'000	Total \$'000
Period ended 30 June 2014				
Net carrying amount at start of year	779	17,492	1,701	19,972
Additions	156	10,728	3,656	14,540
Disposals	-	(2,279)	-	(2,279)
Depreciation expense	(560)	(4,136)	(736)	(5,432)
Prior year adjustment	-	-	-	-
Net carrying amount at end of period	375	21,805	4,621	26,801
At 1 July 2012 – fair value				
Gross carrying amount	5,146	21,666	3,920	30,732
Accumulated depreciation and impairment	(3,810)	(6,996)	(2,331)	(13,137)
Net carrying amount	1,336	14,670	1,589	17,595
At 30 June 2013 – fair value				
Gross carrying amount	5,146	26,064	4,644	35,854
Accumulated depreciation and impairment	(4,367)	(8,572)	(2,943)	(15,882)
Net carrying amount	779	17,492	1,701	19,972

NSW RURAL FIRE SERVICE

Notes to the financial statements for the period ended 30 June 2014

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the prior reporting period is set out below:

	Land and Buildings \$'000	Plant and Equipment \$'000	Infrastructure Systems \$'000	Total \$'000
Year ended 30 June 2013				
Net carrying amount at start of year	1,336	14,670	1,589	17,595
Additions	-	8,030	724	8,754
Disposals	-	(1,884)	-	(1,884)
Depreciation expense	(557)	(3,322)	(612)	(4,491)
Prior year adjustment	-	(2)	-	(2)
Net carrying amount at end of year	779	17,492	1,701	19,972

9. Intangible Assets

	Software \$'000	Total \$'000
At 1 July 2013		
Cost (gross carrying amount)	2,888	2,888
Accumulated amortisation and impairment	(1,687)	(1,687)
Net carrying amount	1,201	1,201
At 30 June 2014		
Cost (gross carrying amount)	3,267	3,267
Accumulated amortisation and impairment	(1,309)	(1,309)
Net carrying amount	1,958	1,958
Year ended 30 June 2014		
Net carrying amount at start of year	1,201	1,201
Additions (acquired separately)	179	179
Additions (internally developed)	1,088	1,088
Disposals	-	-
Amortisation (recognised in 'depreciation and amortisation')	(510)	(510)
Net carrying amount at end of year	1,958	1,958

NSW RURAL FIRE SERVICE

Notes to the financial statements for the period ended 30 June 2014

	Software \$'000	Total \$'000
At 1 July 2012		
Cost (gross carrying amount)	1,926	1,926
Accumulated amortisation and impairment	(1,405)	(1,405)
Net carrying amount	<u>521</u>	<u>521</u>
At 30 June 2013		
Cost (gross carrying amount)	2,888	2,888
Accumulated amortisation and impairment	(1,687)	(1,687)
Net carrying amount	<u>1,201</u>	<u>1,201</u>
Year ended 30 June 2013		
Net carrying amount at start of year	521	521
Additions (acquired separately)	962	962
Additions (internally developed)	-	-
Disposals	-	-
Amortisation (recognised in 'depreciation and amortisation')	(282)	(282)
Net carrying amount at end of year	<u>1,201</u>	<u>1,201</u>
	2014	2013
	\$'000	\$'000

10. Restricted Assets

Cash held as part of the ICT Reinvestment Pool	<u>489</u>	<u>488</u>
	<u>489</u>	<u>488</u>

The Service holds funds that form part of the Information and Communications Technology (ICT) Reinvestment Pool which can only be expended in accordance with the requirements of NSW Treasury Policy Paper 12-05 *Information and Communications Technology (ICT) Reinvestment Pool*.

11. Current Liabilities – Payables

Accrued salaries, wages and on-costs	2,089	2,175
Accrued payables	13,565	10,492
Creditors	<u>14,910</u>	<u>18,072</u>
	<u>30,564</u>	<u>30,739</u>

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables, are disclosed in Note 18.

NSW RURAL FIRE SERVICE

Notes to the financial statements for the period ended 30 June 2014

	2014 \$'000	2013 \$'000
12. Current / Non-Current Liabilities - Provisions		
Employee benefits and related on-costs		
Recreation leave	10,189	8,772
Long service leave	19,931	17,173
Unfunded superannuation (refer Note 19)	19,257	19,722
Provisions for Fringe Benefits Tax	64	5
	<u>49,441</u>	<u>45,672</u>
Other provisions	<u>-</u>	<u>-</u>
Total provisions	<u>49,441</u>	<u>45,672</u>
Aggregate employee benefits and related on-costs		
Provisions – current	29,293	25,011
Provisions – non-current	20,148	20,661
Accrued salaries, wages and on-costs (Note 11)	2,089	2,175
	<u>51,530</u>	<u>47,847</u>

13. Current / Non-Current Liabilities – Other

Lease incentive	506	559
	<u>506</u>	<u>559</u>

14. Commitments for Expenditure

(a) Capital Commitments

Aggregate capital expenditure for the acquisition of plant and equipment and infrastructure systems contracted for at balance date and not provided for:

Not later than one year	2,242	1,133
Later than one year and not later than five years	-	-
Later than five year	-	-
Total (including GST)	<u>2,242</u>	<u>1,133</u>

Capital commitments include income tax credits of \$0.204m in 2013-14 (2012-13 \$0.103m) that are expected to be recovered from the Australian Taxation Office.

NSW RURAL FIRE SERVICE

Notes to the financial statements for the period ended 30 June 2014

	2014 \$'000	2013 \$'000
(b) Operating Lease Commitments		
Future non-cancellable operating lease rentals not provided for and payable:		
Not later than one year	4,897	5,669
Later than one year and not later than five years	17,287	10,592
Later than five year	2,902	3,798
Total (including GST)	<u>25,086</u>	<u>20,059</u>

Operating lease commitments include income tax credits of \$2.281m in 2013-14 (\$1.824m in 2012-13) that are expected to be recovered from the Australian Taxation Office.

Operating lease commitments comprise of properties for the NSW Rural Fire Service Headquarters, Regional Offices and a warehouse at Glendenning and motor vehicles.

15. Contingent Assets and Contingent Liabilities

Contingent liabilities

At balance date the Service was a party to litigation that may result in the payment of minor amounts to settle legal claims. As the Service is insured through the Treasury Managed Fund in respect of the majority of legal claims, any residual amounts are considered to be immaterial. It is not practicable to quantify these amounts due to their nature.

Contingent liabilities associated with the Local Government Superannuation Scheme are disclosed at Note 19(m).

Contingent assets

The Service has no contingent assets.

16. Budget Review

Net result

The Net Result of the Service was \$48.0m better than budget for the reporting period.

Major reasons for this variation were:

- Grants and subsidies expenses and grants and contributions revenue were both significantly impacted by natural disaster response in the reporting period. Expenses are incurred by the Service which are reimbursed from the NSW Government Disaster Response Account where the expenses exceed the Service's allocated budget and meet defined criteria. These costs were \$127.4m above the allocated budget and reimbursements were \$121.4m (refer Note 3(b)) in the reporting period;
- Over-expenditure of employee related expenses was anticipated during the year, and an adjustment to the Employee related expenses target was approved during the year with an offsetting reduction in Other expenses;
- Under-expenditure on the Private Radio Network and Paging project due to delays outside of the Service's control. The project will be completed in future periods and funds have been approved to be carried forward;
- Delays in the completion of fire fighting infrastructure by Local Councils which will be completed in future periods; and
- Higher than anticipated revenue.

NSW RURAL FIRE SERVICE

Notes to the financial statements for the period ended 30 June 2014

Assets and liabilities

The Service's Net Assets were \$60.9m higher than budget for the reporting period.

Major reasons for improvements in the asset position were:

- An improved cash and receivables position resulting from under-expenditure and improved revenue referred to above, along with a higher level of creditors at the end of the reporting period meaning that higher levels of cash were held at period end; and
- Additional expenditure on non-current assets compared to the budget, with an enhancement to the capital program having been approved during the period, and the variance to budget largely results from the budget having been based on forecast opening balances which differed to those actually experienced.

This was partly offset by a higher than budgeted liabilities position consisting of a higher than expected level of creditors, which is offset by a higher than budget level of cash.

Cash flows

The Service's cash position was \$54.0m higher than budget due to:

- A change in the opening cash position compared to budget of \$5.7m; and
- Under-expenditure and improved revenue referred to above.

	2014 \$'000	2013 \$'000
17. Reconciliation of Cash Flows from Operating Activities to Net Result		
Net cash from operating activities	21,520	356
Depreciation	(5,942)	(4,773)
Decrease/(increase) in provisions	(3,769)	8,367
Decrease/(increase) in other liabilities	53	(559)
Increase/(decrease) in prepayments and other assets	(455)	12,118
Decrease/(increase) in creditors	175	(12,761)
(Gain)/loss on remeasurement of net defined benefit superannuation liability	(1,226)	(8,285)
Net gain/(loss) on sale of plant and equipment	696	(53)
Net result	<u>11,052</u>	<u>(5,590)</u>

18. Financial Instruments

The Service's principal financial instruments are outlined below. These financial instruments arise directly from the Service's operations or are required to finance the Service's operations. The Service does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Service's main risks arising from financial instruments are outlined below, together with the Service's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

The Commissioner has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Service, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Audit and Risk Committee.

NSW RURAL FIRE SERVICE

Notes to the financial statements for the period ended 30 June 2014

(a) Financial instrument categories

Financial Assets	Note	Category	Carrying Amount	Carrying Amount
			2014	2013
			\$'000	\$'000
Class:				
Cash and cash equivalents	6(a)	N/A	59,390	50,702
Receivables ¹	7	Loans and receivables (at amortised cost)	9,936	11,001

Financial Liabilities	Note	Category	Carrying Amount	Carrying Amount
			2014	2013
			\$'000	\$'000
Class:				
Payables ²	11	Financial liabilities (at amortised cost)	28,475	28,564

Notes

¹ Excludes statutory receivables and prepayments (ie not within the scope of AASB 7)

² Excludes statutory payables and unearned revenue (ie not within the scope of AASB 7)

(b) Credit risk

Credit risk arises when there is the possibility of the Service's debtors defaulting on their contractual obligations, resulting in a financial loss to the Service. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the Service, including cash, receivables, and authority deposits. No collateral is held by the Service. The Service has not granted any financial guarantees.

Cash

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest earned on the Service's cash is retained by NSW Treasury.

Receivables – trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. Sales are made on 30 day terms.

The Service is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Based on past experience, debtors that are not past due (2013-14: \$5.201m; 2012-13: \$0.553m) and less than 3 months past due (2013-14: \$1.531m; 2012-13: \$4.737m) are not considered impaired. Together, these represent 92% of the total trade debtors.

The only financial assets that are past due or impaired are 'fees for service' in the 'receivables' category of the statement of financial position.

NSW RURAL FIRE SERVICE

Notes to the financial statements for the period ended 30 June 2014

	Total	Past due but not impaired ^{1,2}	Considered Impaired ^{1,2}
	\$'000	\$'000	\$'000
2014			
< 3 months overdue	1,531	1,531	-
3 months – 6 months overdue	522	522	-
>6 months overdue	70	53	17
2013			
< 3 months overdue	4,737	4,737	-
3 months – 6 months overdue	372	372	-
>6 months overdue	7	2	5

Notes

^{1.} Each column in the table reports 'gross receivables'

^{2.} The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7 and excludes receivables that are not past due and not impaired. Therefore the 'total' will not reconcile to the receivables total recognised in the statement of financial position.

(c) Liquidity risk

Liquidity risk is the risk that the Service will be unable to meet its payment obligations when they fall due. The Service continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, loans and other advances.

During the current and prior years, there were no defaults on any loans payable. No assets have been pledged as collateral. The Service's exposure to liquidity risk is deemed insignificant based on prior period's data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Head of an authority (or a person appointed by the Head of an authority) may automatically pay the supplier simple interest. The rate of interest applied during the year was 10.63% (2012-13: 12.37%).

The table below summaries the maturity profile of the Service's financial liabilities, together with the interest rate exposure.

NSW RURAL FIRE SERVICE

Notes to the financial statements for the period ended 30 June 2014

Maturity analysis and interest rate exposure of financial liabilities

	Weighted Average Effective Int. Rate	Nominal Amount ¹ \$'000	Interest Rate Exposure			Maturity Dates		
			Fixed Interest Rate \$'000	Variable Interest Rate \$'000	Non- Interest Bearing \$'000	<1 year \$'000	1-5 years \$'000	> 5 years \$'000
2014								
Payables	Nil	28,475	-	-	28,475	28,475	-	-
		28,475	-	-	28,475	28,475	-	-
2013								
Payables	Nil	28,564	-	-	28,564	28,564	-	-
		28,564	-	-	28,564	28,564	-	-

Notes:

¹: The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the entity can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to statement of financial position.

NSW RURAL FIRE SERVICE

Notes to the financial statements for the period ended 30 June 2014

(d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Service has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Service operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis is performed on the same basis as for 2013. The analysis assumes that all other variables remain constant.

Interest rate risk

Exposure to interest rate risk arises primarily through the entity's interest bearing liabilities. The entity does not account for any fixed rate financial instruments at fair value through profit or loss or as available-for-sale. Therefore for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The entity's exposure to interest rate risk is set out below.

	Carrying Amount \$'000	-1% Profit \$'000	Equity \$'000	1% Profit \$'000	Equity \$'000
2014					
<i>Financial assets</i>					
Cash and cash equivalents	59,390	(594)	(594)	594	594
Receivables	9,936	(99)	(99)	99	99
<i>Financial liabilities</i>					
Payables	28,475	285	285	(285)	(285)
2013					
<i>Financial assets</i>					
Cash and cash equivalents	50,702	(507)	(507)	507	507
Receivables	11,001	(110)	(110)	110	110
<i>Financial liabilities</i>					
Payables	28,564	286	286	(286)	(286)

(e) Fair value compared to carrying amount

Financial instruments are generally recognised at cost. The amortised cost of financial instruments recognised in the statement of financial position approximates the fair value because of the short term nature of many of the financial instruments.

19. Superannuation – Defined Benefit Plans

Fund Information

The Pooled Fund holds in trust the investments of the closed NSW public sector superannuation schemes:

- State Superannuation Scheme (SSS)
- State Authorities Superannuation Scheme (SASS)
- State Authorities Non-Contributory Superannuation Scheme (SANCS)

These schemes are all defined benefit schemes – at least a component of the final benefit is derived from a multiple of member salary and years of membership. Members receive lump sum or pension benefits on retirement, death, disablement and withdrawal.

All the schemes are closed to new members.

Description of the regulatory framework

The schemes in the Pooled Fund are established and governed by the following NSW legislation: *Superannuation Act 1916*, *State Authorities Superannuation Act 1987*, *State Authorities Non-Contributory Superannuation Scheme Act 1987*, and their associated regulations.

The Schemes in the Pooled Fund are exempt public sector superannuation schemes under the Commonwealth *Superannuation Industry (Supervision) Act 1993* (SIS). The SIS legislation treats exempt public sector superannuation funds as complying funds for concessional taxation and superannuation guarantee purposes.

Under a Heads of Government agreement, the New South Wales Government undertakes to ensure that the Pooled Fund will conform with the principles of the Commonwealth's retirement incomes policy relating to preservation, vesting and reporting to members and that members' benefits are adequately protected.

The New South Wales Government prudentially monitors and audits the Pooled Fund and the Trustee Board activities in a manner consistent with the prudential controls of the SIS legislation. These provisions are in addition to other legislative obligations on the Trustee Board and internal processes that monitor the Trustee Board's adherence to the principles of the Commonwealth's retirement incomes policy.

An actuarial investigation of the Pooled Fund is performed every three years. The last actuarial investigation was performed as at 30 June 2012.

Description of other entities responsibilities for the governance of the fund

The Fund's Trustee is responsible for the governance of the Fund. The Trustee has a legal obligation to act solely in the best interests of fund beneficiaries. The Trustee has the following roles:

- Administration of the fund and payment to the beneficiaries from fund assets when required in accordance with fund rules;
- Management and investment of the fund assets; and
- Compliance with other applicable regulations.

NSW RURAL FIRE SERVICE

Notes to the financial statements for the period ended 30 June 2014

Description of risks

There are a number of risks to which the Fund exposes the Employer. The more significant risks relating to the defined benefits are:

- **Investment risk** – the risk that investment returns will be lower than assumed and the Employer will need to increase contributions to offset this shortfall.
- **Longevity risk** – the risk that pensioners live longer than assumed, increasing future pensions.
- **Pension indexation risk** – the risk that pensions will increase at a rate greater than assumed, increasing future pensions.
- **Salary growth risk** – the risk that wages or salaries (on which future benefit amounts for active members will be based) will rise more rapidly than assumed, increasing defined benefit amounts and thereby requiring additional employer contributions.
- **Legislative risk** – the risk is that legislative changes could be made which increase the cost of providing the defined benefits.

The defined benefit fund assets are invested with independent fund managers and have a diversified asset mix. The Fund has no significant concentration of investment risk or liquidity risk.

Description of significant events

There were no fund amendments, curtailments or settlements during the year (2012-13: Nil).

(a) Reconciliation of the net defined benefit liability / (asset)

A reconciliation of the net defined benefit liability / (asset) as at 30 June 2014 is as follows:

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Net defined benefit liability/(asset) at start of the year	2,185	178	17,358	19,721
Current service cost	408	108	319	835
Net interest on the net defined benefit liability/(asset)	76	5	653	734
Past service cost	-	-	-	-
(Gains) / losses arising from settlements	-	-	-	-
Actual return on Fund assets less interest income	(845)	(184)	(2,003)	(3,032)
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	531	175	1,748	2,454
Actuarial (gain)/losses arising from liability experience	46	(106)	(587)	(647)
Adjustment for effect of asset ceiling	-	-	-	-
Employer contributions	(355)	(108)	(345)	(808)
Net defined benefit liability/(asset) at end of year	2,046	68	17,143	19,257

NSW RURAL FIRE SERVICE

Notes to the financial statements for the period ended 30 June 2014

Comparative information as at 30 June 2013 is as follows:

	SASS	SANCS	SSS	Total
	\$'000	\$'000	\$'000	\$'000
Net defined benefit liability/(asset) at start of year	3,291	763	22,888	26,942
Current service cost	465	125	335	925
Net interest on the net defined benefit liability/(asset)	96	22	696	814
Past service cost	-	-	-	-
(Gains) / losses arising from settlements	-	-	-	-
Actual return on Fund assets less interest income	(777)	(264)	(2,888)	(3,929)
Actuarial (gains)/losses arising from changes in demographic assumptions	47	(6)	1,695	1,736
Actuarial (gains)/losses arising from changes in financial assumptions	(708)	(224)	(5,619)	(6,551)
Actuarial (gain)/losses arising from liability experience	86	(146)	520	460
Adjustment for effect of asset ceiling	-	-	-	-
Employer contributions	(315)	(92)	(269)	(676)
Net defined benefit liability/(asset) at end of year	2,185	178	17,358	19,721

(b) Reconciliation of the fair value of fund assets

A reconciliation of the fair value of fund assets as at 30 June 2014 is as follows:

	SASS	SANCS	SSS	Total
	\$'000	\$'000	\$'000	\$'000
Fair value of Fund assets at beginning of the year	8,329	2,233	22,729	33,291
Interest income	303	81	847	1,231
Actual return on Fund assets less interest income	845	184	2,003	3,032
Employer contributions	355	108	345	808
Contributions by participants	180	-	194	374
Benefits paid	(986)	(298)	(1,267)	(2,551)
Taxes, premiums and expenses paid	20	32	8	60
Transfers in	-	-	-	-
Contributions to accumulation section	-	-	-	-
Settlements	-	-	-	-
Exchange rate changes	-	-	-	-
Fair value of Fund assets at end of the year	9,046	2,340	24,859	36,245

NSW RURAL FIRE SERVICE

Notes to the financial statements for the period ended 30 June 2014

Comparative information as at 30 June 2013 is as follows:

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Fair value of Fund assets at beginning of the year	7,807	1,998	19,768	29,573
Interest income	225	57	592	874
Actual return on Fund assets less interest income	777	264	2,888	3,929
Employer contributions	315	92	269	676
Contributions by participants	189	-	203	392
Benefits paid	(912)	(237)	(1,074)	(2,223)
Taxes, premiums and expenses paid	(72)	59	83	70
Transfers in	-	-	-	-
Contributions to accumulation section	-	-	-	-
Settlements	-	-	-	-
Exchange rate changes	-	-	-	-
Fair value of Fund assets at end of the year	8,329	2,233	22,729	33,291

(c) Reconciliation of the defined benefit obligations

A reconciliation of the fair value of fund assets as at 30 June 2014 is as follows:

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Present value of defined benefit obligations at beginning of the year	10,514	2,411	40,087	53,012
Current service costs	408	108	319	835
Interest cost	378	87	1,500	1,965
Contributions by participants	180	-	194	374
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	531	175	1,748	2,454
Actuarial (gains)/losses arising from liability experience	46	(106)	(587)	(647)
Benefits paid	(986)	(298)	(1,267)	(2,551)
Taxes, premiums and expenses paid	20	32	8	60
Transfers in	-	-	-	-
Contributions to accumulations section	-	-	-	-
Past service cost	-	-	-	-
Settlements	-	-	-	-
Exchange rate changes	-	-	-	-
Present value of defined benefit obligations at end of the year	11,091	2,409	42,002	55,502

NSW RURAL FIRE SERVICE

Notes to the financial statements for the period ended 30 June 2014

Comparative information as at 30 June 2013 is as follows:

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Present value of defined benefit obligations at beginning of the year	11,098	2,761	42,656	56,515
Current service costs	465	125	335	925
Interest cost	321	79	1,288	1,688
Contributions by participants	189	-	203	392
Actuarial (gains)/losses arising from changes in demographic assumptions	47	(6)	1,695	1,736
Actuarial (gains)/losses arising from changes in financial assumptions	(708)	(224)	(5,619)	(6,551)
Actuarial (gains)/losses arising from liability experience	86	(146)	520	460
Benefits paid	(912)	(237)	(1,074)	(2,223)
Taxes, premiums and expenses paid	(72)	59	83	70
Transfers in	-	-	-	-
Contributions to accumulations section	-	-	-	-
Past service cost	-	-	-	-
Settlements	-	-	-	-
Exchange rate changes	-	-	-	-
Present value of defined benefit obligations at end of the year	10,514	2,411	40,087	53,012

(d) Reconciliation of the effect of the asset ceiling

A reconciliation of the effect of the asset ceiling as at 30 June 2014 is as follows:

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Adjustment for the effect of the asset ceiling at the beginning of the year	-	-	-	-
Change in the effect of the asset ceiling	-	-	-	-
Adjustment for the effect of the asset ceiling at the end of the year	-	-	-	-

Comparative information as at 30 June 2013 is as follows:

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Adjustment for the effect of the asset ceiling at the beginning of the year	-	-	-	-
Change in the effect of the asset ceiling	-	-	-	-
Adjustment for the effect of the asset ceiling at the end of the year	-	-	-	-

NSW RURAL FIRE SERVICE

Notes to the financial statements for the period ended 30 June 2014

(e) Fair value of fund assets

All Pooled Fund assets are invested by STC at arm's length through independent fund managers and assets are not separately invested for each entity and it is not possible or appropriate to disaggregate and attribute fund assets to individual entities. As such, the disclosures below relate to total assets of the Pooled Fund.

Fair value as at 30 June 2014 is as follows:

Asset category	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total Fair Value \$'000
Short term securities	1,572,615	880,140	-	2,452,755
Australian fixed interest	10,928	2,354,086	-	2,365,014
International fixed interest	-	880,529	-	880,529
Australian equities	11,494,549	241,423	2,664	11,738,636
International equities	8,172,677	2,780,531	121	10,953,329
Property	894,113	692,296	1,686,577	3,272,986
Alternatives	565,401	4,897,152	866,857	6,329,410
	<u>22,710,283</u>	<u>12,726,157</u>	<u>2,556,219</u>	<u>37,992,659</u>

Note: Additional to the assets disclosed above, at 30 June 2014 the Pooled Fund has provisions for receivables/(payables) estimated to be around \$2.2 billion, giving estimated assets totalling around \$40.2 billion.

Comparative information as at 30 June 2013 is not available and not required to be presented under the transitional provisions of AASB 13 (refer Note 1(p)(i)).

The percentage invested in each asset class at the reporting date is:

	30 June 2014	30 June 2013
Short term securities	6.5%	-
Australian fixed interest	6.2%	6.9%
International fixed interest	2.3%	2.2%
Australian equities	30.9%	30.4%
International equities	28.8%	26.1%
Property	8.6%	8.3%
Alternatives	16.7%	-
Cash	-	13.1%
Other	-	13.0%
Total	<u>100.0%</u>	<u>100.0%</u>

Level 1 – quoted prices in active markets for identical assets or liabilities. The assets in this level are listed shares; listed unit trusts.

Level 2 – inputs other than quoted prices observable for the asset or liability either directly or indirectly. The assets in this level are cash; notes; govern, semi-government and corporate bonds; unlisted trusts where quoted prices are available in active markets for identical assets or liabilities.

Level 3 – inputs for the asset or liability that are not based on observable market data. The assets in this level are unlisted property; unlisted shares; unlisted infrastructure; distressed debt; hedge funds.

NSW RURAL FIRE SERVICE

Notes to the financial statements for the period ended 30 June 2014

Derivatives, including futures and options, can be used by investment managers. However, each manager's investment mandate clearly states that derivatives may only be used to facilitate efficient cash flow management or to hedge the portfolio against market movements and cannot be used for speculative purposes or gearing of the investment portfolio. As such managers make limited use of derivatives.

(f) Fair value of the entities own financial instruments

The disclosures below relate to total assets of the Pooled Fund.

The fair value of the Pooled Fund assets include as at 30 June 2014 \$173.9m in NSW government bonds. Comparative information for the period ended 30 June 2013 is not available and not required to be presented under the transitional provisions of AASB 13 (refer Note 1(p)(i)).

(g) Significant actuarial assumptions at the reporting date

	30 June 2014	30 June 2013
Salary increase rate (excluding promotional increases)		
2013-14 to 2014-15	2.27% per annum	2.25% per annum
2015-16 to 2017-18	2.5% per annum	2.0% per annum
2018-19 to 2019-20	3.0% per annum	2.0% per annum
2020-21 to 2022-23	3.0% per annum	2.5% per annum
2023-24 onwards	3.5% per annum	2.5% per annum
Rate of CPI increase	2.5% per annum	2.5% per annum
Discount rate	3.57% per annum	3.80% per annum
Pensioner mortality	As per the 2012 Actuarial Investigation of the Pooled Fund	As per the 2012 Actuarial Investigation of the Pooled Fund

(h) Sensitivity analysis

The Service's total defined benefit obligation at 30 June 2014 under several scenarios is presented below. The total defined benefit obligation disclosed is inclusive of the contribution tax provision which is calculated based on the asset level at 30 June 2014.

Scenarios A to F relate to sensitivity of the total defined benefit obligation to economic assumptions, and scenario G and H relate to sensitivity to demographic assumptions.

	Base Case	Scenario A -1.0% discount rate	Scenario B +1.0% discount rate
Discount rate	3.57%	2.57%	4.57%
Rate of CPI increase	as above	as above	as above
Salary inflation rate	as above	as above	as above
Defined benefit obligation (\$'000)	55,502	64,299	48,441

NSW RURAL FIRE SERVICE

Notes to the financial statements for the period ended 30 June 2014

	Base Case	Scenario C +0.5% rate of CPI increase	Scenario D -0.5% rate of CPI increase
Discount rate	as above	as above	as above
Rate of CPI increase	2.5%	3.0%	2.0%
Salary inflation rate	as above	as above	as above
Defined benefit obligation (\$'000)	55,502	58,976	52,357

	Base Case	Scenario E +0.5% salary increase rate	Scenario F -0.5% salary increase rate
Discount rate	as above	as above	as above
Rate of CPI increase	as above	as above	as above
Salary inflation rate	as above	Above rate plus 0.5% pa	Above rate less 0.5% pa
Defined benefit obligation (\$'000)	55,502	56,180	54,856

	Base Case	Scenario G +5% pensioner mortality rate	Scenario F -5% pensioner mortality rate
Defined benefit obligation (\$'000)	55,502	55,036	55,996

The defined benefit obligation has been recalculated by changing the assumptions as outlined above, whilst retaining all other assumptions.

(i) Asset-Liability matching strategies

The Trustee monitors its asset-liability risk continuously in setting its investment strategy. It also monitors cash flows to manage liquidity requirements.

(j) Funding arrangements

Funding arrangements are reviewed at least every three years following the release of the triennial actuarial review and was last reviewed following completion of the triennial review as a 30 June 2012. Contributions rates are set after discussions between the employer, STC and NSW Treasury.

Funding positions are reviewed annually and funding arrangements may be adjusted as required after each annual review.

(i) (Surplus) / Deficit

A summary of the 30 June 2014 financial position of the Fund calculated in accordance with AAS 25 *Financial Reporting by Superannuation Plans* is as follows:

	SASS \$'000	SANCS \$'000	SSS \$'000	Total \$'000
Accrued benefits*	9,150	1,934	22,268	33,352
Net market value of fund assets	(9,046)	(2,340)	(24,859)	(36,245)
Net (surplus) / deficit	104	(406)	(2,591)	(2,893)

* There is no allowance for contributions tax provision within the Accrued Benefits figure for AAS 25. Allowance for contributions tax is made when setting the contribution rates.

NSW RURAL FIRE SERVICE

Notes to the financial statements for the period ended 30 June 2014

Comparative information as at 30 June 2013 is as follows:

	SASS	SANCS	SSS	Total
	\$'000	\$'000	\$'000	\$'000
Accrued benefits*	8,900	2,030	21,661	32,591
Net market value of fund assets	(8,329)	(2,233)	(22,729)	(33,291)
Net (surplus) / deficit	571	(203)	(1,068)	(700)

* There is no allowance for contribution tax provision within the Accrued Benefits figure for AAS 25. Allowance for contributions tax is made when setting the contribution rates.

(ii) Contribution recommendations

Recommended contribution rates for the Service as at 30 June 2014 are:

SASS	SANCS	SSS
Multiple of member contributions	% member salary	Multiple of member contributions
1.9	2.5	1.6

Comparative information as at 30 June 2013 is as follows:

SASS	SANCS	SSS
Multiple of member contributions	% member salary	Multiple of member contributions
1.9	2.5	1.6

(iii) Economic assumptions

The economic assumptions adopted for the 2012 actuarial review of the fund are:

	30 June 2014	30 June 2013
Weighted Average Assumptions		
Expected rate of return on fund assets backing current pension liabilities	8.3% per annum	8.3% per annum
Expected rate of return on fund assets backing other liabilities	7.3% per annum	7.3% per annum
Expected salary increase rate (excluding promotional salary increases)	2.7% per annum to 30 June 2018 then 4.0% per annum thereafter	2.7% per annum to 30 June 2018 then 4.0% per annum thereafter
Expected rate of CPI increase	2.5% per annum	2.5% per annum

NSW RURAL FIRE SERVICE

Notes to the financial statements for the period ended 30 June 2014

(k) Expected contributions

Expected employer contributions to be paid in the next reporting period are:

	SASS	SANCS	SSS	Total
	Period to	Period to	Period to	Period to
	30 June	30 June	30 June	30 June
	2015	2015	2015	2015
	\$'000	\$'000	\$'000	\$'000
Expected employer contributions	342	100	311	753

Comparative information as at 30 June 2013 is as follows:

	SASS	SANCS	SSS	Total
	Year to	Period to	Period to	Period to
	30 June	30 June	30 June	30 June
	2014	2014	2014	2014
	\$'000	\$'000	\$'000	\$'000
Expected employer contributions	359	105	325	789

(l) Maturity profile of defined benefit obligation

The weighted average duration of the defined benefit obligation is 14.1 years (2012-13: 13.9 years).

(m) The Local Government Superannuation Scheme

Fund Information

The Service has a number of employees who are members of the Local Government Superannuation Scheme Pool B (the Scheme) as a result of the transfer of local government employees to the Service.

The Scheme consists of three Divisions. Division B and Division C comprise of both a defined benefit component and a defined contribution component, whilst Division D is a defined benefit scheme. All divisions are closed to new members, except for members of eligible entities who can transfer their entitlements into the Scheme.

The Scheme is deemed to be a "multi-employer defined benefit plan" for the purpose of AASB 119 as:

- Assets are not segregated within the sub-group according to the employees of each sponsoring employer;
- The contribution rates have been the same for all sponsoring employers. That is, contribution rates have not varied for each sponsoring employer according to the experience relating to the employees of that sponsoring employer;
- Benefits for employees of all sponsoring employers are determined according to the same formulae and without regard to the sponsoring employer; and
- The same actuarial assumptions are currently used in respect of the employees of each sponsoring employer.

Given the factors set out above, each sponsoring employer is exposed to the actuarial risk associated with current and former employees of other sponsoring employers and hence shares in the associated gains and losses (to the extent that they are not borne by members). As such, there is insufficient reliable information to allow each sponsoring employer to account for its proportionate share of the defined benefit obligation, sub-group assets and costs associated with the sub-group in the same way as it would for a single employer sponsored defined benefit plan.

As a result, the Service accounts for the Scheme as a defined contribution plan.

NSW RURAL FIRE SERVICE

Notes to the financial statements for the period ended 30 June 2014

(i) Funding arrangements

Pooled employers are required to pay standard employer contributions and additional lump sum contributions to the Scheme.

The standard employer contributions were determined using the new entrant rate method under which a contribution rate sufficient to fund the total benefits over the working life-time of a typical new entrant is calculated. The current standard employer contribution rates are:

- Division B - 1.9 times employee contributions;
- Division C - 2.5% salaries; and
- Division D - 1.64 times employee contributions.

As at 30 June 2009, the Scheme had a deficit of assets to accrued liabilities, and the trustees determined that each pooled employer would contribute an additional lump sum contribution, apportioned according to each employer's share of the accrued liabilities as at 30 June 2009. These additional lump sum contributions are used to fund the deficit of assets to accrued liabilities as at 30 June 2009.

The adequacy of contributions is assessed at each triennial actuarial investigation and monitored annually between triennials.

(ii) Liability for other entities obligations

Each sponsoring employer is exposed to the actuarial risks associated with current and former employees of other sponsoring employers and hence shares the associated gains and losses.

However, there is no relief under the Scheme's trust deed for employers to walk away from their obligations. Under limited circumstances an employer may withdraw from the plan (ie when there are no active members and on full payment of outstanding additional contributions). There is no provision for allocation of any surplus which may be present at the date of withdrawal of the entity.

(iii) Allocation of deficit or surplus

There are no specific provisions under the Scheme's trust deed dealing with a deficit or surplus on wind up of the Scheme.

There is no provision for allocation of any surplus which may be present at the date of withdrawal of an employer.

(iv) Expected contributions

The expected standard employer contributions for the next financial year are \$0.811m and the expected additional lump sum contribution is \$0.377m.

(v) Deficit or surplus of the Scheme

The estimated employer reserves financial position for the pooled employers at 30 June 2014 is:

	\$'000	Asset Coverage
Assets	1,603,600	
Past service liabilities	1,726,900	92.9%
Vested benefits	1,758,200	91.2%

Note: employer reserves only. Excludes member accounts and reserves in both assets and liabilities.

NSW RURAL FIRE SERVICE

Notes to the financial statements for the period ended 30 June 2014

The key economic long term assumptions used to calculate the present value of accrued benefits are:

Investment return	7.0% per annum
Salary inflation*	4.0% per annum
Increase in CPI	2.5% per annum

* Plus promotional increases

The contribution requirements may vary from the current rates if the overall sub-group experience is not in line with the actuarial assumptions in determining the funding program; however any adjustment to the funding program would be the same for all sponsoring employers in the pooled employers.

The Service has a contingent liability with respect to the deficit in the Scheme which it needs to continue to pay in future periods, however these payments are not recognised in the accounts as the amount cannot be reliably measured.

(vi) Participation in the Scheme

The Service is estimated to represent 0.79% of the Scheme based on the Service's additional lump sum contributions per annum as a percentage of the total additional lump sum contributions for all pooled employers.

20. Events after the Reporting Period

Subsequent to the reporting period, the Treasurer has approved the Crown acceptance of the NSW public sector defined benefit superannuation obligations of the Service. It is expected that this will result in a reduction in the Service's liabilities of \$19.257m (refer Notes 12 and 19(a)).

There are no other events which occurred after the reporting period which affect the financial statements.

End of audited financial statements



INDEPENDENT AUDITOR'S REPORT

Bush Fire Co-ordinating Committee

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Bush Fire Co-ordinating Committee (the Committee), which comprise the statement of financial position as at 30 June 2014, the statement of comprehensive income and statement of changes in equity and statement of cash flows, for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Committee as at 30 June 2014, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

My opinion should be read in conjunction with the rest of this report.

The Committee's Responsibility for the Financial Statements

The members of the Committee are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act and for such internal control as the members of the Committee determine is necessary to enable the preparation of financial statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Committee's preparation of the financial statements that give a true and fair view 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 Committee's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee, as well as evaluating the overall presentation of the financial statements.

BUSH FIRE CO-ORDINATING COMMITTEE

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

My opinion does *not* provide assurance:

- about the future viability of the Committee
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information that may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.



David Nolan
Director, Financial Audit Services

22 September 2014
SYDNEY



Please Address Correspondence to:

The Executive Officer
Bush Fire Co-ordinating Committee
NSW Rural Fire Service
Locked Mail Bag 17
GRANVILLE NSW 2142

**BUSH FIRE CO-ORDINATING COMMITTEE
FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2014**

Statement by the Chairman

Pursuant to section 41C of the Public Finance and Audit Act 1983 I state that:

- (a) The accompanying financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, the applicable clauses of the Public Finance and Audit Regulation 2010 and the Treasurer's Directions;
- (b) The financial statements exhibit a true and fair view of the financial position and financial performance of the Committee for the year ended 30 June 2014; and
- (c) At the date of this statement there are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Shane Fitzsimmons AFSM
Chairman

16 September 2014

BUSH FIRE CO-ORDINATING COMMITTEE

Statement of comprehensive income for the period ended 30 June 2014

	Notes	Actual 2014 \$'000	Actual 2013 \$'000
Expenses excluding losses			
Personnel services	2	24	27
TOTAL EXPENSES EXCLUDING LOSSES		24	27
Revenue			
Grants and contributions	2	24	27
Total Revenue		24	27
Net Result		-	-
Total other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		-	-

The accompanying notes form part of these financial statements.

Statement of financial position as at 30 June 2014

	Notes	Actual 2014 \$'000	Actual 2013 \$'000
Total Assets		-	-
Total Liabilities		-	-
Net Assets		-	-
EQUITY			
Accumulated funds		-	-
Total Equity		-	-

The accompanying notes form part of these financial statements.

Statement of changes in equity for the period ended 30 June 2014

	Notes	Actual 2014 \$'000	Actual 2013 \$'000
Balance at 1 July		-	-
Net result for the year		-	-
Total other comprehensive income		-	-
Total comprehensive income for the year		-	-
Balance at 30 June		-	-

The accompanying notes form part of these financial statements.

Statement of cash flows for the period ended 30 June 2014

	Notes	Actual 2014 \$'000	Actual 2013 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided / (used) from operating activities		-	-
NET CASH FLOWS FROM OPERATING ACTIVITIES		-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash provided / (used) from investing		-	-
NET CASH FLOWS FROM INVESTING ACTIVITIES		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash provided / (used) from financing activities		-	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		-	-
NET INCREASE / (DECREASE) IN CASH			
Opening cash and cash equivalents		-	-
CLOSING CASH AND CASH EQUIVALENTS		-	-

The accompanying notes form part of these financial statements.

BUSH FIRE CO-ORDINATING COMMITTEE

Notes to the financial statements for the period ended 30 June 2014

1. Summary of Significant Accounting Policies

(a) Reporting Entity

The Bush Fire Co-ordinating Committee is a corporation constituted under section 46 of the *Rural Fires Act 1997*. The Committee is the peak planning body for bush fire management in New South Wales.

The Committee is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating activities.

The financial statements for the period ended 30 June 2014 have been authorised for issue by the Bush Fire Co-ordinating Committee on 16 September 2014.

(b) Basis of Preparation

The Committee's financial statements are general purpose financial statements which have been prepared in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations); and
- the requirements of the *Public Finance and Audit Act 1983* and Regulation.

Financial statement items are prepared in accordance with the historical cost convention.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

(c) Statement of Compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

(d) Income Recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Revenue (in the form of a grant from the NSW Rural Fire Service) is recognised as income when the Committee gains control over the assets comprising the grant / contribution.

(e) Administrative Support

The NSW Rural Fire Service provides miscellaneous goods and services as administrative support to the Committee at no charge. The value of this minor administrative support is not material.

(f) Personnel Services

Committee members are engaged and remunerated by the NSW Rural Fire Service and their services are provided to the Committee for a fee, which includes a component for relevant on-costs.

(g) Equity and Reserves

The Committee does not hold its own insurance coverage as it does not have any employees, hold any assets or have any potential liability exposure.

BUSH FIRE CO-ORDINATING COMMITTEE
Notes to the financial statements for the period ended 30 June 2014

(h) Comparative Information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

(i) New Australian Accounting Standards issued but not effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise. At the reporting date there are a number of new Accounting Standards that have not been applied and are not yet effective. The initial application of these standards will have no known material impact on the financial performance or position.

	2014 \$'000	2013 \$'000
2. Revenue and Expenses		
Revenue		
Grants from the NSW Rural Fire Service	24	27
	<u>24</u>	<u>27</u>
Expenses		
Personnel services provided by the NSW Rural Fire Service	24	27
	<u>24</u>	<u>27</u>

3. Contingent Assets and Contingent Liabilities

As at 30 June 2014 the Committee had no contingent assets or contingent liabilities (Nil in 2012-13).

4. Financial Instruments

The Committee does not hold any financial instruments.

5. Events after the Reporting Period

There are no events which occurred after the reporting period which affect the financial statements.

End of audited financial statements

BUSH FIRE CO-ORDINATING COMMITTEE

Notes to the financial statements for the period ended 30 June 2014

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Appendix A

Bush fire community protection: properties protected report

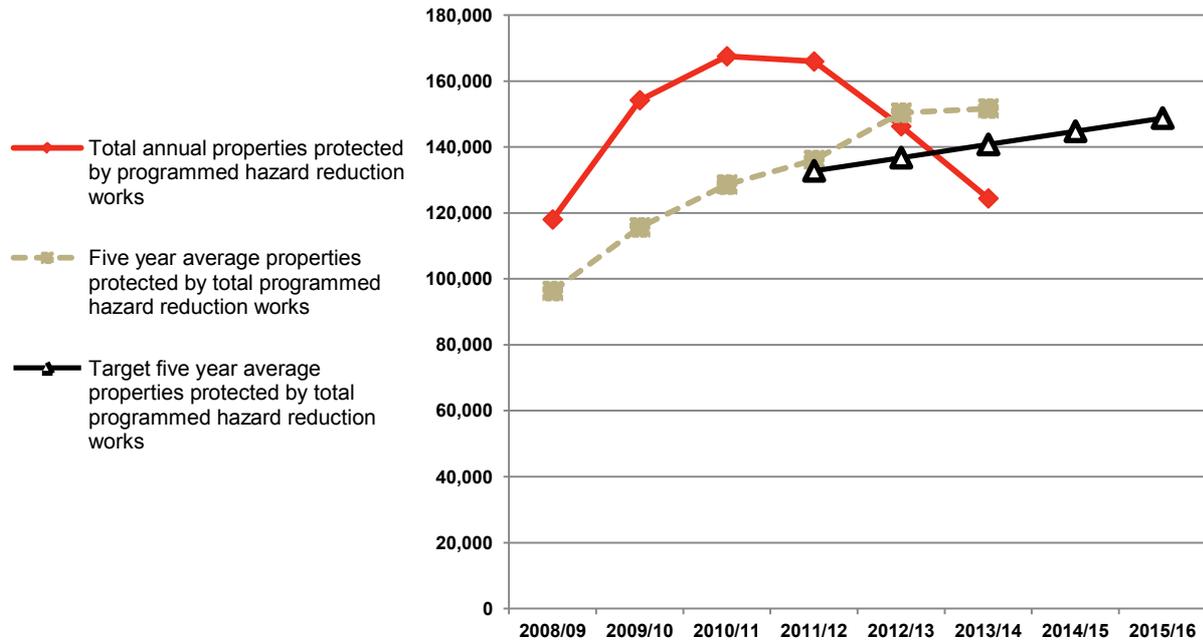
	Number of works planned #	Number of works completed #	Proportion of works completed vs planned %	Number of properties covered by completed works #	Value of properties covered by completed works \$M
Total bush fire protection works	19,905	16,226	81.5%	223,278	\$109,018
Total programmed hazard reduction works	8,962	6,410	71.5%	124,414	\$54,742.20
Bush fire hazard complaints	2,482	2,196	88.5%	2,863	\$1,259.70
Private land hazard reduction certificates	906	840	92.7%	1,264	\$556.20
Development control assessments	4,955	4,452	89.8%	46,834	\$31,382.60
Community education programs	2,600	2,328	89.5%	47,903	\$21,077.30

1. The 'Total programmed hazard reduction works' data set is derived from the Bush Fire Risk Information Management System (BRIMS) records as at 19 August 2014.
2. The 'Number of works planned' data set is comprised of activities with a scheduled or completed date occurring during 2013/14.
3. The 'Number of works completed' data set comprises activities with a completion date occurring during 2013/14.
4. The 'Value of properties covered by completed works' uses a standard property value of \$440,000 per property which was sourced from a published paper (McAneney K.J. 2005).
5. The planned works for hazard complaints comprise the complaints received in this reporting period and the carryovers.
6. The planned works for Das comprise the Das received in this reporting period and the carryovers.

NSW 2021 Goal 28.2.4

NSW 2021 Goal 28.2.4

Increase the number of properties protected by hazard reduction works



	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Total annual properties protected by programmed hazard reduction works	118,021	154,211	167,533	165,945	146,292	124,414		
Five year average properties protected by total programmed hazard reduction works	96,313	115,612	128,593	136,063	150,400	151,679		
Target five year average properties protected by total programmed hazard reduction works				132,793	136,793	140,793	144,793	148,793

NOTE: A further explanation of these figures can be found on page 26.

Properties protected by agency

	Target #	Number of properties protected	Completed v target (%)
Department of Primary Industries (Crown Lands)	17,787	21,059	118.4%
Local Govt Authority	55,633	51,797	93.1%
NSW National Parks and Wildlife Service	14,946	13,160	88.1%
Other	909	1,997	219.7%
Forestry Corporation	1,228	288	23.5%
Fire & Rescue NSW	3,993	1,192	29.9%
NSW Rural Fire Service	46,297	34,921	75.4%

Completed hazard reduction

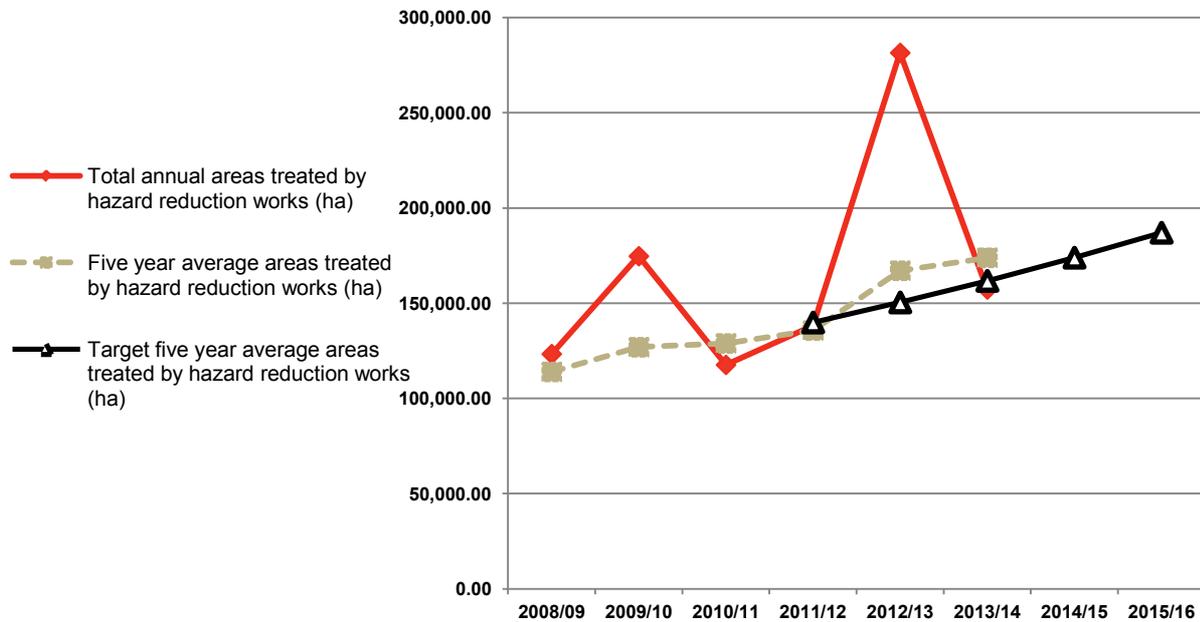
	Burning (ha)	Mechanical (ha)	Other (ha)	Total (ha)
Australian Rail Track Corporation	28.35	74.00	4.86	107.21
Catchment Authority	152.22	24.48	0.00	176.70
Commonwealth	78.02	0.38	0.00	78.40
Dept of Primary Industries (Crown Lands)	2,383.68	1,730.52	108.09	4,222.29
Local Government Authority	440.28	13,002.58	2,623.29	16,066.15
NSW National Parks and Wildlife Service	112,404.00	1,725.15	24.74	114,153.89
Other	2,696.64	185.40	162.35	3,044.39
Private	10,474.82	330.15	13.92	10,818.89
Railcorp	226.85	49.53	94.87	371.25
Roads and Maritime Services	47.61	770.60	105.71	923.92
Forestry Corporation	7,169.57	5.70	84.10	7,259.37
Total hazard reduction areas	136,102.04	17,898.49	3,221.93	157,222.46

NOTE: The total hazard reduction areas on land tenures exclude 198.92 hectares by grazing means.

NSW 2021 Goal 28.2.5

NSW 2021 Goal 28.2.5

Increase the annual average level of the area treated by hazard reduction



	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Total annual areas treated by hazard reduction works (ha)	123,334.51	174,705.85	117,633.25	138,211.48	281,492.19	157,222.46		
Five year average areas treated by hazard reduction works (ha)	113,946	126,915	128,894	135,688	167,075	173,853		
Target five year average areas treated by hazard reduction works (ha)				139,900	150,435	161,762	173,943	187,041

NOTE: A further explanation of these figures can be found on page 26.

Hazard reduction areas completed by land tenures

Land tenure	Target	Completed HR area by method				Completed v target (%)
		Burning	Mechanical	Other	Total	
Australian Rail Track Corporation	252.7	28.35	74.00	4.86	107.21	42.4%
Catchment Authority	376.0	152.22	24.48	0.00	176.70	47.0%
Commonwealth	117.9	78.02	0.38	0.00	78.40	66.5%
Dept of Primary Industries (Crown Lands)	2,407.3	2,383.68	1,730.52	108.09	4,222.29	175.4%
Local Government Authority	10,809.4	440.28	13,002.58	2,623.29	16,066.15	148.6%
NSW National Parks and Wildlife Service	116,754.7	112,404.00	1,725.15	24.74	114,153.89	97.8%
Other	2,364.3	2,696.64	185.40	162.35	3,044.39	128.8%
Private	9,639.1	10,474.82	330.15	13.92	10,818.89	112.2%
Railcorp	209.4	226.85	49.53	94.87	371.25	177.3%
Roads and Maritime Services	546.4	47.61	770.6	105.71	923.92	169.1%
Forestry Corporation	18,285.2	7,169.57	5.70	84.10	7,259.37	39.7%

Hazard reduction undertaken by the NSW RFS

While not a land management agency, members of the Service contribute significantly to hazard reduction activities in support of land management agencies and private property owners. During the reporting year, the NSW RFS undertook 1,315 hazard reduction works comprising approximately 40,319 hectares of hazard reduction work protecting a total number of 34,921 assets with a value of \$15.4 billion (based on median insurance house and contents value in Sydney 2004 - McAneney K.J. 2005).

Hazard reduction certificates issued

(Streamlined environmental approval of hazard reduction – pursuant to section 100 F and G)

Certificate issuing agency	Number issued	% of total
Dept of Primary Industries (Crown Lands)	209	7.94%
Local Government Authority	597	22.69%
NSW National Parks and Wildlife Service	297	11.29%
NSW Rural Fire Service	1,490	56.63%
Other	38	1.44%
Total	2,631	100%

APPENDICES - OPERATIONAL SERVICES

Hazard complaints received

Land tenure	Complaints received	% of total
Private land	1,371	67.31%
Council land	532	24.95%
State Government land	185	8.68%
Commonwealth land	1	0.05%
Australian Rail Track Corporation land	8	0.38%
To be determined	35	1.64%
Total	2,132	100%

Inspections, formal notices and enforcement works

Number of hazard complaints inspections undertaken	Number of formal notices issued under section 66 of the Act	Enforcement works undertaken under section 70 of the Act
2,477	131	19

Permits issued under the *Rural Fires Act 1997*

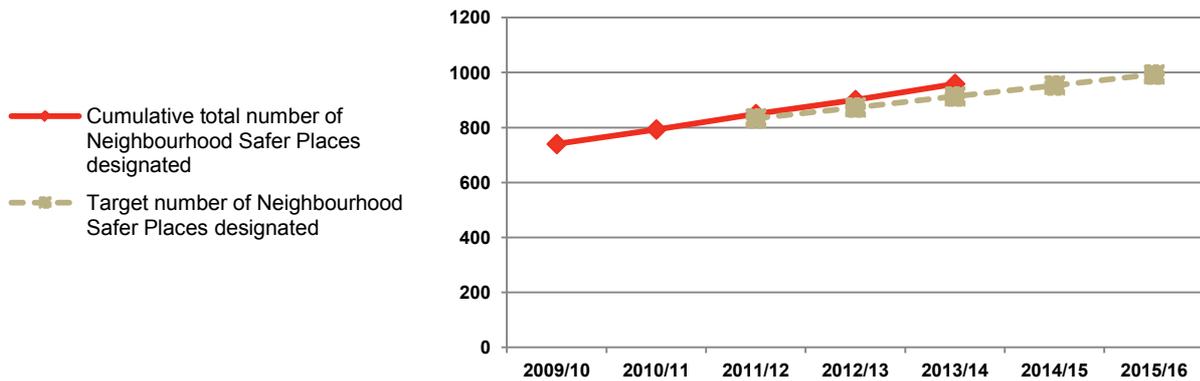
Permits issued by	Number Issued	% of total
Fire & Rescue NSW	201	1.10%
NSW Rural Fire Service	18,037	98.90%
Total	18,238	100%

Appendix B

NSW 2021 Goal 28.2.3 - Neighbourhood Safer Places

NSW 2021 Goal 28.2.3

Increase the number of identified Neighbourhood Safer Places.



	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Cumulative total number of Neighbourhood Safer Places designated	740	793	849	900	959		
Target number of Neighbourhood Safer Places designated			833	873	913	953	993

Appendix C

Waste handling report 2013/14

The NSW RFS continues to be committed to reducing the amount of waste to landfill and improving procurement procedures to ensure the Government's targets in this area are achieved. With respect to procurement, the NSW RFS is undergoing a procurement accreditation process. The purpose of the accreditation process is to ensure that the NSW RFS obtains value for money for all services provided and procured, transparency and in accordance with NSW Government guidelines. The NSW RFS is now required to test the market for all contracts in excess of \$30,000.00 over the life of the contract.

During the reporting period, the NSW RFS introduced colour coded waste and recycling containers in an attempt to improve and increase recycling procedures and to further reduce waste. Data was also compiled on the amount of paper recycled and office equipment wastes, including toner cartridges and printer ribbons. Paper avoidance strategies continue through the extensive use of email, computer generated forms and the internet as well as double-sided printing and photocopying of documents.

Recycling at the NSW RFS Headquarters in Lidcombe based on the office waste stream assessment included:

- > 3,840 kg paper waste
- > 1,810 kg co-mingled (glass bottles, aluminium cans, PET)
- > 8,040 kg cardboard
- > 100 percent of all used toner cartridges
- > 100 percent of obsolete computers; and
- > computer monitors through the recycled through Reconnect Program.

Appendix D

Environmental performance score report

Environmental performance score (all corporate vehicles)		Target
EPS (all corporate passenger vehicles)	14.0	13.5
EPS (all corporate light commercial vehicles)	8.8	9

The figures are based on corporately marked vehicles; no operationally marked vehicles have been included in this report.

Appendix E

Digital information security annual attestation statement 2013/14

NSW Rural Fire Service (NSW RFS) has implemented NSW Government Digital Information Security Policy (DISP) as per the directive of the NSW Government (refer to memorandum M2012-15).

NSW RFS has implemented an Information Security Management System. (ISMS) based on ISO 27001 and in compliance with the NSW Government DISP. Information security is important to NSW RFS and a risk based approach has been taken to implement security controls. An independent third party review of ISMS was carried out for assessing compliance to NSW Government DISP.

I, Commissioner Shane Fitzsimmons, am of the opinion that NSW RFS had an Information Security Management System in place during the financial year being reported on consistent with the core requirements set out in the DISP for the NSW Public Sector.

I, Commissioner Shane Fitzsimmons, am of the opinion that the security controls in place to mitigate identified risks to the digital information and digital information systems of NSW RFS are adequate for the foreseeable future.

I, Commissioner Shane Fitzsimmons, am of the opinion that there are no other Public Sector Agencies, or parts thereof, under the control of NSW RFS with a risk profile sufficient to warrant an independent ISMS. NSW RFS is implementing a Record management system (TRIM) in compliance with the NSW Government information classification guidelines and continues to incorporate the changes into systems and business processes.

SIGNED: Shane Fitzsimmons, AFSM

NSW RFS Commissioner

Appendix F

Chaplaincy and Family Support Network

Chaplaincy Activity	Totals - Senior Chaplain and Senior Family Support Chaplain			Totals - Volunteer Fire District Chaplains and Family Support Volunteers		
	2014	2013	2012	2014	2013	2012
Visits to NSW RFS Headquarters	160	141	153	2	5	5
Visits to Fire Control Centres	38	35	27	455	439	410
Visits with Fire Control Officers	31	28	18	225	230	210
Visits to Rural Fire Brigades	45	57	48	140	122	120
Regional conferences	0	0	2	0	0	0
State management conferences	0	0	0	0	0	0
Brigade Captains meetings	0	2	0	38	42	48
Seminars and conferences	3	3	2	0	23	11
Station openings and dedications	3	15	7	5	12	10
Fire Fleet blessings and services	9	9	14	54	56	58
Personal and family counselling	84	58	45	372	352	368
Telephone support and counselling	255	221	209	295	284	296
Home visits-members and family	27	30	42	182	164	158
Hospital visitation-members	62	58	48	165	152	130
Funeral services conducted	11	9	6	8	20	19
Infant christenings/ dedications	1	1	3	6	18	17
Service weddings	4	3	4	4	7	10
NSW RFS callouts	8	8	6	130	117	115
Fire & Rescue NSW callouts	0	0	1	0	2	2
NSW Parks and Wildlife callouts	0	0	0	0	0	0
Respond to actual suicides	0	0	0	1	0	2
Championship and field days	6	5	2	2	3	2
Critical Incident Support	35	8	2	28	25	6
Work Cover and other NSW RFS meetings	49	42	45	0	0	0
Total kms travelled	50,764	57,666	56,236	22,515	17,342	16,428

Appendix G

Counselling and Support Unit

	Critical Incident Support Services (CISS)			Member Assistance Program (MAP)	Employee Assistance Program (EAP)	
	# of requests	# of personnel assisted	Hours	# of new requests	Internal	External
2014	259	617	8,203	308	89	22
2013	283	992	9,445	351	107	26
2012	257	1,018	8,753	387	119	29

These figures do not account for pre-incident information / education sessions provided throughout the year. The number of hours relating to CISS does not account for training and supervision of CISS personnel

Appendix H

Membership Applications and Criminal History

	2014	2013	2012
New Member Applications	6,408	4,503	3,918
(includes junior member applications)	(410)	(317)	(303)

Appendix I

Equal opportunity statistics, multicultural and disability plans

Trends in representation of EEO Groups				
EEO group	Benchmark/ Target	2014	2013	2012
Women	50.0%	34.4%	33.0%	32.4%
Aboriginal people and Torres Strait Islanders	2.6%	1.3%	1.5%	1.3%
People whose first language spoken as a child was not English	19.0%	5.6%	5.4%	5.2%
People with a disability	N/A	5.0%	4.8%	4.9%
People with a disability requiring work-related adjustment	1.5%	3.4%	3.8%	3.9%

Trends in the distribution of EEO Groups				
EEO group	Benchmark/ Target	2014	2013	2012
Women	100	91	92	91
Aboriginal people and Torres Strait Islanders	100	N/A	N/A	N/A
People whose first language spoken as a child was not English	100	106	110	108
People with a disability	100	113	116	115
People with a disability requiring work-related adjustment	100	116	118	115

NOTE: A Distribution Index of 100 indicates that the centre of the distribution of the EEO group across salary levels is equivalent to that of other staff. Values less than 100 mean that the EEO group tends to be more concentrated at lower salary levels than is the case for other staff. The more pronounced this tendency is, the lower the index will be. In some cases the index may be more than 100, indicating that the EEO group is less concentrated at lower salary levels.

NOTE: The Distribution Index is not calculated where EEO group or non-EEO group numbers are less than 20.

Equal Employment Opportunity

The NSW RFS released a new Equal Employment Opportunity Policy (Policy 3.3.1) and EEO Management Plan in December 2013. The policy recognises the value in having a workforce which reflects the diversity of the wider community of NSW, and the Management Plan is designed to ensure the equitable practices which enable this to happen are in place. In 2014/15 the NSW RFS will continue implementing the targeted initiatives of the EEO Management Plan while integrating diversity requirements into workforce planning in accordance with the new *Government Sector Employment Act (GSE Act)*.

In 2013/14 the NSW RFS:

- > commenced the Respectful and Inclusive Workplace project which will:
- > conducted a stocktake of the policies, programs and resources that contribute to a respectful and inclusive workplace
- > identified policy, program and resource gaps
- > developed a schedule for the implementation of new policies, service standards, programs and resources.
- > provided training to the vast majority of staff on the NSW RFS Code of Conduct and Ethics and NSW RFS Values.
- > introduced the Volunteer Recruitment and Retention Kit to support brigades creating a diverse and equitable workplace for volunteers
- > arranged for two staff members and two volunteer members of the NSW RFS to attend the Women in Emergency Services, Enforcement and Defence Leadership Summit in April 2014.

In 2014/15 the Service will focus on:

- > completing the high priority actions from the Respectful and Inclusive Workplace project, including a new Service Standard on bullying, discrimination, harassment and sexual harassment applying to both staff and volunteers

- > evaluating the NSW RFS Next Generation Workforce Strategic Plan and developing a new workforce plan in accordance with the *GSE Act*.

Disability Plan

The NSW RFS Disability Plan is based on the NSW Government EmployABILITY Strategy. In addition to our responsibility to support members with a disability, the NSW RFS is committed to providing increased community participation and protection against bush fires for persons with a disability.

In 2013/14 the NSW RFS:

- > drafted a new three-year Disability Plan which will be more closely aligned to corporate and business planning. This plan will be implemented in 2014/15
- > continued to provide easy access and facilities for people with disabilities through standard designs for new premises across the State
- > provided bush fire information to the community in a range of formats and channels useable by people with disabilities, which included utilising Auslan interpreters for emergency television announcements during the October 2013 bush fire emergency
- > created more opportunities through which the NSW RFS Flexible Membership Model promotes the full spectrum of roles available to volunteer members to encourage greater participation from people (including people with disabilities) who in the past might not have contemplated membership.

In 2014/15 the NSW RFS will continue its focus on delivering and building on the initiatives outlined above through the Disability Plan 2014-17.

Multicultural Plan

In 2013/14 the NSW RFS was identified as a designated agency under the Multicultural Policies and Services Program (MPSP) of the Community Relations Commission, requiring a comprehensive multicultural plan detailing the actions we will take to implement the principles of multiculturalism.

During the reporting period, the NSW RFS developed a new three-year Multicultural Plan in

APPENDICES - MEMBERSHIP AND STRATEGIC SERVICES

consultation with relevant stakeholders. The Plan reflects the MPSP three Activity Areas and the seven Outcomes which support those Activity Areas. It identifies our strategic priorities, assigns corporate responsibilities and details timeframes for implementation.

Additionally, the NSW RFS:

- > released the Volunteer Recruitment and Retention Kit to promote an inclusive and diverse membership which is reflective of the community.
- > continued to collect voluntary demographic and cultural data from new volunteer members, and developed executive reports to profile the diversity of our volunteer membership over time.
- > participated in a national project to improve the engagement of youth and culturally and linguistically diverse communities in emergency management volunteering.

In 2014/15, the NSW RFS will:

- > establish a Steering Committee of responsible officers under the Multicultural Plan, to monitor and report on progress against planned initiatives.
- > incorporate actions within the Multicultural Plan into appropriate Directorate and sectional business plans.
- > produce multilingual fire safety information fact sheets and promote them to relevant communities.
- > continue supporting brigades to implement the diversity strategies within the Volunteer Recruitment and Retention Kit.

Aboriginal Services

In 2013/14, the NSW RFS continued to monitor the actions within our existing Aboriginal Services Plan, while developing a new three-year Aboriginal Services Plan to commence in 2014/15.

The Bush Fire Resilience Project for Aboriginal Communities Stage 2 (BRAC II) project continued during the period, with the appointment of a dedicated Project Manager focused on supporting District plans for implementation of the Stage 1 recommendations. This included the identification

of Neighbourhood Safer Places in identified Indigenous communities.

The NSW RFS is a partner in the Nature Conservation Council's Firesticks Project, which works with Aboriginal communities and government agencies to integrate contemporary and Aboriginal fire practices to protect and enhance wildlife habitat and Aboriginal cultural values.

As part of the Firesticks Project, 30 Indigenous Rangers undertook Bush Firefighter training and 10 NSW RFS staff participated in Aboriginal cultural awareness training from the Yarrwarra community in May 2014.

An online Indigenous cultural awareness training package (the Ochre Resource Kit) is available to all members.

Appendix J

Salaried and volunteer members

Staff establishment / FTE	2014	2013	2012
Full Time Equivalent positions (FTE)	822	846	908
Permanent position count	781	773	807
Headcount at census	858	883	942

NOTE: The Public Service Commission collects workforce profile data from Public Sector Agencies

Volunteer members	2014	2013	2012
Totals	73,746	71,976	70,246

Appendix K

Reported injuries and registered workers compensation claims

Injury type	Reported injuries			Workers compensation claims	
	Volunteer member	Salaried member	Non-NSW RFS personnel	Volunteer member claims	Salaried member claims
Burns	57	3	3	33	0
Contusion with skin intact	75	19	2	23	8
Deafness	5	0	0	3	0
Diseases and other non traumatic injury	4	1	0	4	1
Dislocation	142	2	2	43	2
Effects of weather, exposure, air pressure and other external causes	25	4	0	16	2
Electrocution	17	0	0	17	0
Eye disorders	3	0	0	3	0
Foreign body in eye, ear, nose, respiratory or digestive systems	9	1	3	9	1
Fracture	57	3	3	33	0
Injuries to nerves and spinal cord	75	19	2	23	8

APPENDICES - MEMBERSHIP AND STRATEGIC SERVICES

Reported injuries and registered workers compensation claims (continued)	Reported injuries			Workers compensation claims	
	Volunteer member	Salaried member	Non-NSW RFS personnel	Volunteer member claims	Salaried member claims
Internal injury of chest, abdomen and pelvis	5	0	0	3	0
Open wound not involving traumatic amputation	90	11	0	31	4
Poisoning and toxic effects of substances	96	43	7	40	5
Psychological disorders	5	6	0	5	6
Sprains and strains of joints and adjacent muscles	179	40	3	107	23
Superficial injury	7	4	1	7	3
Traumatic amputation, including enucleation of eye	30	5	4	22	1
TOTAL	744	139	25	363	56

NOTE : There were no prosecutions under the *Work, Health and Safety Act 2011* in the reporting period.

Appendix L

Executive Remuneration: Gender Balance

Band	Range	Female	Male	Average remuneration
Band 4	422,501- 488,100	0	0	-
Band 3	299,751- 422,500	0	1	336,850
Band 2	238,301- 299,750	1	2	273,633
Band 1	167,100- 238,300	1	15	178,302
Totals		2	18	
TOTAL		20		

Appendix M

Learning and Development - Training activity

Volunteers and their qualifications	2014	2013	2012
Bush Firefighters	3,154	2,100	2,421
Village Firefighters	645	547	647
Advanced Firefighters	531	404	497
Crew Leaders (includes all CL qualifications)	484	548	500
Group Leaders	69	43	62
First Aid	2,100	1,794	1,761
Breathing Apparatus	557	524	202
Chain Saw Operators 3&4	779	710	592
Rural Fire Drivers	560	417	377
NSW RFS Instructors	141	317	346
NSW RFS Training Coordinators	41	89	120
NSW RFS Assessors	92	113	129
Assessor Advocates	23	10	80

NOTE: Figures generated by SAP LSO database only cover qualifications generated by electronic databases within each reporting year

NOTE: Figures are inclusive of newly certified and recertified members

Appendix N

Volunteer to Career

Approximately 72 percent of members currently employed with the NSW RFS are drawn from the Service's volunteer membership. Volunteer members are encouraged to pursue a career in the Service. The RFSA is a valued partner of the NSW RFS in conducting the Volunteer to Career Program (V2C) which is held over a weekend. This is the seventh year that this successful program has been run.

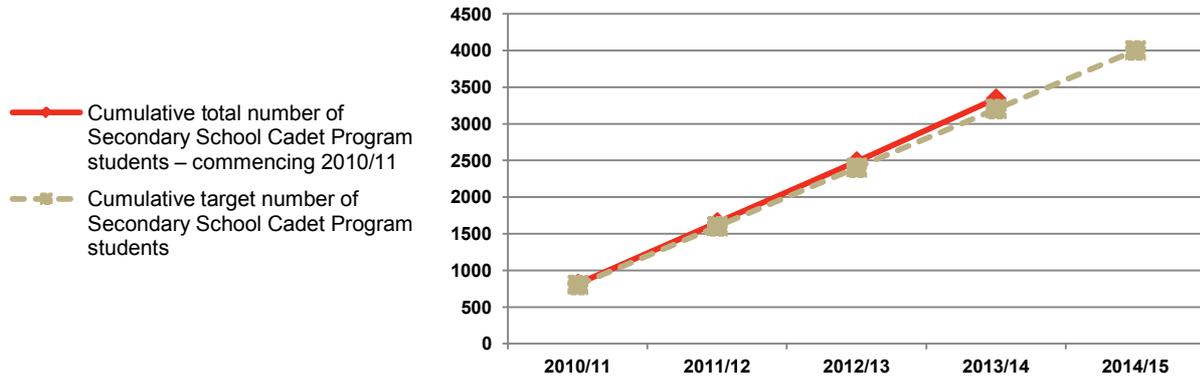
The 2013/14 V2C program was held on 27-28 July 2013 at NSW RFS Headquarters and 24 May 2014 at Cumberland Zone Fire Control Centre. To date 503 volunteer members have attended the program.

Appendix O

Secondary School Cadet Program

NSW 2021 Goal 28.2.2

Train an additional 4,000 secondary school children through the school cadets program by 2016.



	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Cumulative total number of Secondary School Cadet Program students – commencing 2010/11	814	1,654 (840)	2,484 (827)	3,341 (860)		
Cumulative target number of Secondary School Cadet Program students	800	1,600	2,400	3,200	4,000	

Appendix P

Attendance at consultative committees

Infrastructure Services Consultative Committee		
Name	Attendance	No. eligible to attend
Assistant Commissioner Bruce McDonald, AFSM (Chair)	3	3
David Hoadley, AFSM (Deputy Chair 2013)	1	1
Brian McDonough (Deputy Chair 2014)	2	2
Errol Hockley	1	1
Mark Ross	3	3
Troy Dowley	3	3
Steve Jones	3	3
Steve Smith	3	3
Ron Bridge	1	1
Geoff Andrew	1	1
John Fitzgerald, AFSM	1	1
Pat Bradley	1	2
Sally Smith	1	2
Jim Smith, AFSM	2	2
Tom Nolles, AFSM	2	2

Membership Services Consultative Committee		
Name	Attendance	No. eligible to attend
Bronwyn Jones (Chair)	3	3
Ken Middleton (Deputy Chair)	3	3
Steve Mepham	2	3
William Bean	0	1
Glenn Wall	3	3
Peter Mooney	3	3
Nicole Vidler	1	1
Sean McArdle, AFSM	3	3
Len Carter, AFSM	1	1
Tom Nolles, AFSM	1	1
David Doblinger	2	2
Helen Carlos	2	2
Peter Burfitt	2	2
Robyn Martyn	2	2

APPENDICES - MEMBERSHIP AND STRATEGIC SERVICES

Community Engagement Consultative Committee		
Name	Attendance	No. eligible to attend
Richard Lyons (Chair)	1	2
Marcia LeBusque (Deputy Chair)	2	3
Neil Thompson	3	3
Helen Riedl	3	3
Gary Walker	0	1
Garry Barrett	1	1
Zofie Lahodny-Gecso	1	1
David Donaldson	1	1
David Stimson	0	1
Victoria Williams	3	3
Glenn O'Rourke	2	2
Jayne Leary	1	2
Bruce (Jamie) Bertram	1	2
Barry Kennedy	2	2
Donna Brotherson	2	2

Operational Services Consultative Committee		
Name	Attendance	No. eligible to attend
Deputy Commissioner Rob Rogers, AFSM (Chair)	2	3
Stephen Raymond (Deputy Chair 2013)	0	1
David Hoadley, AFSM (Deputy Chair 2014)	2	2
Wayne Halliday	3	3
Chris Powell, AFSM	1	1
Jim Smith, AFSM	1	1
Mark Mulheron	0	1
Angela Daly	1	1
Brendon Ede	3	3
Don Carter, AFSM	1	1
Geoff Ryan	3	3
Krystaal Hinds	2	2
David Stimson	2	2
Bill Clifford	2	2

Appendix Q

Research and Development

Bushfire Cooperative Research Centre (CRC)

Year	Cash Contribution	In-kind Contribution*	Additional Bushfire CRC Research Contribution
2012	\$322,000	\$413,958	N/A
2013	\$334,000	\$575,260	\$150,000*
2014	\$334,000	\$562,912	\$250,000**

The in-kind contribution is based on a schedule of predetermined values for various levels of contribution towards Bushfire CRC outcomes or research utilisation. It also includes a component of actual costs incurred by the NSW RFS towards achieving these outcomes, such as travel expenses to attend conferences.

* For the commissioned research into the January 2013 Fires in NSW - 'Community Understanding and Awareness of Bush Fire Safety – January 2013 bush fires'.

**For the commissioned research into the October 2013 Fires in NSW.

Bushfire and Natural Hazard Cooperative Research Centre (BNHCRC)

Year	Cash Contribution	In-kind Contribution*	Additional Bush Fire CRC Research Contribution
2014	\$359,000	\$208,463	N/A

Appendix R

Awards - Internal awards

Internal Bravery and Service Awards	Volunteer members	Salaried members	Total
Commissioner's Award for Valour	Nil	Nil	Nil
Commissioner's Commendation for Bravery	1	Nil	1
Senior Deputy Captain James Angus Burge, Stockinbingal Rural Fire Brigade, South West Slopes Zone, Region West			
Commissioner's Commendation for Service	8	1	9

Captain Harvey Alan Bailey, Dapto Rural Fire Brigade, Illawarra Zone, Region East

Inspector Robyn Anne Favelle, Far West Team, Region West

Senior Deputy Captain Diane Fellows, Bungawalbyn Rural Fire Brigade and Northern Rivers Support Brigade, Northern Rivers Zone, Region North

Firefighter Bernard John Fisher, Blaxland Rural Fire Brigade, Blue Mountains District, Region East

Deputy Group Captain Christine Alice Hartley, Tuncester Rural Fire Brigade, Northern Rivers Zone, Region North

Captain Neville Denzil Lawrence, Gresford Rural Fire Brigade, Lower Hunter Zone, Region East

APPENDICES - MEMBERSHIP AND STRATEGIC SERVICES

Deputy Captain Christine Ann McGrath, Bombay Rural Fire Brigade, Lake George Zone, Region South			
Captain/Deputy Group Captain Graeme McGrath, Bombay Rural Fire Brigade, Lake George Zone, Region South			
Deputy Captain Glenn O'Rourke, Wollombi Rural Fire Brigade, Lower Hunter Zone, Region East			
Commissioner's Certificate of Commendation (Unit)	1	1	2
Castlereagh Zone, Region North, Dapto Rural Fire Brigade, Illawarra Zone, Region East			
Commissioner's Certificate of Commendation (individual)	7	3	10
Firefighter Julie Blackmore, Clunes Rural Fire Brigade, Northern Rivers Zone, Region North			
Dr Phillip (Phil) Alan Borchard (Posthumous)			
Inspector William James Britt, Far West Team, Region West			
Superintendent John William Cook, North West Zone, Region West			
Firefighter Laurie Edebohls, Nerrigundah Rural Fire Brigade, Far South Coast Team, Region South			
Firefighter Gordon William Gam, Emu Creek Rural Fire Brigade, Mid Lachlan Valley Team, Region West			
Firefighter Walter Gordon Gam, Emu Creek Rural Fire Brigade, Mid Lachlan Valley Team, Region West			
Deputy Captain Rodney James Halpin, Byron Bay Rural Fire Brigade, Far North Coast Team, Region North			
Captain William Alfred Hovell, Larnock Rural Fire Brigade, Northern Rivers Zone, Region North			
Captain Keith Purvis, Goorangoola Rural Fire Brigade, Hunter Valley Team, Region East			
Commissioner's Unit Citation for Bravery	Nil	Nil	Nil
Commissioner's Unit Citation for Service	1	Nil	1
Lower Hunter Group 8 Community Engagement, Lower Hunter Zone, Region East			
Totals	16	9	25

Long Service Medals	Volunteer members	Salaried members	Totals
10yr Long Service Medal	841	12	853
20yr Long Service Medal	399	6	405
30yr Long Service Medal	293	6	299
40yr Long Service Medal	167	7	174
50yr Long Service Medal	87		87
60yr Long Service Medal	34		34
70yr Long Service Medal	3		3
Totals	1,824	31	1,855

Awards - External awards

Australian Fire Service Medal	Volunteer members	Salaried members	Totals
Australia Day	6	1	7
Gail Jennifer Butt, Volunteer, South West Slopes Zone, Region West Charles Leslie May, Volunteer, Tamworth, Region North Sean McArdle, Superintendent, Regional L&D Manager, Region South Noel Waldo Scales, Retired Group Captain, Liverpool Range, Region North Graham John White, Group Captain, Riverina, Region South Christopher August Wilhelm, Captain, Far West Team, Region West Peter Edward Williams, Captain, Lower Hunter, Region East			
Queen's Birthday	5	1	6
Peter Carter, Group Captain & Manager Learning and Development, Headquarters, Lidcombe Donald Glenn Coddington, Group Captain, Bland Temora, Region West Allan Robert Hepplewhite, Volunteer, Lower Hunter, Region East Henry James Maye, Volunteer, Far North Coast, Region North Alan Patrick Selman, Group Captain, Cudgegong, Region West Victor Walker, Group Captain, Shoalhaven, Region South			
Totals	11	2	13

National Medal/Clasps	Volunteer members	Salaried members	Totals
Medals	107	3	110
Clasps	45	4	49
Totals	152	7	159

Appendix S Internal Audit and Risk Management Statement



NSW RURAL FIRE SERVICE



Internal Audit and Risk Management Statement for the 2013-2014 Financial Year for the NSW Rural Fire Service

I, Shane Fitzsimmons, am of the opinion that the NSW Rural Fire Service has internal audit and risk management processes in operation that are, excluding the exceptions described below, compliant with the core requirements set out in Treasury Circular NSW TC 09/08 *Internal Audit and Risk Management Policy*.

I, Shane Fitzsimmons, am of the opinion that the internal audit and risk management processes for the NSW Rural Fire Service depart from the following core requirements set out in Treasury Circular NSW TC 09/08 and that (a) the circumstances giving rise to these departures have been determined by the Portfolio Minister and (b) the NSW Rural Fire Service has implemented the following practicable alternative measures that will achieve a level of assurance equivalent to the requirement:

Ministerially Determined Departure	Reason for Departure and Description of Practicable Alternative Measures Implemented
<ul style="list-style-type: none"> Core Requirement 3, specifically 3.2.4 regarding the terms for Independent Chairs 	<ul style="list-style-type: none"> The term of the Chair expired in October 2013. To ensure continuity of the Audit and Risk Committee, the term of the Chair was extended one year to allow time for the identification of a suitable long term Chair.

I, Shane Fitzsimmons, am of the opinion that the Audit and Risk Committee for the NSW Rural Fire Service is constituted and operates in accordance with the independence and governance requirements of Treasury Circular NSW TC 09/08. The Chair and Members of the Audit and Risk Committee are:

- Mr Arthur Butler, Independent Chair, appointed for a 4 year term commencing October 2009, ending October 2013, and then reappointed for a 1 year term commencing October 2013, ending October 2014
- Dr Dale Cooper, Independent Member, reappointed for a 15 month term commencing January 2013, ending March 2014
- Ms Gerardine Brus, Independent Member, appointed for a 4 year term commencing March 2014, ending March 2018
- Mr Richard Lyons, Non-independent Member, (Director Executive Services, NSW Rural Fire Service), appointed October 2009 until June 2014

These processes, including the practicable alternative measures implemented, provide a level of assurance that enables the senior management of the NSW Rural Fire Service to understand, manage and satisfactorily control risk exposures.

As required by the policy, I have submitted an Attestation Statement outlining compliance with exceptions with the policy to the Treasurer on behalf of the Treasurer.

Shane Fitzsimmons AFSM

Commissioner NSW Rural Fire Service

September 2nd 2014

Appendix T

Government Information (Public Access) Regulation 2009

Schedule 2 – Statistical information about access applications

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm /deny whether information is held	Application is withdrawn
Media	0	0	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	8	44	3	13	0	1	0	2
Not for profit organisations or community groups	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	1	7	1	2	0	0	0	1
Members of the public (Other)	4	16	1	0	0	0	0	1

Government Information (Public Access) Regulation 2009 (cont)

Table B: Number of applications by type of application and outcome

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application is withdrawn
Personal information applications	3	4	0	0	0	0	0	0
Access applications (other than personal)	11	64	4	15	0	1	0	2
Access applications that are partly personal information	0	1	0	0	0	0	0	0

Government Information (Public Access) Regulation 2009 (cont)

Table C: Invalid applications	
Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the Act)	4
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	4
Invalid applications that subsequently became valid applications	2

Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of the Act	
	Number of times consideration used
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	1
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

Government Information (Public Access) Regulation 2009 (cont)

Table E: Other public interest considerations against disclosure: matters listed in table to section 14 of the Act

	Number of occasions when application not successful
Responsible and effective government	7
Law enforcement and security	0
Individual rights, judicial processes and natural justice	70
Business interests of agencies and other persons	2
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

Table F: Timelines

	Number of applications
Decided within the statutory timeframe (20 plus any extensions)	104
Decided after 35 days (by agreement with applicant)	3
Not decided within time (deemed refusal)	2
Total	109

NOTE: 113 valid or subsequently valid applications received in total and 4 withdrawn

Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)

	Decision varied	Decision upheld	Decision pending	Total
Internal review	0	1	0	1
OIC review	0	0	0	0
Internal review following recommendation under section 93 of the Act	0	0	0	0
Review by ADT	0	0	0	0
Total	0	1	0	1

NOTE: IPC review application withdrawn by applicant

Table H: Applications for review under Part 5 of the Act (by type of applicant)

	Number of applications for review
Applications by access applicants	2
Applications by persons to whom information the subject of the access application relates (see section 54 of the Act)	0

Statistics required by Clause 7 of the Government Information (Public Access) Regulation 2009

Total number of access applications received by the agency during the reporting year (including withdrawn application but not including invalid applications)	111
Total number of access applications received by the agency during the reporting year that the agency refused, either wholly or partly because the application was for the disclosure of information referred to in Schedule 1 to the Act.	1

NOTE: Total received 113, invalid 2 and withdrawn 4

Reviews pending from last reporting period finalised in 2013/14

	Decision varied	Decision upheld
Internal review	0	0
OIC review	0	0
Internal review following recommendation under section 93 of the Act	0	0
Review by ADT	0	0

Appendix U

Report to NSW Ombudsman – Public Interest Disclosures

Statistical Data on all Public Interest Disclosures During the Reporting period 1 January 2014-30 June 2014; in accordance with the *Public Interest Disclosures Act 1994* and Public Interest Disclosures Regulation 2011.

Statistical Information	Total
Public Interest Disclosures made by public officials in performing their day to day functions (e.g. Auditors, Corruption Prevention Officer, GIPA Officer or Investigator)	0
Public Interest Disclosures (other than (1) above) made under a statutory or other legal obligation: (e.g. PIDs reported to ICAC or Ombudsman)	8
Other Public Interest Disclosures not included above received by NSW RFS	1
Total	9

Of all Public Interest Disclosures received how many were about	
Corrupt conduct	7
Maladministration	2
Serious and substantial waste	0
Government information contravention	0
Local Government pecuniary interest contravention	0
No. of Public Interest Disclosures (received since 1 Jan 2013) that have been finalised in this reporting period	4

Additional data	Response
Does NSW RFS have an internal reporting policy?	Yes. Service Standard 1.1.30 <i>Public Interest Disclosures in the NSW RFS</i>
Has head of agency taken actions to meet staff awareness obligations?	Yes – training, publication of information on intranet sites and access to Service Standards

Appendix V

Committees

Rural Fire Service Advisory Council (RFSAC)

The RFSAC met on one occasion and attendance was as follows:

		Attendances/ represented
Commissioner Shane Fitzsimmons, AFSM	Chair, NSW RFS	1
Mr Karl Sullivan	Insurance Council of Australia	-
Cr Allan Smith JP	NSW Local Government Association	1
Cr Ray Donald	Local Government NSW	-
Superintendent David Hoadley, AFSM	NSW Rural Fire Service	1
Group Captain Jim Fahey	NSW Rural Fire Service Association	-
Group Captain William Bean	NSW Rural Fire Service Association	-
Mr Graham Brown	NSW Farmers Association	1
Mr Rob Pallin	NSW Nature Conservation Council	1

The Bush Fire Co-ordinating Committee (BFCC) Update 27 January 2015

The BFCC met on two occasions and attendances were as follows:

		Attendances/ Represented
Commissioner Shane Fitzsimmons, AFSM	NSW Rural Fire Service	2
Deputy Commissioner Jim Smith, AFSM	Fire & Rescue NSW	2
Dr Ross Dickson	Department of Trade & Investment, Regional Infrastructure and Services Department of Primary Industries Forestry Corporation	1
Mr Bob Conroy	Department of Premier and Cabinet Office of Environment and Heritage National Parks & Wildlife Service Parks & Wildlife Service	1
Cr Allan Smith JP	Local Government NSW	2
Cr Ray Donald	Local Government NSW	1
Superintendent David Hoadley, AFSM	NSW Rural Fire Service Association	2
Assistant Commissioner Denis Clifford, APM JP	NSW Police Force	Nil
Ms Anne Reeves, OAM	Nominee of the Minister for the Environment	2
Mr Rob Pallin	Nature Conservation Council of NSW	1
Mr Graham Brown	NSW Farmers Association	2
Dr Allison Rowlands	Ministry for Police and Emergency Services, (Disaster Welfare)	1
Mr Tim Wilkinson	Department of Finance and Services Land & Property Information NSW Trade & Investment	2
Mr Andrew Lewis	NSW Trade & Investment – Energy Industry & Investment	2

Fire Services Joint Standing Committee (FSJSC)

The FSJSC met on three occasions and attendances were as follows:

		Attendances/ Represented
Commissioner Greg Mullins, AFSM	Fire & Rescue NSW	2
Commissioner Shane Fitzsimmons, AFSM	NSW Rural Fire Service	2
Assistant Commissioner Rob McNeil, AFSM	Fire & Rescue NSW	2
Superintendent Paul McGuiggan	Fire & Rescue NSW	2
Assistant Commissioner Stuart Midgley, AFSM	NSW Rural Fire Service	3
Mr Jim Casey	Fire Brigades Union of NSW	3
Group Captain Brian McKinlay, AFSM (ret)	NSW Rural Fire Service Association	2
Deputy Commissioner Rob Rogers, AFSM	NSW Rural Fire Service	3

Local Government NSW Liaison Committee (LGLC)

The LGLC met on one occasion and attendance was as follows:

		Attendance/ Represented
Commissioner Shane Fitzsimmons, AFSM	NSW Rural Fire Service	Nil
Cr Keith Rhoades, AFSM	Local Government NSW	Nil
Mr Richard Lyons	NSW Rural Fire Service	1
Mr Ken Middleton	NSW Rural Fire Service Association	1
Cr Chris Manchester	Local Government NSW	1
Mr Stephen O'Malley	NSW Rural Fire Service	1
Mr Sacha Moege	Local Government NSW	1

Corporate Executive Group (CEG)

The CEG met on six occasions during the reporting period and attendances were as follows:

Name	Agency	Attendance
Commissioner Shane Fitzsimmons, AFSM	NSW Rural Fire Service	6
Deputy Commissioner Rob Rogers, AFSM	NSW Rural Fire Service	4
Mr Richard Lyons	NSW Rural Fire Service	4
Ms Bronwyn Jones	NSW Rural Fire Service	6
Assistant Commissioner Bruce McDonald, AFSM	NSW Rural Fire Service	5
Mr Stephen O'Malley	NSW Rural Fire Service	5
Chief Superintendent Brett Condie	NSW Rural Fire Service	6
Chief Superintendent Ken Hall	NSW Rural Fire Service	6
Mr Paul Smith	NSW Rural Fire Service	6
Superintendent Jason Heffernan	NSW Rural Fire Service	5
Superintendent David Hoadley, AFSM	NSW Rural Fire Service	3
Mr Tim Arnott	NSW Rural Fire Service Association	5

Audit and Risk Committee

The Audit and Risk Committee met on six occasions and attendances were as follows:

Name	Role	Attendance
Mr Arthur Butler	Independent Chairman	6
Dr Dale Cooper	Independent Member	5
Ms Gerardine Brus	Independent Member	1
Mr Richard Lyons	Director Executive Services, NSW RFS	5

Appendix W

International Travel - Approvals from 1 July 2013 to 30 June 2014

Date	Country	Officer/s	Trip details
26 October – 11 November 2013	Botswana	Russell Taylor Danny Busch	Third NSW RFS deployment Phase IV Botswana Fire Management Program 2013.
4 – 20 November 2013	Bangkok	Brian Graham	Deliver training sessions on disaster management at Asian Regional Training Course.
15 – 22 March 2014	USA	Stuart Midgley	To attend the International Association of Fire Chiefs Wildland Urban Interface Conference, and participate in associated meetings.
25 February – 15 March 2014	Botswana	Allyn Purkiss <i>Pat Bradley</i>	Phase IV Botswana Fire Management Program.
16 May – 3 June 2014	Botswana	Bruce McDonald Russell Taylor Allyn Purkiss	To report on the design of the first Fire Risk Plan for the environmentally sensitive area of the CKGR – a major wildlife and conservation area and significant tourist destination.
30 May – 17 June 2014	Botswana	Bob Mathieson Danny Busch <i>Liz Ferris</i> <i>Kevin McCosker</i> <i>Guy Baddock</i>	Further training in Fire Investigation which is specified in the contract between AusAID and NSW RFS and the Work Plan for Phase IV.
13 June – 3 July 2014	Saudi Arabia Thailand	Brian Graham	To discuss the Memorandum of Understanding and potential future opportunities with the newly appointed Executive Director ADPC, Shane Wright.

NOTE: Italics indicate volunteers

Appendix X

Annual Report costs

The Organisational Communications team is responsible for the production of the Annual Report. The total external costs incurred in the production of this report were \$0.

The report is accessible on the NSW RFS website www.rfs.nsw.gov.au.

Copies may be obtained by emailing organisational.communications@rfs.nsw.gov.au or from the NSW RFS Headquarters, 15 Carter St, Lidcombe.

Appendix Y

Risk management and insurance

Total deposit premiums (Excluding GST) Paid	2013/14 \$	2012/13 \$	2011/12 \$	2010/11 \$
Workers compensation – salaried staff	758,513	1,075,260	790,510	497,540
Workers compensation – volunteers	2,000,000	2,000,000	3,000,000	3,000,000
Motor vehicle	4,981,140	3,722,780	3,939,380	250,690
Public liability	3,457,420	3,376,260	3,223,740	3,185,020
Property	36,010	53,390	64,310	36,360
Other	11,370	16,410	-	38,010
Totals	11,244,453	10,244,100	11,017,940	7,007,620

Insurance coverage is provided by the NSW Treasury Managed Fund for all areas except for workers compensation coverage for volunteers. NSW RFS volunteers are covered by the Bush Firefighters Compensation Fund Administered by the WorkCover Authority.

During the reporting period the NSW RFS received an Interim Hindsight (three year) refund adjustment of \$55,085 for Staff Workers Compensation coverage for the 2008/09 financial year and a Final Hindsight Adjustment (five year) refund for Staff Workers Compensation of \$40,464 for 2006/07.

Appendix Z

Review of use of credit cards

30 June 2014

Corporate credit cards are available to approved staff of the NSW RFS upon the approval of the Chief Financial Officer or delegate.

NSW RFS corporate and purchasing credit cards are used for approved business related expenditure.

Credit Card transactions by cardholders are reviewed by officers within the NSW RFS and any irregularities are reported to management.

I certify that credit card use in the NSW RFS has been in accordance with the established NSW RFS Policy, Premier's Memoranda and Treasurer's Directions. During the year one incident of a credit card being used for purposes outside of our policies were identified. These matters were investigated and appropriate action was taken.

SIGNED: Shane Fitzsimmons, AFSM

NSW RFS Commissioner

Appendix AA

Payment performance

Aged analysis at the end of each quarter 2013/14

Quarter	Current (i.e. within due date) \$'000	Less than 30 days overdue \$'000	Between 30 and 60 days overdue \$'000	Between 61 and 90 days overdue \$'000	More than 90 days overdue \$'000
All suppliers					
September	282	3,530	0	0	332
December	2,617	2,969	268	22	332
March	271	3,402	17	888	123
June	1,115	13,210	178	278	129
Small business suppliers					
September	0	0	0	0	0
December	0	0	0	0	0
March	130	0	0	0	0
June	0	0	0	0	0

Payment performance (cont)

Accounts due or paid within each quarter 2013/14

Measure	Sept 2013	Dec 2013	Mar 2014	Jun 2014
All suppliers				
Number of accounts due for payment	6,791	10,829	9,923	8,439
Number of accounts paid on time	6,399	7,494	6,296	6,061
Actual percentage of accounts paid on time (based on number of accounts)	94.2%	69.2%	63.4%	71.8%
Dollar amount of accounts due for payment \$'000	63,888	133,013	93,835	57,947
Dollar amount of accounts paid on time \$'000	58,560	110,235	75,727	40,413
Actual percentage of accounts paid on time (based on \$)	91.7%	82.9%	80.7%	69.7%
Number of payments for interest on overdue accounts	0	0	0	0
Interest paid on overdue accounts	0	0	0	0
Small business suppliers				
Number of accounts due for payment to small businesses	56	19	36	62
Number of accounts due to small businesses paid on time	56	19	36	48
Actual percentage of small business accounts paid on time (based on number of accounts)	100%	100%	100%	77.4%
Dollar amount of accounts due for payment to small businesses \$'000	832	245	285	515
Dollar amount of accounts due to small businesses paid on time \$'000	832	245	285	448
Actual percentage of small business accounts paid on time (based on \$)	100%	100%	100%	87.0%
Number of payments to small business for interest on overdue accounts	0	0	0	0
Interest paid on overdue accounts	0	0	0	0

NOTE: NSW RFS continues to inform all small business vendors of the advantages of being registered as a small business supplier.

Appendix BB

Engagement of Consultants

During the reporting period three consultants were engaged at a total cost of \$123,459.

Consultancies equal to or more than \$50,000	Cost (\$)
Personnel and industrial	
Diplomacy Management Consulting (Industrial relations advocacy service)	95,406
Consultancies less than \$50,000	
Accounting general	
Disaster Mastermind Pty Ltd (Strategic Development)	8,190
Loop Technology Pty Ltd (Dual Factor Authorisation Consultancy)	19,863
Total Consultancies	123,459

Appendix CC

Funds Granted to non-government organisations

	Program Area	2010/11	2011/12	2012/13	2013/14	Nature and purpose
Nature Conservation Council	Operation	108,255	111,796	115,485	118,372	Annual funding to allow the Council to meet its responsibilities under the <i>Rural Fires Service Act 1997</i> .
Volunteer Units	Emergency Management NSW	8,418,702*	0	0	0	Funding support for NSW Volunteer Rescue Association, Marine Rescue NSW and various volunteer brigades and stations
Total		8,526,957	111,796	115,485	118,372	

NOTE: The Public Sector Employment and Management (Departments) Order 2011 issued in April 2011 abolished Emergency Management NSW and transferred its operation to the Ministry for Police and Emergency Services. The figure included in the above table reflects operations up to 31 March 2011.

GLOSSARY

AFAC	Australasian Fire and Emergency Services Authorities Council
AFSM	Australian Fire Service Medal
AIDER	Assist Infirm, Disabled and Elderly Residents
BFCC	Bush Fire Co-ordinating Committee
BFHC	Bush Fire Hazard Complaint
BFIL	Bush Fire Information Line
BFMC	Bush Fire Management Committee
BNHCRC	Bushfire and Natural Hazards Cooperative Research Centre
BRIMS	Bush Fire Risk Information Management System
CEG	Corporate Executive Group
CFU	Community Fire Unit
CISS	Critical Incident Support Services
CPP	Community Protection Plan
CRC	Cooperative Research Centre
EAM	SAP Enterprise Asset Management project
EEO	Equal Employment Opportunities
FBA	Fire Behaviour Analysis
FCC	Fire Control Centre
FRNSW	Fire & Rescue NSW
FSJSC	Fire Services Joint Standing Committee
GIPA	Government Information (Public Access)
GIS	Geographic Information System
<i>GSE Act</i>	<i>Government Sector Employment Act.</i>
ICON	Incident Control On Line
IMT	Incident Management Team
LGA	Local Government Area
MAA	Mutual Aid Agreement
MIC	Major Incident Coordination
MICC	Major Incident Coordination Centre
MLU	Ministerial Liaison Unit
MoU	Memorandum of Understanding
MyRFS	www.myrfs.nsw.gov.au – volunteer extranet
NGWSP	Next Generation Workforce Strategic Plan
NPWS	National Parks and Wildlife Service (NSW)
NSP	Neighbourhood Safer Places
NSW RFS	NSW Rural Fire Service
NSW SES	NSW State Emergency Service
PSU	Professional Standards Unit
RAFT	Remote Area Firefighting Team
RART	Rapid Aerial Response Team
RFSANZ	Rural Fire Service Association
RFSAC	Rural Fire Service Advisory Council
s44	Section 44 of the <i>Rural Fires Act 1997</i> (declaration of major fire emergency)
SOC	State Operations Centre
SOE	Standard Operating Environment
SOP	Standard Operating Procedure
SWS	Static Water Supply
V2C	Volunteer to Career

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UPDATE 27 JANUARY 2015

The table indicating attendance at the Bush Fire Coordinating Committee on page 133 has been updated.